

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF MISSISSIPPI
OXFORD DIVISION**

**OAK CASK, LLC d/b/a CORK & BARREL, individually
and on behalf of all others similarly situated**

PLAINTIFF

v.

CIVIL ACTION NO. 3:26-cv-269-DMB-RP

RUAN TRANSPORT CORPORATION

DEFENDANT

**CLASS ACTION COMPLAINT FOR DAMAGES
JURY TRIAL DEMANDED**

Plaintiff Oak Cask, LLC d/b/a Cork & Barrel (“Plaintiff” or “Cork & Barrel”), by and through undersigned counsel, and file this its Complaint against Defendant Ruan Transport Corporation (“Defendant” or “Ruan”), pursuant to Federal Rule of Civil Procedure 23 and the Class Action Fairness Act, 28 U.S.C. § 1332(d), and alleges as follows:

I. PARTIES

1. Plaintiff Cork & Barrel is a liquor package store formed under the laws of Mississippi with a principal place of business in Hernando, DeSoto County, Mississippi. Plaintiff Cork & Barrel is in the liquor package store business.

2. Plaintiff is a licensed ABC permittee authorized to purchase and sell alcoholic beverages in the State of Mississippi.

3. Defendant Ruan is a foreign corporation formed under the laws of Iowa with a principal place of business at 3200 Ruan Center, 666 Grand Avenue, Des Moines, Iowa 50309.

4. Defendant is registered to do business in the State of Mississippi and may be served with process of this Court upon its registered agent, CT Corporation System, 8927 Lorraine Road, Suite 204-A, Gulfport, Mississippi 39503.

5. Defendant is the contracted third-party operator of the Liquor Distribution Center located in Gluckstadt, Madison County, Mississippi, pursuant to a contract with the Mississippi Department of Revenue dated March 1, 2023.

II. JURISDICTION AND VENUE

6. This Court has original jurisdiction over this class action pursuant to the Class Action Fairness Act, 28 U.S.C. § 1332(d)(2), because (a) the matter in controversy, aggregated across all class members, exceeds \$5,000,000, exclusive of interest and costs, see 28 U.S.C. § 1332(d)(6); (b) the proposed class includes more than 100 members, see 28 U.S.C. § 1332(d)(5)(B); and (c) minimal diversity exists in that Plaintiffs and members of the putative class are citizens of Mississippi and Defendant Ruan is a citizen of Iowa, having been incorporated under the laws of Iowa with its principal place of business at 3200 Ruan Center, 666 Grand Avenue, Des Moines, Iowa 50309. See 28 U.S.C. § 1332(d)(2)(A). See also Plaintiffs FRCP 7.1 disclosure statement.

7. **No CAFA Exception Applies.** Neither the “home state” exception, 28 U.S.C. § 1332(d)(4)(B), nor the “local controversy” exception, 28 U.S.C. § 1332(d)(4)(A), bars the exercise of jurisdiction in this action. Both exceptions require that the primary defendant (or, for the local controversy exception, a defendant from whom significant relief is sought and whose conduct forms a significant basis for the claims) be a citizen of the State in which the action was filed. Defendant Ruan, the sole defendant in this action, is a citizen of Iowa, not Mississippi.

8. Plaintiff is a citizen of Mississippi and organized under the laws of Mississippi with its principal place of business in Hernando, DeSoto County, Mississippi. Plaintiff’s members are Jared Shurden, a citizen of Mississippi and domiciled in Nesbitt, DeSoto County, Mississippi and Diane Shurden, a citizen of Mississippi and domiciled in Nesbitt, DeSoto County, Mississippi.

9. Defendant is a citizen of Iowa, being a corporation with its principal place of business in Des Moines, Iowa.

10. The amount in controversy exceeds seventy-five thousand dollars based on the aggregate claims of the proposed class, which include lost revenue, lost profits, charges for undelivered goods, harm to business reputation and goodwill, and other damages resulting from a backlog of approximately 199,000 to 220,000 unshipped cases affecting all licensed ABC permittees statewide over a period of approximately five to six months.

11. Alternatively, this Court has supplemental jurisdiction over state law claims pursuant to 28 U.S.C.S. § 1367, as all claims arise from the same case or controversy under Article III of the United States Constitution.

12. This Court has personal jurisdiction over Ruan pursuant to Miss. Code Ann. § 13-3-57, because Defendant is a nonresident corporation that has made a contract with residents of Mississippi to be performed in whole or in part in Mississippi, has committed torts in whole or in part in Mississippi against residents of Mississippi, and has done business and performed work and services in Mississippi.

13. Specifically, Defendant entered into a contract with the Mississippi Department of Revenue to operate the ABC warehouse in Gluckstadt, Mississippi, and has conducted substantial and continuous business in Mississippi by operating the sole ABC distribution warehouse serving all licensed permittees in the state.

14. The claims herein arise directly from Defendant's operations in Mississippi.

15. Venue is proper in the Northern District of Mississippi pursuant to 28 U.S.C.S. § 1391, because a substantial part of the events or omissions giving rise to the claims occurred in the

Northern District of Mississippi, and Plaintiff is located in Hernando, DeSoto County, Mississippi, which is within the Northern District of Mississippi, Oxford Division.

III. STATEMENT OF FACTS

A. Mississippi's Alcoholic Beverage Control System

16. Mississippi is a control state in which the state government acts as the sole wholesaler for distilled spirits and wine.

17. Miss. Code Ann. § 67-1-41 grants the Mississippi Department of Revenue sole authority to regulate and Wholesale alcoholic beverages throughout the state.

18. All licensed permittees in the State of Mississippi, including package stores, restaurants, bars, and casinos, are required by law to purchase their spirits and wine inventory exclusively through the ABC warehouse.

19. Permittees are prohibited from purchasing wholesale spirits or wine from any other source.

20. The ABC warehouse, located in Gluckstadt, Madison County, Mississippi, is the single point of wholesale distribution for all alcoholic beverages in the state, serving all active permittees.

B. Senate Bill 2844 and the Ruan Contract

21. In 2022, the Mississippi Legislature passed Senate Bill 2844, which mandated the Mississippi Department of Revenue to contract with a third-party operator for the operations of the ABC warehouse and distribution system.

22. The entire purpose of Senate Bill 2844 and the resulting contract was to improve distribution services to licensed permittees.

23. The Legislature specifically enacted Senate Bill 2844 to address longstanding distribution problems harming permittees.

24. In response to a request for proposals, the Mississippi Department of Revenue received four proposals and selected Ruan Transport Corporation as the best and most responsive proposal, with a score of 88 out of 100 points.

25. On or about March 1, 2023, the Mississippi Department of Revenue entered into a Contract for the Operation of the State Alcoholic Beverage Warehouse with Defendant.

26. The Contract was approved by the Public Procurement Review Board at its March 2023 meeting.

27. Defendant commenced warehouse operations on June 19, 2023.

28. The Contract provides for a four-year initial term with an option for two four-year renewals, for a maximum term of twelve years.

29. The Contract provides for payment to Defendant on a per-case fee basis, beginning at \$2.22 per case in year one and increasing to \$2.64 per case in year four.

C. Defendant's Contractual Obligations

30. Under Section 4. D of the Contract, Defendant agreed to be responsible for the administrative management of the warehousing, order processing, and truck loading functions, including the management of its warehouse personnel.

31. Under Section 4. E of the Contract, Defendant agreed to recruit, hire, and retain sufficient qualified employees to operate the Liquor Distribution Center.

32. Under Defendant's Proposal, Section 4.1. 2.2, incorporated into the Contract as Exhibit A, Defendant committed that orders entered by the daily cutoff time would be processed, picked, loaded, and delivered to permittees the following business day.

33. This next-business-day delivery standard is a binding obligation under the Contract's order of precedence.

34. Under Defendant's Proposal, Section 4.1. 3.5, also incorporated as Exhibit A, Defendant committed to handle the entire warehouse technology implementation internally using its own personnel.

35. Defendant represented that it had the experience and capability to implement a warehouse of this size and scope without reliance on third-party entities.

36. Defendant estimated approximately 1,050 hours of implementation work.

D. The Warehouse Crisis

37. In early January 2026, the ABC warehouse underwent a planned shutdown for annual inventory.

38. During this period, Defendant implemented a new software management system, known as a warehouse management system or WMS.

39. The new software system implemented by Defendant was not compatible with the existing conveyor belt system used to load delivery trucks at the warehouse.

40. As a direct result of this incompatibility, three of the four conveyor belt lines at the warehouse were removed from service.

41. The software contractor responsible for providing support for the conveyor belt system ceased providing those services.

42. Rather than having a functional contingency plan in place, Defendant reverted the warehouse to a dramatically slower manual pick and pallet system for loading trucks.

43. This resulted in a massive and ongoing reduction in the warehouse's throughput capacity.

44. As of the February 17-18, 2026 legislative hearing, the warehouse had accumulated a backlog of approximately 199,000 unshipped cases of alcoholic beverages.

45. As of March 1, 2026, that number was estimated to be in excess of 220,000 unshipped cases.

46. It was anticipated through legislative oversight testimony that the backlog would not be reduced by half until March 2026 at the earliest and would not be fully resolved until May 2026.

E. Harm to Class Members

47. Prior to the crisis, Class members routinely received orders from the ABC warehouse within one to three business days of placing an order.

48. Beginning in late December 2025 and early January 2026, Class members' orders placed through the MARS ordering system were not fulfilled, were fulfilled only partially, or were delayed by several weeks.

49. Accordingly, store inventory was significantly diminished during seasonal peak times leaving partially empty shelves and a lack of the most purchased retail items.

50. In February 2026, the ABC warehouse stopped accepting incoming product, causing a complete lack of availability of staple retail items for Class members' stores and restaurants.

51. Because Mississippi law requires Class members to purchase spirits and wine exclusively through the ABC warehouse, Class members had no legal ability to obtain product from any alternative source to mitigate their losses.

52. As a direct and proximate result of Defendant's failure to operate the warehouse and fulfill orders consistent with the terms of the Contract, Class members have suffered lost revenue from inability to sell products not delivered.

53. Class members have suffered lost profits from reduced foot traffic and customer diversion to competing businesses or out-of-state sources.

54. Class members have suffered harm to business reputation and goodwill, including customer loss.

55. Class members have suffered ongoing losses from diminished inventory and loss of business income.

56. The severity of the disruption was such that store owners sought the Governor's declaration of a State of Emergency.

57. Defendant billed Class members through the MARS system for product that was not delivered or was only partially delivered.

58. The Mississippi Department of Revenue acknowledged billing errors at the February 17, 2026 legislative hearing.

IV. CLASS ACTION ALLEGATIONS

59. Plaintiff brings this action on behalf of itself and all others similarly situated pursuant to Fed R. Civ. P. 23.

60. Plaintiff seeks to represent the following class and subclasses:

Class Definition: All licensed ABC permittees in the State of Mississippi who purchased or attempted to purchase alcoholic beverages through the ABC warehouse operated by Defendant during the period from December 20, 2025 through May 1, 2026.

61. Excluded from the Class are Defendant, including its officers, directors, employees, and affiliates, and the Court and its staff.

62. **Numerosity:** The Class is so numerous that joinder of all members is impracticable. Upon information and belief, there are thousands of licensed ABC permittees in Mississippi, including hundreds of restaurants and hundreds of liquor stores, all of which were affected by Defendant's warehouse crisis. The exact number and identities of Class members are readily ascertainable from the records of the Mississippi Department of Revenue and Defendant's records.

63. **Commonality:** There are questions of law and fact common to the Class, including:

- a. Whether a valid and enforceable contract exists between the Mississippi Department of Revenue and Defendant for the operation of the ABC warehouse.
- b. Whether Class members are intended third-party beneficiaries of the contract between the Mississippi Department of Revenue and Defendant.
- c. Whether Defendant breached the contract by failing to perform administrative management of warehousing and order processing, implementing an incompatible warehouse management system, removing conveyor belt lines without a functional replacement system, failing to guarantee next-business-day delivery, and failing to recruit, hire, and retain sufficient qualified employees.
- d. Whether Defendant was unjustly enriched by retaining per-case fees for warehouse and delivery services it failed to perform.
- e. Whether Class members suffered damages as a direct and proximate result of Defendant's conduct.
- f. The nature and measure of damages sustained by Class members.

64. **Typicality:** The claims of Plaintiff are typical of the claims of the Class. Plaintiff, like all Class members, is a licensed ABC permittee who was required by law to purchase alcoholic beverages exclusively through the ABC warehouse operated by Defendant. Plaintiff, like all Class members, placed orders through the MARS ordering system that were not fulfilled, were fulfilled only partially, or were delayed by several weeks beginning in late December 2025 and continuing through at least May 1, 2026. Plaintiff, like all Class members, suffered lost revenue, lost profits, diminished inventory during peak seasons, harm to business reputation and goodwill, and other damages as a direct result of Defendant's breach of contract, and unjust enrichment. Plaintiff, like all Class members, had no legal ability to obtain product from alternative sources to mitigate its losses because Mississippi law requires all permittees to purchase spirits and wine exclusively through the ABC warehouse.

65. **Adequacy:** Plaintiff will fairly and adequately protect the interests of the Class. Plaintiff has retained experienced counsel competent in class action litigation and complex commercial litigation. Plaintiff has no interest antagonistic to or in conflict with the interests of the Class. Plaintiff is committed to vigorously prosecuting this action on behalf of the Class and has the financial resources to do so.

66. **Predominance and Superiority:** The questions of law and fact common to Class members predominate over any questions affecting only individual members, and a class action is superior to other available methods for the fair and efficient adjudication of this controversy. The common questions identified above predominate over any individual questions because Defendant's conduct affected all Class members uniformly. All Class members are subject to the same contractual obligations under the contract between the Mississippi Department of Revenue and Defendant. All Class members were subject to the same warehouse crisis caused by Defendant's implementation of an incompatible warehouse management system and removal of conveyor belt lines. All Class members suffered the same types of damages: lost revenue, lost profits, diminished inventory, harm to business reputation and goodwill, and charges for undelivered goods. Damages are calculable on a class-wide basis using Defendant's records of unshipped cases, billing records, and Class members' sales records. A class action is superior to other methods of adjudication because individual litigation would be impracticable given the relatively modest damages likely suffered by many individual Class members compared to the cost of litigation. A class action will achieve economies of time, effort, and expense, and promote uniformity of decision as to persons similarly situated. No unusual difficulties are likely to be encountered in the management of this class action. The Class is readily identifiable from Defendant's records and the records of the Mississippi Department of Revenue.

V. CLAIMS FOR RELIEF

Count I

Breach of Contract (Third-Party Beneficiary) against Defendant

67. Plaintiff repeats and realleges the allegations set forth in paragraphs 1 through 65 as if fully set forth herein.

68. A valid and enforceable contract exists between the Mississippi Department of Revenue and Defendant.

69. The Contract was executed on or about March 1, 2023, for the operation of the ABC warehouse.

70. Plaintiff and all Class members are third-party beneficiaries of the Contract.

71. The Contract was entered into for the express purpose of providing warehouse and distribution services to licensed ABC permittees, including Plaintiff and all Class members.

72. Plaintiff and all Class members are members of the specifically identified class of beneficiaries, licensed ABC permittees, for whose benefit the Contract was made.

73. The Contract references permittees throughout, establishes the MARS ordering system for permittee use, and requires next-workday delivery to permittee locations.

74. The entire purpose of the Contract and the enabling legislation, Senate Bill 2844, was to improve distribution services to licensed permittees.

75. Permittees are the direct, intended recipients of the warehouse services.

76. The Legislature specifically enacted Senate Bill 2844 to address longstanding distribution problems harming permittees.

77. The Mississippi Department of Revenue had a substantial and articulate interest in the welfare of Plaintiff and all Class members as demonstrated by the legislative purpose of Senate Bill 2844.

78. Plaintiff and all Class members are not mere incidental beneficiaries but are intended, contemplated beneficiaries of the Contract.

79. Defendant breached the Contract.

80. Defendant failed to perform its obligation of administrative management of warehousing and order processing as required by Section 4.D of the Contract.

81. Defendant implemented a new warehouse management software system that was incompatible with existing conveyor belt equipment, without adequate testing of the implementation or having a contingency plan.

82. Defendant removed conveyor belt lines from service without a functional replacement system, resulting in a catastrophic reduction in warehouse throughput.

83. Defendant failed to guarantee next-business-day delivery to permittees as required by Defendant's Proposal, Section 4.1. 2.2, which was incorporated as Exhibit A to the Contract.

84. Defendant failed to implement the warehouse management system using Defendant's own internal personnel as committed in Defendant's Proposal, Section 4.1.3.5, which was incorporated as Exhibit A to the Contract.

85. Defendant failed to ensure the new WMS was compatible with existing warehouse infrastructure before deploying it.

86. Defendant billed Plaintiff and Class members through the MARS system for product that was not delivered or was only partially delivered.

87. Defendant failed to recruit, hire, and retain sufficient qualified employees to operate the warehouse as required by Section 4.E of the Contract.

88. As a direct and proximate result of Defendant's breach, Plaintiff and all Class members have suffered damages.

89. Plaintiff and all Class members have suffered lost revenue from inability to sell products not delivered.

90. Plaintiff and all Class members have suffered lost profits from reduced foot traffic and customer diversion to competing businesses or out-of-state sources.

91. Plaintiff and all Class members have suffered harm to business reputation and goodwill, including customer loss.

92. Plaintiff and all Class members have suffered ongoing losses from diminished inventory and loss of business income.

Count II

Unjust Enrichment

93. Plaintiff repeats and realleges the allegations set forth in paragraphs 1 through 91 as if fully set forth herein.

94. In the alternative, and in the event this Court determines that Plaintiff and Class members are not intended third-party beneficiaries of the Contract between the Mississippi Department of Revenue and Defendant, Plaintiff alleges as follows.

95. Defendant received a benefit.

96. Plaintiff and Class members placed orders for spirits and wine through the MARS ordering system and paid the Mississippi Department of Revenue for those orders.

97. A portion of the amounts paid by Plaintiff and Class members was remitted to Defendant as per-case fees under the Contract for warehouse operations and delivery services.

98. Defendant received the benefit of per-case fees attributable to Plaintiff's and Class members' orders.

99. Defendant knew or should have known of the benefit.

100. Defendant knew that it was receiving per-case fees in exchange for providing warehouse operations and delivery services.

101. The per-case fees were calculated based on the number of cases ordered by permittees through the MARS ordering system.

102. Defendant retained the benefit under circumstances where it would be inequitable to do so.

103. Defendant failed to deliver the product for which Plaintiff and Class members were charged, or delivered only a portion of the product ordered.

104. The Mississippi Department of Revenue acknowledged billing errors at the February 17, 2026 legislative hearing.

105. Defendant has been enriched by its retention of fees for services it failed to perform.

106. Defendant's retention of per-case fees for warehouse and delivery services it failed to perform, while Plaintiff and Class members bore the cost of product ordered but not received, is inequitable and unjust.

107. Plaintiff and Class members had no alternative source of supply and were forced to pay for product they could not obtain.

108. Plaintiff and Class members suffered a loss as a result of Defendant's retention of the benefit.

109. Plaintiff and Class members suffered damages in the amount of all sums paid for product not delivered.

110. Plaintiff and Class members suffered additional consequential damages, including lost revenue, lost profits, and harm to business reputation and goodwill.

VI. PRAYER FOR RELIEF

WHEREFORE, Plaintiff, on behalf of itself and all Class members, respectfully requests that this Court enter judgment in its favor and against Defendant as follows:

1. An order certifying this action as a class action pursuant to Fed. R. Civ. P. 23, establishing the Class and Subclass definitions set forth herein, appointing Plaintiff as Class Representatives, and appointing Plaintiff's counsel as Class Counsel.
2. Compensatory damages against Defendant for all lost revenue suffered by Plaintiff and all Class members from inability to sell products not delivered, in an amount to be proven at trial.
3. Compensatory damages against Defendant for all lost profits suffered by Plaintiff and all Class members from reduced foot traffic and customer diversion to competing businesses or out-of-state sources, in an amount to be proven at trial.
4. Compensatory damages against Defendant for harm to business reputation and goodwill suffered by Plaintiff and all Class members, including customer loss and diminished brand value, in an amount to be proven at trial.
5. Compensatory damages against Defendant for charges for undelivered goods paid by Plaintiff and all Class members for products ordered through the MARS system but not delivered or only partially delivered, in an amount to be proven at trial.
6. Compensatory damages against Defendant for costs of mitigation incurred by Plaintiff and all Class members, in an amount to be proven at trial.
7. Compensatory damages against Defendant for ongoing losses from diminished inventory and loss of business income suffered by Plaintiff and all Class members, in an amount to be proven at trial.
8. Punitive damages against Defendant for reckless disregard for the rights and welfare of Plaintiff and all Class members and all similarly situated Mississippi businesses, in an amount to be determined by the jury.
9. Pre-judgment interest at the maximum rate allowed by law from the date of the breach until the date of judgment pursuant to Miss. Code Ann. § 75-17-1.
10. Post-judgment interest at the maximum rate allowed by law from the date of judgment until the date of payment pursuant to Miss. Code Ann. § 75-17-7.
11. Costs of this action, including reasonable attorneys' fees to the extent permitted by law or contract.
12. Such other and further relief as this Court may deem just and proper.

VII. JURY DEMAND

Plaintiff demands a trial by jury on all issues so triable.

Dated: September 10, 2026

**Oak Cask, LLC d/b/a Cork & Barrel,
Plaintiff, individually and on behalf of the Class**

BY: /s/ Timothy W. Porter
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**CONTRACT FOR THE OPERATION OF
THE STATE ALCOHOLIC BEVERAGE WAREHOUSE**

This agreement made and entered into this the 1st day of March, 2023, by and between the Alcoholic Beverage Control Division of the Mississippi Department of Revenue, Alcoholic Beverage Control Division, hereinafter referred to as the "Department," "State," or "ABC," and Ruan Transport Corporation, hereinafter designated as "Ruan", the "Operator" or "Contractor."

Witnesseth:

WHEREAS, the Mississippi Legislature passed Senate Bill 2844 during the 2022 regular session in which it directed the Department to procure a vendor to operate the Liquor Distribution Center (LDC) located in Gluckstadt, Mississippi;

WHEREAS, the services to be provided by the Operator include, but are not limited to, information technology services for order management, administrative management of the warehouse, order processing, truck loading and receiving and maintaining a staff of employees sufficient to carry out these responsibilities;

WHEREAS, the Department issued RFP #3120002542 (3rd Party Operation of the Alcoholic Beverage Control Division) and, as a result, determined that Ruan submitted the best and most responsive proposal; and

WHEREAS, the Public Procurement Review Board approved this award at its March 2023 meeting.

NOW THEREFORE, in consideration of the premises the parties hereto respectively agree and contract as follows:

1. DURATION

The initial term of this agreement shall commence upon approval by the Public Procurement Review Board (PPRB) for a maximum four-year initial term with an option of 2 four-year renewals. This contract cannot exceed twelve (12) years in duration. However, in accordance with Senate Bill No. 2844, the initial term will terminate on the earlier of four years from the contract commencement date or the last day of use of the warehouse that is in service on July 1, 2022. At the end of the initial term, the Department will either renew the existing contract or award the contract to a vendor after completing a request for proposal procurement process subject to PPRB approval.

EXHIBIT

tabbles

A

Unless stated otherwise via amendment, all terms and conditions of this Agreement shall continue through subsequent renewals even if the services are being performed at a location other than the LDC.

2. PER CASE FEE AND AVAILABILITY OF FUNDS

The per case fee paid to the Operator each year of the initial term shall be:

First Year: \$2.22
Second Year: \$2.35
Third Year: \$2.49
Fourth Year: \$2.64

This case fee shall be paid for every case processed by the Operator and shipped. The Operator may submit a request for a price increase at the time of any future renewal. Such price increase shall be based on an increase in actual costs to the Operator, and the Operator must submit documentation of such increase to the Department prior to any such increase in price.

It is expressly understood and agreed that the obligation of the Department to proceed under this agreement may be conditioned upon the appropriation of funds by the Mississippi State Legislature and the receipt of state and/or federal funds. If the funds anticipated for the continuing fulfillment of the agreement are, at anytime, not forthcoming or insufficient, either through the failure of the federal government to provide funds or of the State of Mississippi to appropriate funds or the discontinuance or material alteration of the program under which funds were provided or if funds are not otherwise available to the Department, the Department shall have the right upon ten (10) working days written notice to the contractor, to terminate this agreement without damage, penalty, cost or expenses to the state of any kind whatsoever. The effective date of termination shall be as specified in the notice of termination. The Department shall compensate Operator for all work performed by Operator prior to the effective date of termination.

3. ABC'S RESPONSIBILITIES

- A. As stated in Senate Bill 2844, the Department agrees to pay regular maintenance expenses incurred at the Liquor Distribution Center. "Regular maintenance" is defined as monthly overhead expenses, including but not limited to, utilities, facility shell and exterior cleaning services and lawn care. Utilities will include electric, natural gas, and water/sewer.
- B. As stated in Senate Bill 2844, the Department agrees that the operator will be allotted a monthly spending limit for occasional improvements the amount of which will be set by the Department at its sole discretion. "Occasional improvements" is defined as "items of maintenance, repairs, upgrades or other improvements for the warehouse or its equipment that are not performed on a

monthly basis." It shall include, but not be limited to, purchases of new material handling equipment and WMS upgrades that meet this definition. Any such equipment purchased using these funds will be the property of the Department.

Based on current shipping projections, the monthly spending limit for occasional improvement shall be \$90,000.00. This amount is subject to change depending on the special fund level from which these funds are derived. However, at no time shall the set limit be above \$90,000.00 unless approved for that month by the Department as stated herein.

The Operator will receive prior approval from an authorized representative of the Department before it may spend any amounts above the monthly allotment.

The Department may, at any time, review the Operator's spending. The Operator shall obtain prior Department approval for any spending over the monthly limit set in the contract for occasional improvements. The Operator may pay for these improvements out of pocket, in which case the Department will reimburse the operator on a monthly basis out of monies in the ABC Warehouse Improvements Fund so long as such payments are made in accordance with the requirements of this contract.

- C. As stated in Senate Bill 2844, the Department's Commissioner will designate an employee of the Department as a contract compliance officer who shall monitor the contract between the Department and the Operator. The contract compliance officer will be responsible for monitoring all aspects of the warehouse. Operator agrees to provide the officer with an on-site work area. The officer will be on-site on a daily basis, and will have access to all areas of the warehouse and staff at all times. The Operator agrees to provide any and all data, reports and other materials that the officer determines are necessary to carry out monitoring responsibilities.
- D. As stated in Senate Bill 2844, the Department will remain responsible for purchasing and selling alcoholic beverages, including distilled spirits and wine, as defined by Miss. Code Section 67-1-5 (1972)(as amended). The Department will transmit orders to the Operator on a daily basis. The Department will also remain responsible for listing and delisting product. The Department will continue to allow for special orders on new products, allocated products and products that do not meet quota to be a listed product. All orders will continue to be purchased by ABC permittees through the Department's TAP system.

4. MINIMUM SPECIFICATIONS

- A. Except as stated herein, the Operator shall act in a manner in accordance with its proposal submitted in response to a separate RFP #3120002542 while providing service under this Agreement. A true and correct copy of the Operator's proposal is attached to this Agreement as Exhibit A.

B. A true and correct copy of all Amendments to the separate RFP #3120002542 is attached hereto as Exhibit B. The ABC's answers listed in these amendments are hereby incorporated into this Agreement as Exhibit B.

C. A true and correct copy of the RFP #3120002542 is attached hereto as Exhibit C. The RFP is hereby incorporated into this Agreement as Exhibit C.

In the event of any conflict in the terms of this Agreement and any of the exhibits made a part thereof, the following order of precedence shall control: Agreement, then Exhibit A, then Exhibit B, then Exhibit C.

D. The Operator agrees to be responsible for administrative management of the warehousing, order processing, and truck loading functions including, without limitation, the management of its warehouse personnel;

E. The Operator agrees to recruit, hire and retain sufficient qualified employees to operate the Liquor Distribution Center. The Operator may use seasonal or temporary employees as needed;

F. The Operator agrees to:

- Maintain a clean and dry facility.
- Adequately secure the facility to prevent pilferage, theft, break-in or damage.
- Provide security 24-hours per day, seven days per week.
- Provide and maintain the required lift truck equipment, mobile equipment and equipment batteries for warehouse operations.

G. The Operator agrees to compile and maintain performance metrics. Performance will be measured by key performance indicators ("KPIs") for service, cost, and exceptions. On a weekly basis, the supplier will supply MS ABC with results from the prior week. To the extent the system and process allows, recommended KPIs include:

- Cost metric – provide cost metrics - cost/case, cost/order, etc.
- Productivity metric – receiving rate per hour, pick rate per hour measured against established goals and mis-picks.
- Inventory Count Accuracy by Location on a weekly basis – performed utilizing cycle counts,
- Fill rate for licensee orders measured against an established metric;
- Percentage of orders that are shipped complete, with no item exceptions.
- Percentage of deliveries that are shipped with no exceptions.
- Warehouse exceptions
- Shortages measured by cases short on a delivery.

- Overages measured by cases over on a delivery.
 - Breakage/Damage measured by product value in dollars.
 - On a monthly basis, the Operator will meet with the MS ABC Division to review the performance metrics listed above, the results, and have a general discussion of the operation. The monthly review should be utilized for a general evaluation of the operator performance, issue resolution and vetting of improvement opportunities. At each monthly review, there will be discussions of the KPIs listed above, with improvement plans for performance below acceptable levels and recognition noted for exceeding requirements.
- H. The Operator agrees that it will reimburse MS ABC Division for breakage/damage within the Warehouse Operations. The Operator will be required to credit the Department for each bottle damaged in receiving, put away, warehousing, picking and/or loading. The cost is FOB. The Operator will be responsible for paying for any product damage that occurs while the product is in its possession and is not responsible for damage that occurs prior to its receipt. Once the products have been loaded, damages to the products will be handled pursuant to the terms of the shipping contracts.
- I. As stated in Miss. Code Section 27-71-11 (1972)(as amended), the Parties agree that an ABC Permittee's order shall qualify for shipping when it includes the minimum number of cases of alcoholic beverages as set by the Department. The Department will place qualifying orders in a queue for shipment in the order in which the orders are made. As order of fewer than the minimum number of cases ("special order") will be added to the permittee's next qualified shipment.
- J. As stated below, the Operator will at least initially utilize the Department's MARS system to the extent required to provide services under this Agreement. Should the parties determine that it is in the best interest of the State to implement the Operator's WMS system with MARS, the Operator agrees to maintain and produce reports to the MS ABC Division on request at no additional fee to include but not limited to the following, including all documentation required by federal and state laws:
- Annual Financial Audit including Management Letter.
 - Annual Inventory Reports.
 - Stock status – Out of Stock/Low stock reports, Over Stock/Under Stock reports.
 - Cases shipped/extra loads reports.
 - Monthly shipments and comparison reports.
- K. The Operator agrees to cooperate with the Department on all regulatory compliance matters.

- L. As stated in Senate Bill 2844, the Operator agrees to defend any suit or claim brought against the State arising out of any act or omission in operations, and shall hold the state harmless from such claim or suit. The Operator agrees it is solely responsible for the payment of any legal or other costs relative to any such claim or suit. The Operator agrees to reimburse the State for any costs that it may incur as a result of such claim or suit immediately upon being submitted a statement therefor by the Mississippi Attorney General.

The Operator is not waiving any rights or remedies available to Operator under state or federal law.

- M. As stated in Senate Bill 2844, the Operator agrees to utilize the shipping companies currently under contract with the Department for the delivery of alcoholic beverages to permittees either until the contract terms end on June 30, 2024, or such contracts are otherwise terminated. Payment shall continue to be made by the Department to the shipping companies as required by the existing contracts. Once these contracts are no longer in effect, the Department will utilize procurement procedures under PPRB requirements to award shipping contracts. The Department will continue to work with existing shippers to set up and edit routes for delivery of alcoholic beverages.
- N. As stated below, the Operator will at least initially utilize the Department's MARS system to the extent required to provide services under this Agreement. Should the parties determine that it is in the best interest of the State to implement the Operator's WMS system with MARS, the Operator will provide the Department with a daily electronic file accounting for and identifying the alcoholic beverage cases loaded on trucks at the LDC.
- O. The Operator agrees that it is responsible in obtaining and maintaining the necessary equipment, including but not limited to, forklifts, pallet jacks, rider jacks, stock pickers, equipment batteries etc., that it needs to perform its contracted services in the LDC. The operator agrees that it is responsible for maintaining the material handling equipment in the warehouse, including but not limited to the conveyor system, extend conveyors and sorter.
- P. The Operator agrees that will be responsible for stocking inventory and rotating inventory stock. The Department will audit inventory periodically to maintain accuracy
- Q. The Operator agrees that any state-owned equipment it deems to be obsolete or destroyed must be disposed of in a manner compliant with Mississippi law. The Operator will return such state-owned equipment to the Department for proper disposal.

- R. The Operator agrees that if it at any time does not have enough physical equipment or for any reason whatsoever, except for a Force Majeure Event as defined in the Force Majeure provision contained herein below, it is unable to materially complete services as required under this Contract, the Operator shall notify ABC immediately. ABC may at its option treat such inability as a breach of contract and may immediately enter into an emergency contract(s) with other parties to ensure that alcoholic beverages are processed and delivered to permittees. Operator is responsible for any additional costs incurred by ABC in such instances as a measure of contract damages and agrees to pay such on demand.
- S. The Operator agrees to provide a current, updated list throughout the contract period of all management personnel with telephone numbers whom the Department may contact, if necessary.
- T. Unless otherwise provided in this contract, the Operator must guarantee next workday delivery to permittees under the areas applicable to this contract.

The Operator will utilize DOR's MARS system to receive orders in an efficient and timely manner from the Department. The Operator agrees that it will have a process in place to pull all orders after the daily cutoff time and accurately load the orders into MARS. The parties agree to review the Operator's WMS system during the contract term to determine whether it is advantageous to the State to implement the Operator's WMS system with MARS.

- U. As stated in SB 2844, the Operator may interface with the Department's warehouse management system within TAP/MARS in a manner allowing for information sharing in furtherance of efficient operations while also protecting the security of the warehouse management system. However, the Operator, its employees and its agents shall not have access to any federal tax information (FTI) under any circumstances. The Operator may access the warehouse management system only to the extent necessary to perform services under this Agreement as an agent of the Department. The Operator may obtain ABC permittee information only for the purpose of performing services under this Agreement. Any information derived from the system shall be confidential and subject to the terms of this Agreement. However, the Operator, its employees and its agents shall not otherwise have access to any state tax information (STI). The Operator agrees that it shall notify the Department immediately in writing if it, any of its employees or any of its agents improperly access any FTI or STI.

Operator represents and warrants that it will comply with the State's data breach notification laws codified at Section 75-24-29 of the Mississippi Code.

- V. Please refer to Ruan Proposal Response to IT Requirements, 4.1.1 through 4.1.2.2, for additional requirements and obligations relating to WMS, product return processes, and order processing.
- W. Prior to the start of the contract period Ruan agrees to provide the DOR Proposal Coordinator certificates from its insurer(s) certifying that it has appropriate comprehensive insurance covering incident(s) and/or damages arising from the provider's provision of services arising from this contract. Additionally, DOR shall be included as an additional insured on such required coverage.

Such insurance must include the following:

- A. Adequate fire and casualty insurance to at least cover loss of inventory and equipment. In addition to fire and casualty insurance, the operator provides at least Ten Million Dollars (\$10,000,000.00) of liability insurance. The DOR shall be included as an additional insured on the policy.
- B. The provider shall maintain in effect throughout the contract period workers' compensation insurance sufficient to meet or exceed the statutory minimum requirements of the State of Mississippi covering all persons performing work under this contract. The provider shall be prepared to provide evidence of required workers' compensation insurance upon request by DOR at any time during the contract period.

All required insurance will be endorsed to provide DOR with 30 days advance notice of cancellation or material change. The insurance company must be authorized to do business in Mississippi.

- X. Ruan agrees to post a performance bond to assure its faithful performance of the specifications and conditions of the contract. The amounts shall be as follows and represent the estimated cost to the Department on an annual basis to operate the Warehouse:

First Year:	\$5,486,928.00
Second Year:	\$5,662,655.00
Third Year:	\$5,844,209.00
Fourth Year:	\$6,031,794.00

The bond is required throughout the term of the contract. The terms and conditions must be approved by the Department and the Department of

Finance and Administration, and such approval is a condition precedent to the contract taking effect.

5. DAYS OF SERVICE

Cases of alcoholic beverages are loaded at the LDC Monday evening through Thursday evening with delivery to the permittees occurring Tuesday through Friday. There could be an occasional Friday pick-up for a Monday delivery and additional delivery dates. Holidays include New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. The warehouse and distribution operations will be closed on these holidays, and in the week the holiday occurs, business requirements will be moved back 24 hours.

6. STANDARD TERMS AND CONDITIONS

A. Anti-Assignment/Subcontracting

Operator acknowledges that it was selected by the State to perform the services required hereunder based, in part, upon Operator's special skills and expertise. Operator shall not assign, subcontract, or otherwise transfer this agreement, in whole or in part, without the prior written consent of the State, which the State may, in its sole discretion, approve or deny without reason. Any attempted assignment or transfer of its obligations without such consent shall be null and void. No such approval by the State of any subcontract shall be deemed in any way to provide for the incurrence of any obligation of the State in addition to the total fixed price agreed upon in this agreement. Subcontracts shall be subject to the terms and conditions of this agreement and to any conditions of approval that the State may deem necessary. Subject to the foregoing, this agreement shall be binding upon the respective successors and assigns of the parties.

B. Applicable Law

The contract shall be governed by and construed in accordance with the laws of the State of Mississippi, excluding its conflicts of law's provisions, and any litigation with respect thereto shall be brought in the courts of the State. Operator shall comply with applicable federal, state, and local laws and regulations.

C. Approval

It is understood that if this contract requires approval by the Public Procurement Review Board and/or the Mississippi Department of Finance and Administration Office of Personal Service Contract Review, and this contract is not approved by the PPRB and/or OPSCR, it is void and no payment shall be made hereunder.

D. Authority to Contract

Operator warrants: (a) that it is a validly organized business with valid authority to enter into this agreement; (b) that it is qualified to do business and in good standing in the State of Mississippi; (c) that entry into and performance under this agreement is not restricted or prohibited by any loan, security, financing, contractual, or other

agreement of any kind; and, (d) notwithstanding any other provision of this agreement to the contrary, that there are no existing legal proceedings or prospective legal proceedings, either voluntary or otherwise, which may adversely affect its ability to perform its obligations under this agreement.

E. Availability of Funds

It is expressly understood and agreed that the obligation of the Mississippi Department of Revenue to proceed under this agreement is conditioned upon the appropriation of funds by the Mississippi State Legislature and the receipt of state and/or federal funds. If the funds anticipated for the continuing fulfillment of the agreement are, at any time, not forthcoming or insufficient, either through the failure of the federal government to provide funds or of the State of Mississippi to appropriate funds or the discontinuance or material alteration of the program under which funds were provided or if funds are not otherwise available to the Mississippi Department of Revenue, the Mississippi Department of Revenue shall have the right upon ten (10) working days written notice to Operator, to terminate this agreement without damage, penalty, cost or expenses to the Mississippi Department of Revenue of any kind whatsoever. The effective date of termination shall be as specified in the notice of termination. Certification of Independent Price Determination The proposer certifies that the prices submitted in response to the solicitation have been arrived at independently and without, for the purpose of restricting competition, any consultation, communication, or agreement with any other proposer or competitor relating to those prices, the intention to submit a proposal, or the methods or factors used to calculate the prices proposal.

F. Change in Scope of Work

The Mississippi Department of Revenue may order changes in the work consisting of additions, deletions, or other revisions within the general scope of the contract. No claims may be made by Operator that the scope of the project or of Operator's services has been changed, requiring changes to the amount of compensation to Operator or other adjustments to the contract, unless such changes or adjustments have been made by written amendment to the contract signed by the Mississippi Department of Revenue and Operator. If Operator believes that any particular work is not within the scope of the project, is a material change, or will otherwise require more compensation to Operator, Operator must immediately notify the [agency] in writing of this belief. If the [agency] believes that the particular work is within the scope of the contract as written, Operator will be ordered to and shall continue with the work as changed and at the cost stated for the work within the contract.

G. Compliance with Laws

Operator understands that the Mississippi Department of Revenue is an equal opportunity employer and therefore, maintains a policy which prohibits unlawful discrimination based on race, color, creed, sex, age, national origin, physical handicap, disability, genetic information, or any other consideration made unlawful by federal, state, or local laws. All such discrimination is unlawful and Operator agrees during the term of the agreement that Operator will strictly adhere to this

policy in its employment practices and provision of services. Operator shall comply with, and all activities under this agreement shall be subject to, all applicable federal, State of Mississippi, and local laws and regulations, as now existing and as may be amended or modified.

H. Confidentiality

Notwithstanding any provision to the contrary contained herein, it is recognized that the Mississippi Department of Revenue is a public agency of the State of Mississippi and is subject to the Mississippi Public Records Act. Mississippi Code Annotated §§ 25-61-1 et seq. If a public records request is made for any information provided to the Mississippi Department of Revenue pursuant to the agreement and designated by the Operator in writing as trade secrets or other proprietary confidential information, the Mississippi Department of Revenue shall follow the provisions of Mississippi Code Annotated §§ 25-61-9 and 79-23-1 before disclosing such information. The Mississippi Department of Revenue shall not be liable to the Operator for disclosure of information required by court order or required by law.

I. Operator Personnel

The Operator is at all times an independent contractor. The Mississippi Department of Revenue shall, throughout the life of the contract, have the right of reasonable rejection and approval of staff or subcontractors assigned to the work by Operator. If the Mississippi Department of Revenue reasonably rejects staff or subcontractors, Operator will provide replacement staff or subcontractors satisfactory to the Mississippi Department of Revenue in a timely manner and at no additional cost to the Mississippi Department of Revenue. The day-to-day supervision and control of Operator's employees, including temporary and seasonal employees, and subcontractors is the sole responsibility of Operator.

Operator, at its sole cost and expense, will employ competent and licensed personnel in the operation of the warehouse and will pay all employee wages benefits health, welfare and pension benefit costs (as applicable), and payroll taxes for such personnel ("Benefit Costs") at levels which are in effect on the date of this contract. If Operator receives notice that The Mississippi Department of Revenue is dissatisfied with an Operator's employee assigned to the warehouse, the Operator will promptly meet with the State of Mississippi Department of Revenue, investigate the dissatisfaction, and take such action as the meeting and investigation may reveal to be appropriate.

J. Disclosure of Confidential Information

In the event that either party to this agreement receives notice that a third-party requests divulgence of confidential or otherwise protected information and/or has served upon it a subpoena or other validly issued administrative or judicial process ordering divulgence of confidential or otherwise protected information that party shall promptly inform the other party and thereafter respond in conformity with such subpoena to the extent mandated by law. This section shall survive the

termination or completion of this agreement. The parties agree that this section is subject to and superseded by Mississippi Code Annotated §§ 25-61-1 et seq.

K. E- Payment

Operator agrees to accept all payments in United States currency via the State of Mississippi's electronic payment and remittance vehicle. The agency agrees to make payment in accordance with Mississippi law on "Timely Payments for Purchases by Public Bodies," which generally provides for payment of undisputed amounts by the agency within forty-five (45) days of receipt of invoice. Mississippi Code Annotated § 31- 7-301 et seq.

L. E-Verification

If applicable, Operator represents and warrants that it will ensure its compliance with the Mississippi Employment Protection Act of 2008 and will register and participate in the status verification system for all newly hired employees. Mississippi Code Annotated §§ 71-11-1 et seq. The term "employee" as used herein means any person that is hired to perform work within the State of Mississippi. As used herein, "status verification system" means the Illegal Immigration Reform and Immigration Responsibility Act of 1996 that is operated by the United States Department of Homeland Security, also known as the E-Verify Program, or any other successor electronic verification system replacing the E-Verify Program. Operator agrees to maintain records of such compliance. Upon request of the State and after approval of the Social Security Administration or Department of Homeland Security when required, Operator agrees to provide a copy of each such verification. Operator further represents and warrants that any person assigned to perform services hereafter meets the employment eligibility requirements of all immigration laws. The breach of this agreement may subject Operator to the following:

- (1) termination of this contract for services and ineligibility for any state or public contract in Mississippi for up to three (3) years with notice of such cancellation/termination being made public;
- (2) the loss of any license, permit, certification or other document granted to Operator by an agency, department or governmental entity for the right to do business in Mississippi for up to one (1) year or, both.
- (3) In the event of such cancellations/termination, Operator would also be liable for any additional costs incurred by the State due to Contract cancellation or loss of license or permit to do business in the State.

M. Failure to Deliver

In the event of failure of Operator to deliver services in accordance with the contract terms and conditions, the Department, after due oral or written notice, may procure the services from other sources and hold Operator responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies that the Department may have.

N. Failure to Enforce Failure by the Mississippi Department of Revenue at any time to enforce the provisions of the contract shall not be construed as a waiver of any such provisions. Such failure to enforce shall not affect the validity of the contract or any part thereof or the right of the Mississippi Department of Revenue to enforce any provision at any time in accordance with its terms.

O. Force Majeure

Each party shall be excused from performance for any period and to the extent that it is prevented from performing any obligation or service, in whole or in part, as a result of causes beyond the reasonable control and without the fault or negligence of such party and/or its subcontractors. Such acts shall include without limitation acts of God, acts of war, governmental regulations superimposed after the fact, fire, earthquakes, floods, or other natural disasters ("force majeure events"). When such a cause arises, Operator shall notify the State immediately in writing of the cause of its inability to perform, how it affects its performance, and the anticipated duration of the inability to perform. Delays in delivery or in meeting completion dates due to force majeure events shall automatically extend such dates for a period equal to the duration of the delay caused by such events, unless the State determines it to be in its best interest to terminate the agreement.

The Operator is not waiving any rights or remedies available to Operator under state or federal law.

P. Independent Contractor

Operator shall, at all times, be regarded as and shall be legally considered an independent contractor. Nothing contained herein shall be deemed or construed by the State, Operator, or any third party as creating the relationship of master and servant, partners, joint ventures, employer and employee, or any similar such relationship between the State and Operator. Neither the method of computation of fees or other charges, nor any other provision contained herein, nor any acts of the State or Operator hereunder creates or shall be deemed to create a relationship other than the independent relationship of the State and Operator. Operator's personnel shall not be deemed in any way, directly or indirectly, expressly or by implication, to be employees of the State. Neither Operator nor its employees shall, under any circumstances, be considered employees of the Mississippi Department of Revenue, and the Mississippi Department of Revenue shall be at no time legally responsible for any negligence or other wrongdoing by Operator, its servants, agents, or The Mississippi Department of Revenue shall not withhold from the contract payments to Operator any federal or state unemployment taxes, federal or state income taxes, Social Security tax, or any other amounts for benefits to Operator. Further, the Mississippi Department of Revenue shall not provide to Operator any insurance coverage or other benefits, including Worker's Compensation, normally provided by the State for its employees.

Q. Integrated Agreement/Merger

This agreement, including all contract documents, represents the entire and integrated agreement between the parties hereto and supersedes all prior negotiations, representations or agreements, irrespective of whether written or oral. This agreement may be altered, amended, or modified only by a written document executed by the State and Operator. Operator acknowledges that it has thoroughly read all contract documents and has had the opportunity to receive competent advice and counsel necessary for it to form a full and complete understanding of all rights and obligations herein. Accordingly, this agreement shall not be construed or interpreted in favor of or against the State or Operator on the basis of draftsmanship or preparation hereof.

R. Ownership of Documents and Work Papers

The Mississippi Department of Revenue shall own all documents, files, reports, work papers and working documentation, electronic or otherwise, created in connection with the project, which is the subject of this agreement, except for Operator's proprietary documents, internal administrative and quality assurance files and internal project correspondence. Operator shall deliver such documents and work papers to the Mississippi Department of Revenue upon termination or completion of the agreement. The foregoing notwithstanding, Operator shall be entitled to retain a set of such work papers for its files. Operator shall be entitled to use such work papers only after receiving written permission from the Mississippi Department of Revenue and subject to any copyright protections.

"Operator's proprietary documents" include any and all documents provided by the Operator that contain patented or copyrighted information; contain trade secrets; proprietary processes, proprietary improvements, proprietary discoveries, or proprietary utility or pricing models; and/or proprietary information protected under contract or otherwise under law.

S. Paymode

Payments by state agencies using the State's accounting system shall be made and remittance information provided electronically as directed by the State. These payments shall be deposited into the bank account of Operator's choice. The State may, at its sole discretion, require Operator to electronically submit invoices and supporting documentation at any time during the term of this Agreement. Operator understands and agrees that the State is exempt from the payment of taxes. All payments shall be in United States currency.

S. Price Adjustment Clause

I. Price Adjustment Methods.

Any adjustments to price, pursuant to a clause in this contract, shall be made in one or more of the following ways: a. by agreement on fixed price adjustment before the commencement of the additional performance; b. by unit prices specified in the contract; c. by the costs attributable to the event or situation covered by the clause,

plus appropriate profit or fee, all as specified in the contract; or, d. by the price escalation clause.

II. Submission of Cost or Pricing Data.

The Operator shall provide cost or pricing data for any price adjustments subject to the provisions of Section 3-403 (Cost or Pricing Data) of the Mississippi Public Procurement Review Board Office of Personal Service Contract Review Rules and Regulations.

T. Procurement Regulations

The contract shall be governed by the applicable provisions of the Mississippi Public Procurement Review Board Office of Personal Service Contract Review Rules and Regulations, a copy of which is available at 501 North West Street, Suite 701E, Jackson, Mississippi 39201 for inspection, or downloadable at <http://www.DFA.ms.gov>.

U. Representation Regarding Contingent Fees

Operator represents that it has not retained a person to solicit or secure a state contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except as disclosed in Operator's bid or proposal.

V. Representation Regarding Gratuities

The bidder, offeror or Operator represents that it has not violated, is not violating, and promises that it will not violate the prohibition against gratuities set forth in Section 6-204 (Gratuities) of the *Mississippi Public Procurement Review Board Office of Personal Service Contract Review Rules and Regulations*.

W. Record Retention and Access to Records

Provided Operator is given reasonable advance written notice and such inspection is made during normal business hours of Operator, the State or any duly authorized representatives shall have unimpeded, prompt access to any of Operator's books, documents, papers, and/or records which are maintained or produced as a result of the project for the purpose of making audits, examinations, excerpts, and transcriptions. All records related to this agreement shall be retained by Operator for three (3) years after final payment is made under this agreement and all pending matters are closed; however, if any audit, litigation or other action arising out of or related in any way to this project is commenced before the end of the three (3) year period, the records shall be retained for one (1) year after all issues arising out of the action are finally resolved or until the end of the three (3) year period, whichever is later.

X. Recovery of Money

Whenever, under the contract, any sum of money shall be recoverable from or payable by Operator to the Mississippi Department of Revenue, the same amount may be deducted from any sum due to Operator under the contract or under any other contract between Operator and the Mississippi Department of Revenue. The rights of the Mississippi Department of Revenue are in addition and without

prejudice to any other right the Mississippi Department of Revenue may have to claim the amount of any loss or damage suffered by the Mississippi Department of Revenue on account of the acts or omissions of Operator.

Y. Severability

If any part of this agreement is declared to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision of the agreement that can be given effect without the invalid or unenforceable provision, and to this end the provisions hereof are severable. In such event, the parties shall amend the agreement as necessary to reflect the original intent of the parties and to bring any invalid or unenforceable provisions in compliance with applicable law.

Z. Stop Work Order

(1) Order to Stop Work: The procurement officer, may, by written order to Operator at any time, and without notice to any surety, require Operator to stop all or any part of the work called for by this contract. This order shall be for a specified period not exceeding 90 days after the order is delivered to Operator unless the parties agree to any further period. Any such order shall be identified specifically as a stop work order issued pursuant to this clause. Upon receipt of such an order, Operator shall forthwith comply with its terms and take all reasonable steps to minimize the occurrence of costs allocable to the work covered by the order during the period of work stoppage. Before the stop work order expires, or within any further period to which the parties shall have agreed, the procurement officer shall either:

- (a) cancel the stop work order; or,
- (b) terminate the work covered by such order as provided in the Termination for Default clause or the Termination for Convenience clause of this contract.

(2) Cancellation or Expiration of the Order: If a stop work order issued under this clause is canceled at any time during the period specified in the order, or if the period of the order or any extension thereof expires, Operator shall have the right to resume work. An appropriate adjustment shall be made in the delivery schedule or Operator price, or both, and the contract shall be modified in writing accordingly, if:

- (a) the stop work order results in an increase in the time required for, or in Operator's properly allocable to, the performance of any part of this contract; and,
- (b) Operator asserts a claim for such an adjustment within 30 days after the end of the period of work stoppage; provided that, if the procurement officer decides that the facts justify such action, any such claim asserted may be received and acted upon at any time prior to final payment under this contract.

(3) Termination of Stopped Work: If a stop work order is not canceled and the work covered by such order is terminated for default or convenience, the reasonable costs resulting from the stop work order shall be allowed by adjustment or otherwise.

(4) Adjustments of Price: Any adjustment in contract price made pursuant to this clause shall be determined in accordance with the Price Adjustment clause of this contract.

AA. Termination for Convenience

(1) Termination. The Agency Head or designee may, when the interests of the State so require, terminate this contract in whole or in part, for the convenience of the State. The Agency Head or designee shall give written notice of the termination to Operator specifying the part of the contract terminated and when termination becomes effective.

(2) Operator's Obligations. Operator shall incur no further obligations in connection with the terminated work and on the date set in the notice of termination Operator will stop work to the extent specified. Operator shall also terminate outstanding orders and subcontracts as they relate to the terminated work. Operator shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated work. The Agency Head or designee may direct Operator to assign Operator's right, title, and interest under terminated orders or subcontracts to the State. Operator must still complete the work not terminated by the notice of termination and may incur obligations as are necessary to do so.

BB. Termination for Default

(1) Default. If Operator refuses or fails to perform any of the provisions of this contract with such diligence as will ensure its completion within the time specified in this contract or any extension thereof, or otherwise fails to timely satisfy the contract provisions, or commits any other substantial breach of this contract, the Agency Head or designee may notify Operator in writing of the delay or nonperformance and if not cured in ten (10) days or any longer time specified in writing by the Agency Head or designee, such officer may terminate Operator's right to proceed with the contract or such part of the contract as to which there has been delay or a failure to properly perform. In the event of termination in whole or in part, the Agency Head or designee may procure similar supplies or services in a manner and upon terms deemed appropriate by the Agency Head or designee. Operator shall continue performance of the contract to the extent it is not terminated and shall be liable for excess costs incurred in procuring similar goods or services.

(2) Operator's Duties. Notwithstanding termination of the contract and subject to any directions from the Chief Procurement Officer, Operator shall take timely, reasonable, and necessary action to protect and preserve property in the possession of Operator in which the State has an interest.

(3) Compensation. Payment for completed services delivered and accepted by the State shall be at the contract price. The State may withhold from amounts due Operator such sums as the Agency Head or designee deems to be necessary to protect the State against loss because of outstanding liens or claims of former lien holders and to reimburse the State for the excess costs incurred in procuring similar goods and services.

(4) Excuse for Nonperformance or Delayed Performance. Except with respect to defaults of subcontractors, Operator shall not be in default by reason of any failure

in performance of this contract in accordance with its terms (including any failure by Operator to make progress in the prosecution of the work hereunder which endangers such performance) if Operator has notified the Agency Head or designee within 15 days after the cause of the delay and the failure arises out of causes such as: acts of God; acts of the public enemy; acts of the State and any other governmental entity in its sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes or other labor disputes; freight embargoes; or unusually severe weather. If the failure to perform is caused by the failure of a subcontractor to perform or to make progress, and if such failure arises out of causes similar to those set forth above, Operator shall not be deemed to be in default, unless the services to be furnished by the subcontractor were reasonably obtainable from other sources in sufficient time to permit Operator to meet the contract requirements. Upon request of Operator, the Agency Head or designee shall ascertain the facts and extent of such failure, and, if such officer determines that any failure to perform was occasioned by any one or more of the excusable causes, and that, but for the excusable cause, Operator's progress and performance would have met the terms of the contract, the delivery schedule shall be revised accordingly, subject to the rights of the State under the clause entitled "Termination for Convenience."

(5) Erroneous Termination for Default. If, after notice of termination of Operator's right to proceed under the provisions of this clause, it is determined for any reason that the contract was not in default under the provisions of this clause, or that the delay was excusable under the provisions of Paragraph (4) (Excuse for Nonperformance or Delayed Performance) of this clause, the rights and obligations of the parties shall, if the contract contains a clause providing for termination for convenience of the State, be the same as if the notice of termination had been issued pursuant to a termination for convenience.

(6) Additional Rights and Remedies. The rights and remedies provided in this clause are in addition to any other rights and remedies provided by law or under this contract.

CC. Termination Upon Bankruptcy

This contract may be terminated in whole or in part by the Mississippi Department of Revenue upon written notice to Operator, if Operator should become the subject of bankruptcy or receivership proceedings whether voluntary or involuntary, or upon the execution by Operator of an assignment for the benefit of its creditors. In the event of such termination, Operator shall be entitled to recover just and equitable compensation for satisfactory work performed under this contract, but in no case shall said compensation exceed the total contract price.

DD. Third Party Action Notification

Operator shall give the customer prompt notice in writing of any action or suit filed, and prompt notice of any claim made against Operator by any entity that may result in litigation related in any way to this agreement.

EE. Trade Secrets, Commercial and Financial Information

It is expressly understood that Mississippi law requires that the provisions of this contract which contain the commodities purchased or the personal or professional services provided, the price to be paid, and the term of the contract shall not be deemed to be a trade secret or confidential commercial or financial information and shall be available for examination, copying, or reproduction.

FF. Transparency

This contract, including any accompanying exhibits, attachments, and appendices, is subject to the "Mississippi Public Records Act of 1983," and its exceptions. See Mississippi Code Annotated §§ 25-61-1 et seq., and Mississippi Code Annotated § 79-23-1. In addition, this contract is subject to the provisions of the Mississippi Accountability and Transparency Act of 2008. Mississippi Code Annotated §§ 27-104-151 et seq. Unless exempted from disclosure due to a court-issued protective order, a copy of this executed contract is required to be posted to the Mississippi Department of Finance and Administration's independent agency contract website for public access at <http://www.transparency.mississippi.gov>. Information identified by Operator as trade secrets, or other proprietary information, including confidential vendor information or any other information which is required confidential by state or federal law or outside the applicable freedom of information statutes, will be redacted.

FF. Unsatisfactory Work

If, at any time during the contract term, the service performed or work done by Operator is considered by the Mississippi Department of Revenue to create a condition that threatens the health, safety, or welfare of the citizens and/or employees of the State of Mississippi, Operator shall, on being notified by the Mississippi Department of Revenue, immediately correct such deficient service or work. In the event Operator fails, after notice, to correct the deficient service or work immediately, the Mississippi Department of Revenue shall have the right to order the correction of the deficiency by separate contract or with its own resources at the expense of Operator.

GG. Waiver

No delay or omission by either party to this agreement in exercising any right, power, or remedy hereunder or otherwise afforded by contract, at law, or in equity shall constitute an acquiescence therein, impair any other right, power or remedy hereunder or otherwise afforded by any means, or operate as a waiver of such right, power, or remedy. No waiver by either party to this agreement shall be valid unless set forth in writing by the party making said waiver. No waiver of or modification to any term or condition of this agreement will void, waive, or change any other term or condition. No waiver by one party to this agreement of a default by the other party will imply, be construed as or require waiver of future or other defaults.

WITNESS the true execution hereof by both parties hereto on the day and date first above written.

MISSISSIPPI DEPARTMENT OF REVENUE

By: [Signature]
Title: Comptroller
Date: 02/21/2023

RUAN TRANSPORT CORPORATION

By: [Signature]
Title: President & CEO
Date: 2/21/23

**AMENDMENT #1 TO
CONTRACT FOR THE OPERATION OF
THE STATE ALCOHOLIC BEVERAGE WAREHOUSE**

This document (hereinafter referred to as "Amendment Number 1") shall serve to amend the original Contract for the Operation of the State Alcoholic Beverage Warehouse executed on February 21, 2023 (hereinafter referred to as "Contract") between the Alcoholic Beverage Control Division of the Mississippi Department of Revenue (hereinafter referred to as the "Department") and Ruan Transport Corporation (hereinafter referred to as "Ruan"). The Department and Ruan are sometimes collectively referred to as the "Parties."

WHEREAS the Parties wish to amend the Contract to change the scope of the work to be performed to include:

1. Implement Pick to Pallet fulfillment of orders no later than December 31, 2025.

WHEREAS, the terms of the Contract, **6. STANDARD TERMS AND CONDITIONS**, states the following:

F. Change in Scope of Work

The Mississippi Department of Revenue may order changes in the work consisting of additions, deletions, or other revisions within the general scope of the contract. No claims may be made by Contractor that the scope of the project or of Contractor's services has been changed, requiring changes to the amount of compensation to Contractor or other adjustments to the contract, unless such changes or adjustments have been made by written amendment to the contract signed by the Mississippi Department of Revenue and Contractor. If Contractor believes that any particular work is not within the scope of the project, is a material change, or will otherwise require more compensation to Contractor, Contractor must immediately notify the [agency] in writing of this belief. If the [agency] believes that the particular work is within the scope of the contract as written, Contractor will be ordered to and shall continue with the work as changed and at the cost stated for the work within the contract.

WHEREAS the Parties wish to amend the Contract to change the amount of compensation to be paid to the Contactor.

NOW THEREFORE, the Department and Ruan, by entering into the Amendment Number 1, mutually agree that the following provisions shall modify the aforementioned Contract effective April 1, 2025 ("Amendment 1 Effective Date):

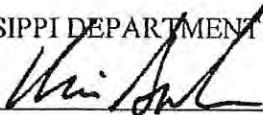
1. Article 2 under "PER CASE FEE AND AVAILABILITY OF FUNDS" the rates for the Third Year and Fourth Year shall be deleted and hereby amended to provide that the per case fee paid to the Operator effective April 1, 2025 shall be \$2.65 and on April 1, 2026 shall be \$2.70.

2. Article 4 under "MINIMUM SPECIFICATIONS" shall be and hereby is amended to provide:

Y. The Operator agrees to implement Pick to Pallet fulfillment of orders no later than December 31, 2025.

All other terms and conditions of the Contract executed on February 21, 2023, shall remain unchanged and in full force and effect.

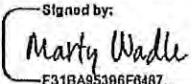
MISSISSIPPI DEPARTMENT OF REVENUE

By: 

Title: Union

Date: 03/17/2025

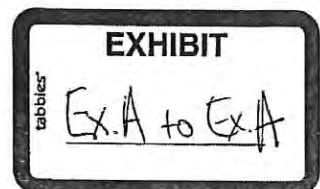
RUAN TRANSPORT COMPANY

By: 

Title: chief commercial officer

Date: 3/6/2025

TAB 1 – ATTACHMENTS A- J



ATTACHMENT A - Proposal Cover Sheet

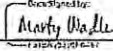
The Department of Revenue (referred to as "DOR" or "Department") hereby solicits written proposals to provide a **3rd Party Warehouse Operator** for the Alcoholic Beverage Control Division ("Department" "State" or "ABC") located at 1286 Gluckstadt Road, Madison County, Mississippi during the term of the proposed contract, in accordance with the requirements of this proposal and any resulting contracts.

Proposals are to be submitted as listed below, on or before 12:00 p.m. CST on November 22, 2022.

PLEASE MARK YOUR ENVELOPE:

Mississippi Department of Revenue
Attention: Erica Green-Greenwood
Proposal #: 3120002542
Opening Date and Time: November 22, 2022, 2:00 P.M. CST
500 Clinton Center Drive
Clinton, MS 39056
SEALED PROPOSAL – DO NOT OPEN

NAME OF COMPANY Ruan Transport Corporation

QUOTED BY Marty Wadle SIGNATURE 

ADDRESS 666 Grand Ave Suite 3200 CITY/STATE/ZIP Des Moines IA 50309

PHONE: 515-245-2821 EMAIL: mwadle@ruan.com FEIN # or SS #: 42-0619339

NAME AND PHONE NUMBER OF COMPANY REPRESENTATIVE IF DIFFERENT FROM ABOVE

NAME: Jason Dobbs PHONE NUMBER: 859-609-9192

Please answer the following questions regarding your company:

How many years of experience do you have in the service listed within this RFP? 30

Do you have the qualifications, experience and management personnel to carry out the terms of the contract?

☒ Yes ☐ No

Are you legally eligible to execute a contract with MDOR/ABC?

☒ Yes ☐ No

Do you certify that you are registered or will register to do business the State of Mississippi within seven (7) business days of being awarded the contract?

☒ Yes ☐ No

Do you agree to provide adequate fire and casualty insurance as well as provide at least \$10,000,000 of liability insurance and list the MDOR as an additional insured?

☒ Yes ☐ No

Does your company have the ability, capacity, skill and financial resources to perform the work as well as provide the service required?

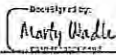
☒ Yes ☐ No

ATTACHMENT B – Certification

By signing below, the company representative certifies that he/she has authority to bind the company, and further acknowledges and certifies on behalf of the company:

1. That he/she has thoroughly read and understands the terms and conditions, instructions and specifications for **RFP # 3120002542** and Attachments.
2. The company meets all requirements and acknowledges all certifications contained in **RFP # 3120002542** and Attachments.
3. The company agrees to all provisions of **RFP # 3120002542** and Attachments.
4. The company will perform the services required at the prices quoted on the proposal form.
5. The company represents that it has not retained a person to solicit or secure a State contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except as disclosed in the contractor's proposal.

Please sign and return with Proposal Materials.

Company: Ruan Transport Corporation Signature: 

Date: 11/18/2022 Title: Chief Commercial Officer

Printed Name: Marty Wadle

ATTACHMENT C – Supplier Registration

The State of Mississippi utilizes the Mississippi Accountability System for Government Information and Collaboration (MAGIC) system to manage contracts. In order to do business with the State of Mississippi, all Suppliers must be registered with both systems. Additionally, electronic payments are issued through an electronic portal called Pay Mode.

Are you currently registered as a Supplier in MAGIC? X YES _____ NO

If not, in order to register, please go to the following website:

<http://www.dfa.ms.gov/dfaoffices/mmrs/mississippi-suppliers-vendors/supplier-self-service/>

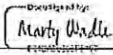
If known, what is your supplier number? 3102107675

Are you currently registered with Pay Mode? X YES _____ NO

If not, in order to register, please go to the following website:

<https://www.dfa.ms.gov/applications/paymode/paymode-electronic-payment-and-remittance/>

Please sign and return with Proposal Materials.

Company: Ruan Transport Corporation Signature: 

Date: 11/18/2022 Title: Chief Commercial Officer

Printed Name: Marty Wadle

ATTACHMENT D – Proposal Form

3rd Party Warehouse Operator

Proposal Number: 3120002542

Gentlemen:

Pursuant to the advertisement for proposals to be received, I/We Ruan Transport Corporation

located at 666 Grand Ave Des Moines IA 50309

do submit our proposal form for **Proposal # 3120002542**. This proposal is made without collusion on the part of any person, firm or corporation.

The pricing must include ALL associated costs with no additional or hidden fees.

Per Senate Bill 2844, Section 3(3)(a) provides that the department shall pay the operator cost-plus on these operations at a set dollar amount per case of alcoholic beverages sold. A case is considered sold when it is shipped. The following estimated cases to be shipped will be used to determine the per case fee charged by the vendor during the initial term of the contract. These figures represent estimates. The Department does not guarantee that this number of cases will be shipped during these years.

Year 1 – 4,423,127

Year 2 – 4,555,821

Year 3 – 4,692,495

Year 4 – 4,833,270

3rd Party Operator's price per case fee \$2.22

The price submitted shall reflect the price per case fee.

If the vendor wishes to include a yearly change in price over the course of the agreement, the vendor may either list the per case fee by year or provide a set percentage rate at which the per case fee will increase on an annual basis:

Year 2: \$2.35

Year 3: \$2.49

Year 4: 2.64

OR

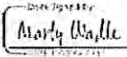
Annual percentage increase: _____

Exceptions and/or Deviations? Yes X No

Please list and describe exceptions if applicable:

We believe that by implementing our world class WMS, there should be opportunity for productivity improvements that would result in a lower headcount. If that is the case, we would like to reopen pricing to pass on those savings to the State of Mississippi.

Company: Ruan Transport Corporation

Signature: 

Address: 666 Grand Ave Suite 3200

Printed name: Marty Wadle

Des Moines IA 50309

Title: Chief Commercial Officer

Phone: 515-245-2821

Date: 11/18/2022

E-mail Address: mwadle@ruan.com

ATTACHMENT E - References

Client Name	Iowa Alcoholic Beverages Division
Reference Name and Title	Stephen Larson – Administrator
Contact Address	1918 SE Hulsizer Rd. Ankeny IA 50021
Contact Telephone Number	515-281-7402
Email Address	larson@iowaabd.com
Type of service provided	Value Added Warehousing, Dedicated Contract Transportation
Effective dates of service	4-13-2019

Client Name	Doosan Bobcat
Reference Name and Title	Trampas Goodmanson – Global Value Innovation Director
Contact Address	205 E Beaton Dr PO Box 6000 West Fargo, ND 58078
Contact Telephone Number	701-241-8717
Email Address	Trampas.goodmanson@doosan.com
Type of service provided	Value Added Warehousing, Dedicated Contract Transportation, Managed Transportation, Brokerage
Effective dates of service	1-1-1999

Client Name	Interstate Batteries
Reference Name and Title	Brock Martin – Manager, Warehouse Operations
Contact Address	12770 Merit Dr. Suite 300 Dallas TX 75251
Contact Telephone Number	641-295-5442
Email Address	Brock.martin@ibsa.com
Type of service provided	Value Added Warehousing, Managed Transportation
Effective dates of service	8-1-2019

**Please submit additional references on a separate sheet.*

Attachment E Continued

Client Name	Flexsteel Furniture
Reference Name and Title	Viveck Rao – Corporate Distribution, Transporation and CI manager
Contact Address	31608 W 191 st St Edgerton KS 66021
Contact Telephone Number	984-272-9925
Email Address	vrao@flexsteel.com
Type of service provided	Value Added Warehousing, Dedicated Contract Transportation
Effective dates of service	10-12-21

ATTACHMENT F – Procurement Reference Score Sheet
3rd Party Warehouse Operator

(Return with packet unsigned)

TO BE COMPLETED BY AGENCY STAFF ONLY

Company Name: Doosan Bobcat **Reference Name:** Trampas Goodmanson

Person Contacted, Title/Position: Trampas Goodmanson, Global Value Innovation Director

Date/Time Contacted: 11/22/22; 2:53 p.m. **Service From/To Dates:** January 1, 1999 - Present

Was the vendor able to provide the requested services?	<u>Yes</u>	No
Were you satisfied with the services provided? If not, please explain.	<u>Yes</u>	No
To the best of the vendor's ability, was the vendor easy to work with in scheduling services?	<u>Yes</u>	No
Were the services generally completed in the allotted time and within budget?	<u>Yes</u>	No
Did the vendor listen when you had an issue and readily offered a solution?	<u>Yes</u>	No
Would you enter into a contract with them again?	<u>Yes</u>	No
Would you recommend this vendor?	<u>Yes</u>	No

Offeror must have a minimum of 6 "yes" answers on the questions above from two references (total of 12 "yes" answers) to be considered responsive and for its proposal to be considered.

Score: Pass/Fail

Do you have any business, professional or personal interest in the vendor's organization? If yes, please explain.	Yes	<u>No</u>
---	-----	-----------

A "yes" to the above question may result in an automatic disqualification of the provided reference; therefore, resulting in a score of zero as responses to previous questions become null and void.

Notes:

Per Trampas, Doosan has a positive relationship with the vendor. Vendor is transparent and listens to them. Vendor is willing to journey with them.

Called by: Gracia Green-Greenwald Procurement Officer II 11/22/2022
Signature Title Date

ATTACHMENT G – Procurement Reference Score Sheet
3rd Party Warehouse Operator

(Return with packet unsigned)

TO BE COMPLETED BY AGENCY STAFF ONLY

Company Name: Iowa ABC **Reference Name:** Stephen Larson

Person Contacted, Title/Position: Stephen Larson, Administrator

Date/Time Contacted: 11/23/22; 8:46 a.m. **Service From/To Dates:** 4-13-19 - Present

Was the vendor able to provide the requested services?	<u>Yes</u>	No
Were you satisfied with the services provided? If not, please explain.	<u>Yes</u>	No
To the best of the vendor's ability, was the vendor easy to work with in scheduling services?	<u>Yes</u>	No
Were the services generally completed in the allotted time and within budget?	<u>Yes</u>	No
Did the vendor listen when you had an issue and readily offered a solution?	<u>Yes</u>	No
Would you enter into a contract with them again?	<u>Yes</u>	No
Would you recommend this vendor?	<u>Yes</u>	No

Offeror must have a minimum of 6 "yes" answers on the questions above from two references (total of 12 "yes" answers) to be considered responsive and for its proposal to be considered.

Score: Pass/Fail

Do you have any business, professional or personal interest in the vendor's organization? If yes, please explain.	Yes	<u>No</u>
---	-----	-----------

A "yes" to the above question may result in an automatic disqualification of the provided reference; therefore, resulting in a score of zero as responses to previous questions become null and void.

Notes:

Per Stephen, the vendor has exceeded their expectations. Even during COVID they were able to meet

the needs of IOWA ABC.

Called by: Mia Green-Greenwood Procurement Officer II 11/22/2022
 Signature Title Date

ATTACHMENT H - Acknowledgement of Amendments

Please sign and print at the appropriate statement.

I acknowledge receipt of all amendments associated with **PROPOSAL # 3120002542**.

They are as follows:

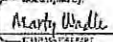
1. Amendment #1: Pre RFP meeting no longer mandatory
2. Amendment #2: Q&A Responses
3. Amendment #3: Q&A Responses
4. _____
5. _____

Marty Wadle

Ruan Transport Corporation

Printed Name

Company Name

Digitally signed by

3120002542

Signature

There were no amendments associated with **PROPOSAL # 3120002542**.

Printed Name

Company Name

Signature

ATTACHMENT I - Secretary of State Acknowledgement

Ruan Transport Corporation, acknowledges
that we (Vendor Name)

X are registered with the Secretary of State's Office

(attach proof)

are not registered with the Secretary of State's Office

We, _____

(Vendor Name)

_____ will register before the start of the contract and provide proof

_____ will not register

Not signed by
Marty Wadle
(11/18/2022 10:46)

11/18/2022

Signature

Date

Marty Wadle

Printed Name

Yes, we are registered with the Mississippi Secretary of State. Our registered business ID# for Ruan Transport Corporation is 585816, was put in effect on 2/3/1992. You can find it at the following site and print out the documents:

<https://corp.sos.ms.gov/corp/portal/c/page/corpBusinessIdSearch/portal.aspx#>

RUAN TRANSPORT CORPORATION

User Actions

[View Filed Documents
Details](#)

[Opt-in or Opt-out of Email updates](#)

[Print Business](#)

Name History

Name	Name Type
RUAN TRANSPORT CORPORATION	Legal

Business Information

Business Type:	Profit Corporation
Business ID:	585816
Status:	Good Standing
Effective Date:	02/03/1992
State of Incorporation:	IA
Principal Office Address:	666 GRAND AVENUE, 666 GRAND AVENUE DES MOINES, IA 50309

Registered Agent

Name
CT CORPORATION SYSTEM
645 LAKELAND EAST DRIVE, Suite 101
FLOWOOD, MS 39232

Officers & Directors

Name	Title
------	-------

Benjamin McLean
666 Grand Ave
Des Moines, IA 50309

President

Steven Wood
666 Grand Ave
Des Moines, IA 50309

Treasurer

Danielle Foster-Smith
666 Grand Ave
Des Moines, IA 50309

Secretary

John Ruan IV
666 Grand Ave
Des Moines, IA 50309

ATTACHMENT J - Conflict of Interest, Disclosure Statement

Conflict of Interest – Involvement, financial or otherwise, that an employee, officer, or agent of DOR may have in the bidding organization; and any involvement, financial or otherwise, that any employee, officer of any other governmental agency may have in the bidding organization.

Ruan Transport Corporation acknowledges that we
(Vendor Name)

X do not have a conflicting interest to report.

_____ do have a conflicting interest (please disclose below).

Describe the Nature of the Conflicting Interest:

Designated by
Marty Wadle

11/18/2022

Signature

Date

Marty Wadle

Printed Name

TAB 2 – TECHNICAL PROPOSAL

IT Requirements

4.1.1 Information Technology Requirements (Data Flow)	We propose implementing our world class WMS right in the current building. Our in-house integration experts will assist in the startup process and have directly relatable experience to this operation. This technology will enable Ruan and ABC to identify areas to improve productivity and provide excellent reporting for all parties.
4.1.1.1 Interfaces with the MARS for route planning and invoicing.	Yes, Ruan's WMS will be able to interface with the MARS and we will be able to receive the orders. We will set up a process to pull all the orders after the daily cutoff time and load the orders into our WMS. Our WMS will receive the orders from the OMS and they will be grouped by a route and the orders will be assigned to the warehouse employees for picking. The warehouse employees will receive order instruction from the WMS, and they will begin pulling the orders and staging them for loading and shipping. Once the load is shipped from the facility our WMS can send an actual shipped file to mars by the order with the shipped quantities compared to the ordered quantities.
4.1.1.2 In the current facility, integrate with the automated sortation system (Bastian Solutions conveyor controls system) for label printing.	Our WMS currently integrates with Bastian Solutions products for label printing, so similar integration framework would be used. We have in house integration experts to do this work and would not have to rely on outside consultants.
4.1.1.3 Maintains near-real time inventory visibility from receipt of goods to shipment of goods from the MS ABC Division warehouse and tracks out of stocks, and under/overstocks.	Inventory would be added into the WMS when the inbound loads are un-loaded and scanned into the warehouse and put away in the appropriate location. Our WMS will also be set up to keep inventory at the bottle level, we will have an item master file that will have information on how many bottles are in case depending on the size of the bottles and will calculate the bottle inventory based on the number of cases that were scanned into the system. Inventory will be removed from the WMS as the orders are picked and completed by the warehouse employees.
4.1.1.4 Has the ability to track length of time product has been in the Distribution Center and flag once it has reached a specific amount of days	Yes. This feature is standard in our WMS. The flag is configurable by product, so if staff needs to be alerted at different intervals for different products, that is out of the box functionality.
4.1.1.5 Contains System Access/Security protocols to comply with MS ABC Information Technology policies and procedures.	The WMS has security protocols that allow for custom roles to be created to comply with MS ABC standards. Custom role functionality means that users will have access to perform only their necessary tasks and/or only see/extract data necessary to perform their job responsibilities.
4.1.1.6 Provides systems/procedures to ensure data integrity and recovery.	We have comprehensive policies to ensure data integrity and recovery. All our revenue-making systems, including our WMS are housed in a Tier 3 data center. All the data is replicated to our secondary data center within the SLA of one minute or better 99% of the time. The data is also backed up at the primary data center and secondary data center and we have industry standard retention policies of seven years from compliance perspective. We use the application-level security in each of these three applications to grant and revoke the user level authority based on the business roles they play. Ruan has built WMS platform on the redundant technical infrastructure. This technical infrastructure

4.1.1.7 Ability to transmit completed order and route information to MS ABC, licensees and delivery partners.	consists of redundant network switches, routers and firewalls from best-in-class technology vendors like Cisco and Checkpoint. We also use EMC storage technology for additional redundancy in storage. For computing power, we use Cisco's UCS technology along with VMware's virtualization software to ensure highest availability and scalability for our R2.0 platform. We also use Microsoft's and Oracle's best in class SQL Database platform for persisting the business data. At each of the datacenters we have redundant internet and network connectivity to our regional offices. Each regional office also has redundant MPLS and cellular coverage to allow each terminal to connect to the datacenters without interruptions. From the additional disaster recovery considerations, we replicate live data from the primary data center to the secondary datacenter within 1 minute. We also keep on-site and off-site backups of our data and systems for recovery purposes. We have well defined retention policies in place to safeguard against data loss. We use our daily and/or monthly backups on a regular basis to refresh our QA/test systems. This is mostly an automated refresh process. This automation ensures that our business continuance and disaster recovery procedures are well tested and are up to date with changes in technology. Yes, Ruan's WMS system can transmit an actual shipment file to ABC and any relevant partners after the load has been picked, loaded and put in a shipped status. For example, the transmitted file can contain any relevant reference fields (i.e., order numbers), the quantity ordered, the quantity shipped and the route it was assigned to. Exact specifications will be determined as part of the implementation process.
4.1.2.1 Inventory Management Barcoded reserve and picking locations Cycle counting on a fixed schedule Inventory adjustments	Ruan's inbound receipt process will allow the warehouse receiving team to unload the product into a staging area by the receiving door. Each pallet will be processed by scanning the SKU number and then inputting the number of cases received into the WMS. Also, as part of the receiving process the quantity of bottles/cases will be validated against either the received EDI 856 or via the paperwork associated with the inbound truck. As soon as all pallets have been scanned and validated for quantity an actual receipt file will be sent to the appropriate ABC system and the warehouse receiving team will place the product in the appropriate location in the warehouse. We will have a defined process for handling discrepancies during the receiving process. Each SKU will have a location set up in the warehouse and each SKU will have a product barcode that the warehouse pickers will scan as they process the orders. Ruan has a documented cycle count process which is a standard warehouse process in our operation. High turn inventory and high-cost inventory SKUs are identified and these SKUs are checked weekly for inventory accuracy. Lower turn and cost inventory SKUs are checked monthly. If discrepancies are found in the cycle counting process adjustments will be made within the Ruan WMS and communicated to the ABC system as part of the normal inventory sync process.

Annual audit	Ruan will perform an annual audit and it will be performed over a weekend when there are no inbound shipments coming into the inventory or outbound orders being picked from the inventory. Adjustments will be made during the annual inventory audit and analysis will be performed on any inventory adjustments resulting in more than a .05% variance.
Process all store returns on a timely basis, returning to inventory or processing as damage.	Once a customer has approval to return a product back to the warehouse, a return authorization form that will be filled out and signed that the product was returned by the customer so there will be a chain of custody on the product. Once the product arrives back to the warehouse mis orders and mis picks will be scanned back into the WMS system and returned to stock. Damaged returns will not be returned to stock.

4.1.2.2 Order Processing	When the warehouse pickers receive their order, the WMS will guide them to the location of the product, and they will pick the proper amount of cases and bottles to fulfill the order. As they are picking the orders, they are also scanning the inventory so it shows complete in our system and removes the inventory from the system. We are comfortable handling the case volumes listed and are very experienced with the seasonality of the alcoholic beverages industry.
Picking	
Labeling	Once the orders are completed by the warehouse picker and it is placed in a completed status in our WMS our system will print out a label that includes all the information listed in the scope of work. Labels are fully customizable and can be adjusted as business requirements evolve.
Loading	Our WMS will ensure that orders are picked complete and accurate as the warehouse personnel scan the case and bottle picks against the order created in the WMS. The orders will be staged by the dock doors and the truck loads will load the truck in order of the route with a LIFO order sequence so the last order loaded on the truck will be the first order delivered. The drivers will also be provided the route sequence, so they know the route delivery order.
Securing	While the pickers are pulling the orders, they are placing and stacking the cases on the pallets. Once the order is pulled and complete, the picker shrink wraps the cases on the pallet. A label is then printed from our WMS and attached to the pallet. Next the pallet is ready for loading onto the outbound trailer. If there are several small orders, they are combined onto one pallet and marked with the labels, so it is clear for the driver which cases are for which customer.
Processing	Orders that are entered by the cutoff time will be pulled into our WMS, routed, picked and loaded onto an outbound trailer on that day so they can be transported and delivered to the customers the following day. Our service standard is delivery the following business day after order cutoff.

3.1 Warehouse Associate Management

Recruiting, qualification and hiring of warehouse associates and administration

Orientation and training - Associates utilized in the operation must be trained in MS ABC processes and procedures

Our human resource and recruiting department is located at our corporate office in downtown Des Moines, IA and they are responsible for the hiring process which will include:

- Posting the position for recruitment
- Recruiting
- Screening
- Qualification
- Job offer extension
- Completion of all hiring paperwork

Our human resource department will ensure that all hires meet all the qualifications and are compliant with all laws.

Yes, once the warehouse associates are hired, they are required to go through our company orientation, so they are familiar with all Ruan and ABC policies. Associates are trained on Ruan WMS and ABC processes which will include the following:

- All aspects of the order process including pulling the order from the system, understanding the order requirements, scanner operation, bar code understanding, warehouse layout, order picking, packaging, order completion and preparedness for shipping.
- Inbound order processes for unloading the inbound trailers, scanning of inventory into the WMS, placement of product in the correct location in the warehouse and stock rotation to ensure FIFO order fulfillment.
- Product training to ensure associates understand the different product sizes
- Associates who will be operating fork lifts will be trained and certified on forklift operations.
- Associates who will be operating double pallet jacks will be trained and certified on pallet jack operations
- Shrink wrapper operations
- Safety guidelines and requirements
- Administrative functions

Ruan will also conduct ongoing training for any changes or updates to operations and yearly certifications.

3.2 Warehouse Facility Management

Maintain a clean and dry facility.

Adequately secure the facility to prevent pilferage, theft, break-in or damage.

Provide security 24-hours per day, seven days per week.

MHE

Safety is our number one priority and managing the physical facility properly is an important part of that. We have procedures in place to ensure a clean and dry facility to prevent slips, trips, falls and preventable accidents with MHE hitting objects left in traffic lanes.

Security is another top concern. Badges will be provided for each employee and they will be required to scan in and out during their shift. We have high standards for security camera equipment and all relevant areas will be monitored.

We intend to continue to use the current MHE systems conveyor and automated sortation system in the existing facility. Requirements for similar equipment will be reevaluated once we move into the new facility.

We will provide new handheld scanners for pickers and the required lift trucks. We plan to use some of the existing equipment but will likely replace some of the older equipment listed in the RFP documents.

4.1.3.3 Reporting - Performance Metrics Reporting

Cost metric

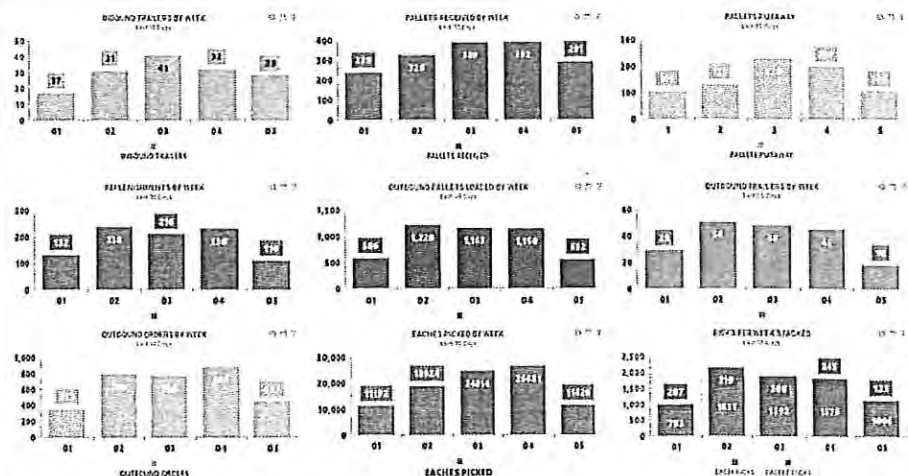
Productivity metric

Inventory Count Accuracy

Warehouse exceptions

We can provide the reporting listed in the RFP. Our WMS is a dynamic system that can report on any of the data that is input into the systems. For our WMS, this includes, but is not limited to the associated order data, inventory data, and production data. We can tie this back to the financial invoicing data.

Below is an example of an operational dashboard that we have set up for a current client. The reporting module is available 24/7 with near real-time data. Reports can be produced with drag and drop functionality and can be run ad hoc or can be sent to users on regular intervals.



4.1.3.4 Financial & Other Reporting	We can provide the reporting listed above. Our WMS is a dynamic system that can report on any of the data that is input into the systems. For our WMS, this includes, but is not limited to the associated order data, inventory data, and production data. We can tie this back to the financial invoicing data. Additionally, we provide very similar reporting to the State of Iowa Alcoholic Beverage Division. The reporting is highly customized to fit their regulatory needs and is provided with no additional fees.
4.1.3.5 Warehouse Operations Requirements - Implementation Plan	Our implementation strategy will be to work with ABC to set up the connectivity between MARS and Ruan's WMs. We will first need to map out the process, stand up the systems, integrate the two systems and test and roll out to production. Ruan's internal implementation consists of procuring the material handling equipment, bar code set up, SKU set up and setup of the scanners. Ruan has a startup team based at our corporate office in Des Moines and they will have the responsibility for the implementation and startup of this project. Our implementation team will consist of one project manager and an implementation manager and will be dedicated to this start up from initial award through operations start up. Ruan does not plan on utilizing any third-party entities during the implementation start up; all the work will be done by Ruan employees and there should not be any additional costs associated with the implementation. We will need a project manager and business experts from ABC to assist with these steps to establish connectivity and the business experts from ABC will need a technical understanding of how the data is stored and can be transmitted to the Ruan system. They will also need to know the format of the data, what each column represents and the timing of the data transmission. Ruan will have a project manager who will coordinate what tasks will be needed with ABC personnel. We estimate that there will be about 1,050 hours' worth of work from the initial planning stage through setup, integration, testing and final rollout with most of this time requiring support from an ABC employee. Our attached implementation schedule defines documentation provided by our Project Management Institute-trained start up manager. We don't anticipate additional documentation costs. Ruan has several warehouse customers similar in size in our portfolio and were all set up in a similar process so ABC can have confidence that Ruan has the experience to set up a warehouse implementation of this size and scope. Our attached implementation

	schedule defines the steps needed.
4.1.3.6 Warehouse Operations Requirements - Ongoing Operations Ruan Staffing and Management	Ruan has a staff of human resources recruiters based at our corporate office in downtown Des Moines who will have the responsibility for posting, advertising, recruiting, screening, and hiring the warehouse employees. This same group will also be responsible for the future hiring of warehouse employees if needed. This same department will also be responsible for recruiting and hiring the administrative staff. Ruan's staffing philosophy involves a mix of Ruan full time employees with agency employees. Our typical agency employee has a tenure of over 18 months and allows for flexibilities as volumes fluctuate. Once employees are hired, our training and development department conduct orientation for both administrative staff and warehouse employees. Both will be thoroughly trained on Ruan and ABC policies and procedures from initial hire paperwork through all of processes and procedures for Ruan and ABC operations. Our employee onboarding is one full day which occurs before the employee is allowed access to the warehouse floor and covers all safety topics as well as company policy and employee expectations. Once the employee has been onboarded the task specific training to the documented standard work is typically takes another full week. All Supervisors and hourly team members are cross trained on all receiving, order fulfillment, and shipping duties which allows for coverage during vacations and during periods of growth. The ordering process will be vendor-managed through ABC's system. Inbound loads will be received, and inventory will be scanned into inventory through our Blue Yonder WMS. Our system will check Inbound inventory against an order file, if provided by ABC, to validate inbound order fulfillment by supplier. Once the cutoff time has passed and we have received the orders from the ABC system, Ruan will load the orders into our WMS. The orders will be shared with our routing system and grouped together by routes and sequenced in order by a FILO order sequence based on the route order. This is the order sequence the warehouse pickers will receive the orders for fulfillment. While the pickers are pulling the orders, they are

Operations

placing and stacking the cases on the pallets. Once the order is pulled and complete, the picker will shrink wrap the cases on the pallet. A label will be printed from our WMS, the label will be attached to the pallet and the pallet will be ready for loading onto the outbound trailer. If there are several small orders, the orders will be combined on to one pallet and marked with the labels, so it is clear for the driver which cases are for which customer. The loaders will load the completed orders in the route sequence based on the first in last off order, and when the load is shipped from the facility, our WMS can send an actual shipped file to ABC by the order with the shipped quantities compared to the ordered quantities.

Our proposal is to operate the warehouse as a two-shift facility Monday-Thursday and on Friday during holiday weeks. Staff will work overtime and temp employees will be used to cover seasonal spikes in volumes.

We propose operating with the fixed building infrastructure that is in place, including the racking, conveyor and pallet wrapper. Ruan will provide the material handling equipment and WMS. Ruan will be responsible for cleaning the interior of the facility including the floors and the dock support office areas. We will also be responsible for keeping the outside dock area clean. Building maintenance to the facility shell, future facility improvements and all exterior maintenance has not been included in the proposal.

Ruan will have insurance coverage at the types and limits listed in section 2.13 of the RFP.

Ruan will install a systems network to support the Blue Yonder WMS, necessary printers and PCs. Our proposal includes scan guns for all material handlers, PCs for supervisors and management and label and office printers.

Ruan recognizes six holidays per year: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas. Our proposal to handle holidays is that the warehouse and distribution operations will be closed on the Ruan-recognized holidays, and in the week the holiday occurs, business requirements will be moved back 24 hours.

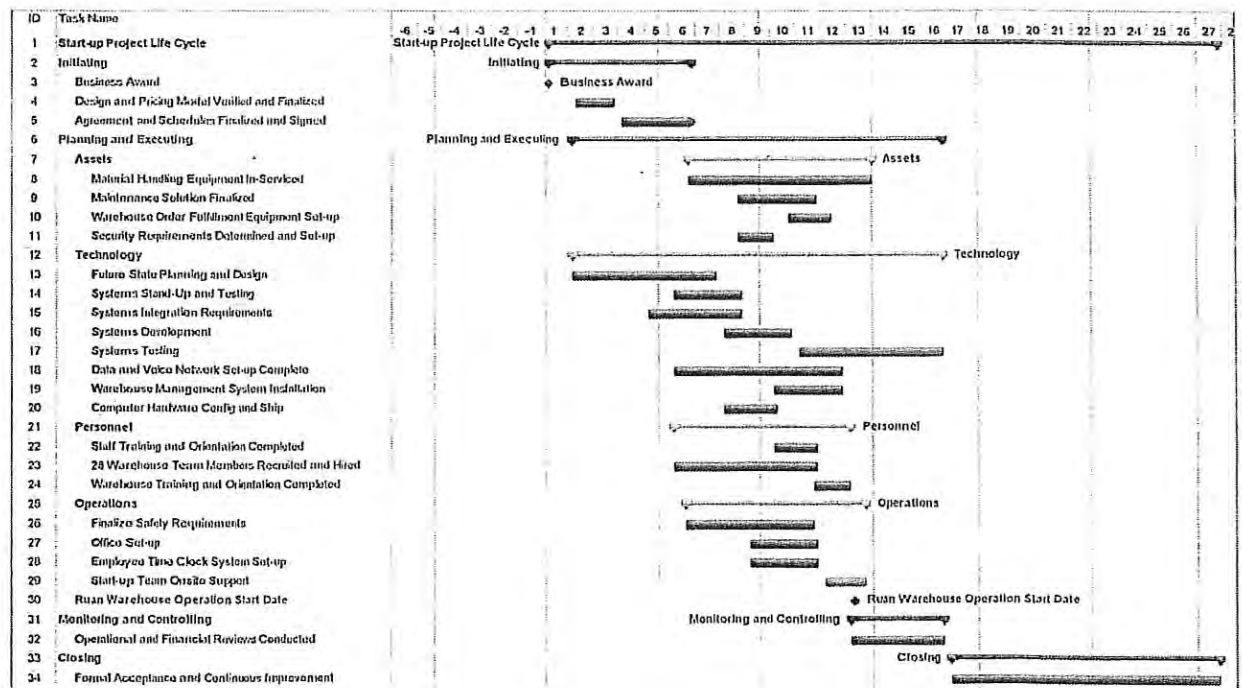
Order cutoff days and time will be moved back 24 hours for ordering, and deliveries will occur one day later than normal. The following week returns to normal schedule. Ruan will communicate holiday order cutoff times and delivery schedules to the ABC customers the week prior to the holiday so all customers are aware and do not miss an order during a holiday week.

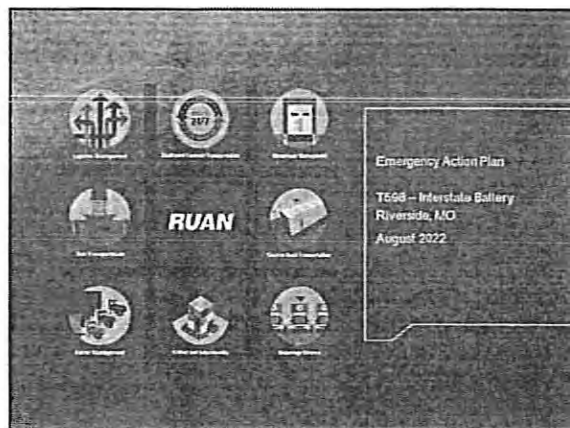
4.1.3.7 Warehouse Operations Requirements - Business Continuity Plan

If awarded the business, we would develop a business continuity plan specific to this MS ABC operation.

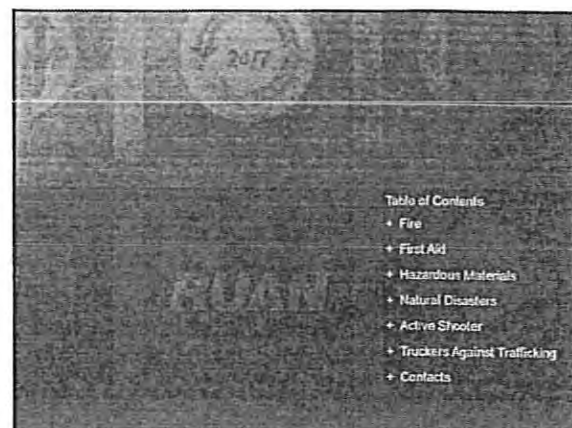
The IT portion of business continuity is addressed in 4.1.1.6.

Safety is another crucial part of our continuity plan. An example of the training our employees go through is included on the following page.

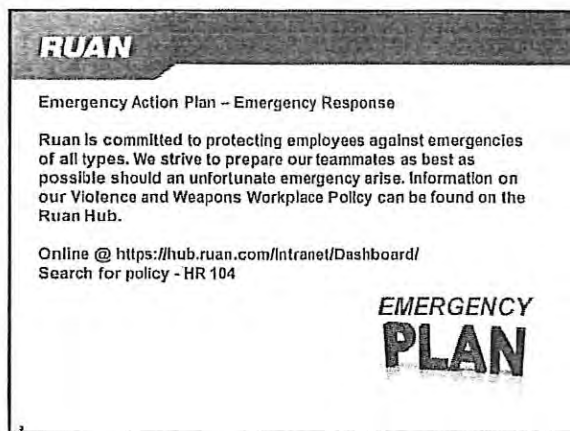




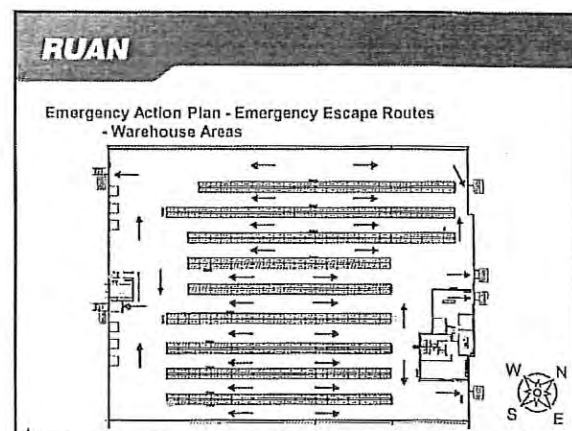
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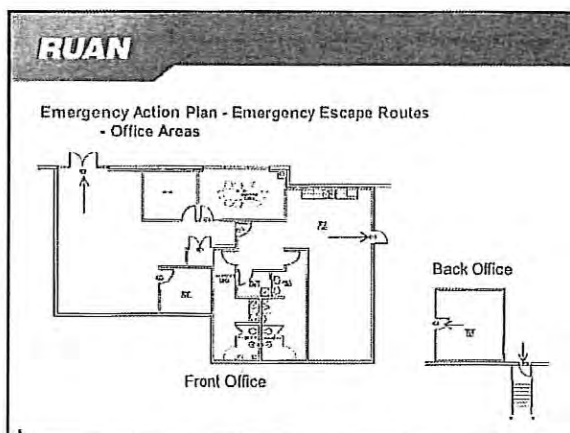
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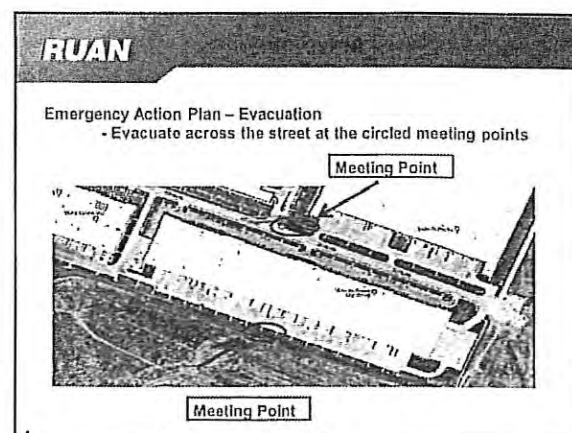
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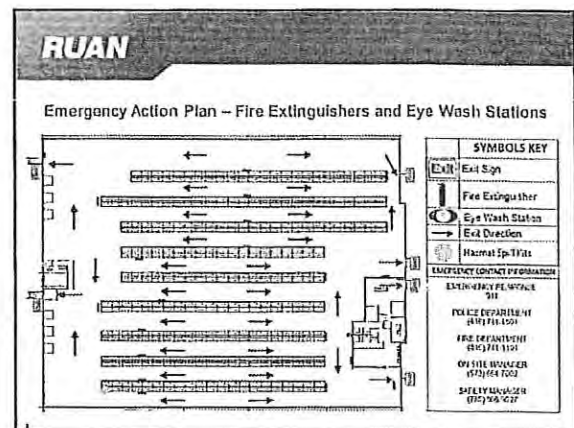
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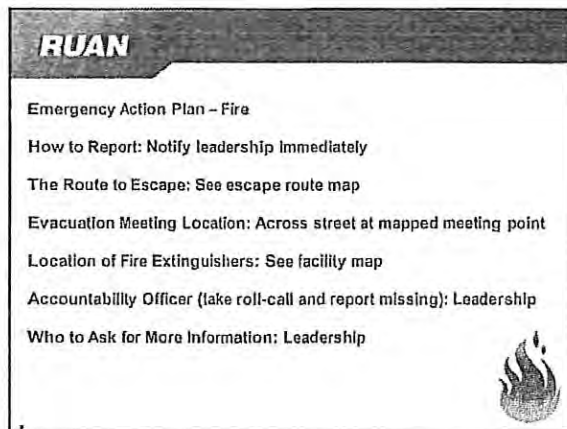
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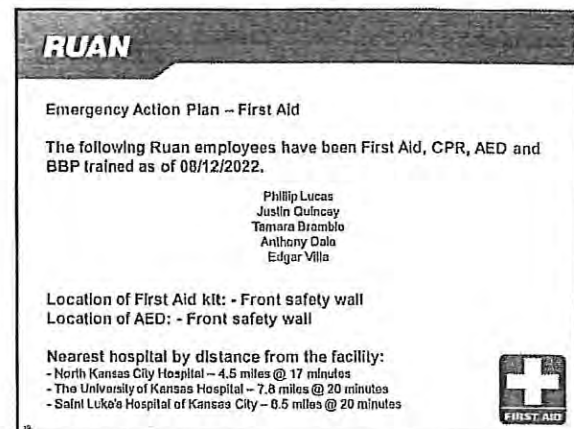
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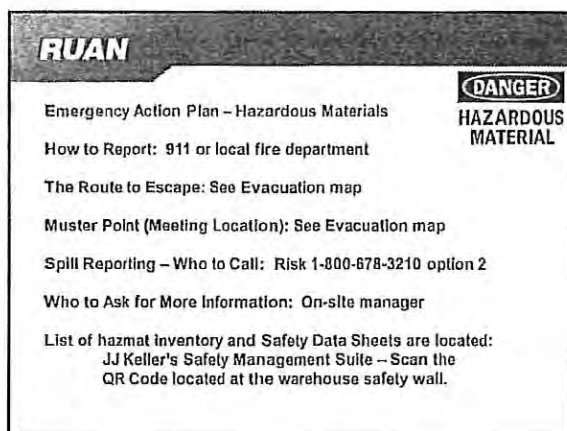
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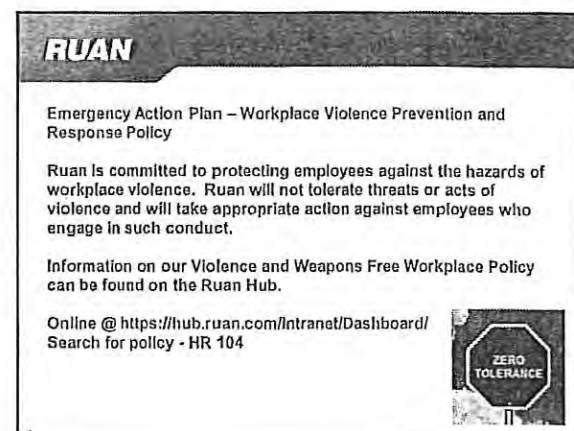
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10



11



12

RUAN

Emergency Action Plan – Active Shooter

An active shooter is an individual actively engaged in killing or attempting to kill people in a confused, and populated area, typically through the use of firearms.

This training isn't just applicable during the workday; we want you to be aware of your surroundings everywhere at anytime.

**ACTIVE SHOOTER
HOW TO RESPOND**

13

RUAN

Emergency Action Plan – Active Shooter

How to Respond:

- 1. Run**
Have an escape route and plan in mind
Leave your belongings behind
Keep your hands visible
- 2. Hide**
Hide in an area out of the shooter's view
Block entry to your hiding place and lock the doors
Silence your cell phone
- 3. Fight**
As a last resort and only when your life is in imminent danger
Attempt to incapacitate the shooter
Act with physical aggression and throw items at the active shooter

CALL 911 WHEN IT IS SAFE TO DO SO

14

RUAN

Truckers Against Trafficking

In 2009, Truckers Against Trafficking (TAT) began an effort to reduce human trafficking. Human trafficking exists whenever people are bought and sold for forced labor or commercial sex. Unfortunately, the number of victims in the United States is estimated in the hundreds of thousands.

TAT recognizes that the trucking industry is invaluable in helping combat the high numbers of this heinous crime. You are the eyes and ears for the nation's highways.

We'll watch a video to explain more about TAT, but please save this number somewhere—your phone, your notepad, anywhere. It's the number that could save a life: 1-888-3737-888.

TRUCKERS AGAINST TRAFFICKING
Do You Need Help?
TEXT 233733 (BE FREE)
1-888-3737-888 (US)

RUAN is a Bronze level supporter of the TAT effort

15

RUAN

Summary

In the end, if you feel uncomfortable or uneasy about a situation, please say something. Don't wait for someone else to say something—it may be too late. Report suspicious activity.

This isn't just when you're at the terminal. You always need to be aware of your surroundings:

- On the road
- At customer locations
- While shopping
- Around large groups of people
- In open areas

If you see something out of place, it is out of place.

**IF YOU SEE
SOMETHING.
SAY
SOMETHING.**

16

RUAN

Who Do You Call If You See Something Suspicious:

- On-site manager
- Local authorities
- FBI Suspicious Activity/Crime Reporting:
 - 1-855-TELL-FBI (1-855-835-5324)
- TSA First Observer
 - 1-844-TSA-FRST (1-844-872-3778)
- Truckers Against Trafficking:
 - 1-888-3737-888



17



RUAN

Emergency Action Plans

2022

18

TAB 3 – PROJECT MANAGEMENT PROPOSAL

Project Management Proposal

7.1

Erica Green-Greenwood
Mississippi Department of Revenue
500 Clinton Center Drive
Clinton, MS 39056

Dear MS ABC Team,

Ruan Transportation is pleased to submit our proposal to the State of Mississippi Alcoholic Beverage Control Division in response to the request for proposal for RFP 3120002542 for a Third-Party Warehouse Operator for the Alcoholic Beverage Control Division.

Ruan Transport Corporation is celebrating 90 years in business as a warehouse, transportation, and logistics provider. Ruan is a privately held, family-owned corporation and has more than 300 operations nationwide and employs 5,600 team members across our warehouse, transportation, and supply chain services. Ruan manages and operates over 1.2 million square feet of warehouse space including a directly similar operation with the State of Iowa Alcoholic Beverage Division where we operate the warehouse and provide a dedicated delivery fleet for distribution across the entire State. With our people, systems, experience and equipment, the Mississippi Alcoholic Beverage Control Division can have confidence Ruan will provide excellent service at an economical cost.

Additionally, we believe that by implementing our world class WMS, there should be opportunity for productivity improvements that would result in a lower headcount. If that is the case, we would like to reopen pricing to pass on those savings to the State of Mississippi.

Individual authorized to legally bind Ruan Transport Corporation: Marty Wadle
Chief Commercial Officer
666 Grand Ave, Suite 3200
Des Moines, IA 50309 515-245-2821 Office
515-558-3556 Fax
mwadle@ruan.com

Representative to contact regarding all pricing and technical matters: Jason Dobbs
Vice President - Integrated Solutions Sales 666 Grand Ave, Suite 3200
Des Moines, IA 50309 859-609-9192 Office
jdobbs@ruan.com

As requested, Ruan has submitted the proposal in the requested format of single sided text in 4 tabs contained in a 3-ring binder.

We have submitted the cost proposal in original format. We have also included a video containing detail around our partnership with the State of Iowa Alcoholic Beverage Division where we perform directly similar services to the requested services in the RFP response. It should only be viewed as part the Project Management section as it is not "blind". As requested, proposals are prepared and delivered to Erica Green – Greenwood before 12:00 PM CST on 11/22/2022. Ruan will guarantee that all proposal terms, including price, will remain firm for 120 days.

Please contact Jason Dobbs regarding any additional questions or requests for information. We look forward to serving the State of Mississippi as your chosen warehouse provider for the Alcoholic Beverages Control Division.

Sincerely,

Marty Wadle
Chief Commercial Officer
666 Grand Ave, Suite 3200
Des Moines, IA 50309 515-245-2821 Office
515-558-3556 Fax
mwadle@ruan.com

7.0 Executive Summary

COMPANY FACTS AND CREDENTIALS

Ruan is a privately held, family-owned asset based 3PL that was founded in Des Moines, IA in 1932.

- \$1.5 billion in annual revenues
- 13,000 active carrier partnerships
- 300 operations nationwide
- 1.2M sq ft of dedicated warehouse space
- 5,000 team members
- 4,000 professional driving team members
- Own/operate 4,000 power units & 10,000 trailers



Shelton
Snowflake
award

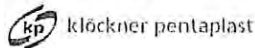


John Ruan
FOUNDER



Ruan Transport Corporation started with one truck in 1932 and 90 years later is one of the most respected transportation, warehousing, and logistics companies in the industry. We have more than 300 operations throughout the United States across our Dedicated Fleet, Warehouse and Managed Transportation services with a 99% customer retention rate. Our mission is to Empower the best team in logistics to deliver exceptional experiences that create value for our partners.

SAMPLE OF RUAN'S VALUED PARTNERSHIPS



While we have over 300 operations in a wide variety of verticals, our largest vertical is food and beverage. We understand the direct to retailer delivery model and will operate the warehouse to optimally facilitate your end customers getting the right product, on time. Our relationship with Iowa Alcohol Beverage Division is directly applicable to this opportunity. We handle the inbound receiving, warehousing, and distribution of all spirits in the state.

RUAN'S STRATEGIC FOCUS

OUR MISSION

Empower the best team in logistics to deliver exceptional experiences that create value for our partners.

ONE RUAN

- Think and act as part of the broader Ruan organization
- Create value by utilizing best practices and common processes
- Serve every Ruan customer as your customers

ENDURING PARTNERSHIPS

- Build relationships with partners who align with our Guiding Principles
- Know and enable our customers' strategies
- Leverage our expertise across all Ruan services to provide customer solutions

TECHNOLOGY THAT TRANSFORMS

- Digitize and automate
- Seamlessly integrate to enable informed decisions and efficient execution
- Provide end-to-end visibility of the supply chain

GREAT PLACE TO WORK

- Engage team members through ongoing feedback, recognition, and celebration
- Support team member growth and development
- Collaborate in a diverse and inclusive team environment

GUIDING PRINCIPLES: People First; Safety Focus; Exceptional Performance; Customer Satisfaction; Continuous Improvement

OUR VALUES: We are committed to acting with integrity in everything we do.

Our values are very straight forward. We are committed to acting with integrity in everything we do, and we operate our business everyday with the following guiding principles to ensure we

are doing what is best for our customers, employees, and the public:

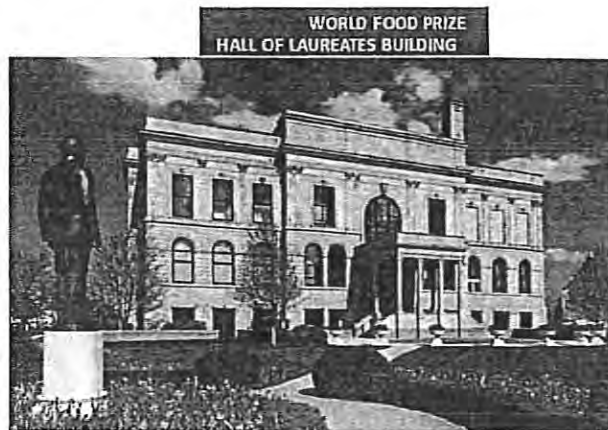
- Safety Focused
- People First
- Customer Satisfaction
- Exceptional Performance
- Continuous Improvement

Ruan's strategic priorities, applied to everything we do, bring great value to our partners.

RUAN'S PHILANTHROPIC CULTURE

Ruan has a deep philanthropic culture. The Ruan family gives generously of their time and resources to important local, national, and global causes.

Ruan team members donate their time and money selflessly to communities across our operational network throughout the year, including our annual United Way campaign and supporting a variety of local charities during our annual Founder's Days employee volunteerism efforts.



The World Food Prize Foundation's mission is to elevate innovations and inspire action to sustainably increase the quality, quantity and availability of food for all.

Ruan believes in community involvement and giving back to the communities that we are privileged to serve. We are a proud sponsor and supporter of the World Food Prize, United Way and many other charities and organizations across the U.S. We strive to develop deep roots in the communities where we operate. We look forward to the opportunity to get involved in the Mississippi community if awarded the business.

RFP Qualifications

Ruan is well qualified to handle the operations for both warehousing and distribution, as stated in this RFP.

VALUE ADDED WAREHOUSING CAPABILITIES

- + Transload and crossdocking
- + Multi-WMS experience
 - JDA / SAP / Oracle
- + Inventory managed with VIN control, lot control, and FIFO controls
- + Real time inventory processing
- + Multi level cycle counting
- + Pallet pick and case pick
- + Sequencing of parts for lineside delivery
- + Customizable bar code pallet and / or carton labels
- + Storage of finished goods
- + Retail deconsolidation and delivery services
- + Utilization of Kaizen principles, 5S and lean philosophies to drive continuous improvement
- + Processes are value stream mapped to create standard work and training documents



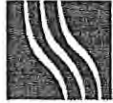
Ruan has invested heavily in technology and our Blue Yonder WMS can integrate with the State of Mississippi's current system. We believe there is significant value that can be realized in the new ABC warehouse with our WMS Integrating with your platform. We believe there may be real cost down opportunities realized via our WMS implementation and the efficiencies that it will bring in the new building and would offer the opportunity to share those reductions with the Mississippi ABC Division.

Our WMS has the capabilities to receive and store order specifics, share the data with your routing software for route creation, transmit picking information to warehouse personnel for order picking, remove scanned orders from inventory and transmit order fulfillment information back to MARS, print order summary and capture all data including financial information for reporting.

The Ruan WMS will also be able to receive inbound shipments and check the product against a receipt file, receive the product into inventory at the bottle level and send receipt information back to the MARS system. Ruan has the experience and technical knowledge to manage MS ABC's warehouse needs with directly relatable experience via our warehouse operations for the State of Iowa Alcoholic Beverage Division. We currently have over 1.2 million square feet of warehouse space with multiple customers and provide services from warehousing, order picking, inventory management, kitting, sub assembly and more.

Ruan's Valued Partnership with Iowa Alcoholic Beverage Division

Our partnership with Iowa Alcoholic Beverage Division (IABD) highlights our strengths in this industry and why Ruan would be a great provider for MS ABC if selected. The USB drive included in our submission has a short video that provides an overview of the operation along with testimonials from IABD employees.



State of Iowa ALCOHOLIC BEVERAGES DIVISION

The Iowa Alcoholic Beverages Division is the alcoholic beverage control authority for the state of Iowa regulating liquor wholesales.

Ankeny, IA

Statistics

- + 39 team members
- + 180,000 square feet
- + 24 trailer spots
- + 10 dock doors
- + 125,000 weekly unit picks

Other Features

- + Integrated with IABD order management system
- + Real-time inventory transactions
- + Directed putaway and pick routes defined by Ruan's WMS
- + Inventory transactions completed at time of shipping
- + Real-time visibility to suppliers
- + Supporting more than 75 suppliers

Dedicated Fleet

- + Dedicated fleet servicing 1,900 retailers and wholesalers throughout Iowa
- 18 drivers
- 32 dry vans



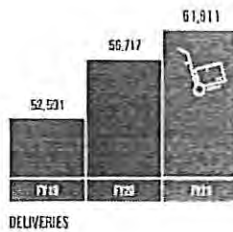
4.1.3.5 RUIAN

Like the MS ABC model, all spirits sold in Iowa are distributed from a centrally located warehouse. Ruan provides the warehousing and distribution.

The implementation of this operation was very similar to what the implementation would be for MS ABC. We started the operation operating in the existing WMS. The project to support the conversion to Blue Yonder started soon afterwards. With our internal project management and Blue Yonder WMS experts, we were able to stand up the new WMS in six months. This included working with the state to integrate directly with their ERP. The implementation timeline provided in section 4.1.3.5 is the exact timeline we used for this conversion.

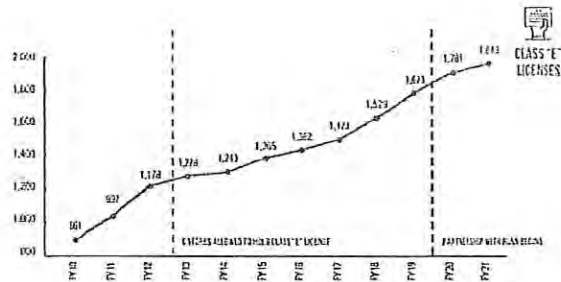
OPERATIONAL GROWTH

- Since taking over in 2019, warehouse operations have seen steadily increasing volumes
- Ruan has increased productivity via WMS improvements, layout improvements and employee management and training to keep up with increased demand



FISCAL YEAR 2021 CAN BE ACCURATELY DESCRIBED AS THE YEAR OF 'MANAGING A SALES SURGE IN A TIME OF CRISIS.' ABD CONTINUOUSLY STRIVES TO ACHIEVE ITS GOALS NO MATTER THE 'CLIMATE' OF THE DAY. OUR DISTRIBUTION PARTNER, RUAN, DEMONSTRATED THEIR ABILITY TO MANAGE EFFECTIVELY DURING THIS PERIOD AS THEY PLAYED A CRITICAL ROLE IN SUCCESS FOR ABD."

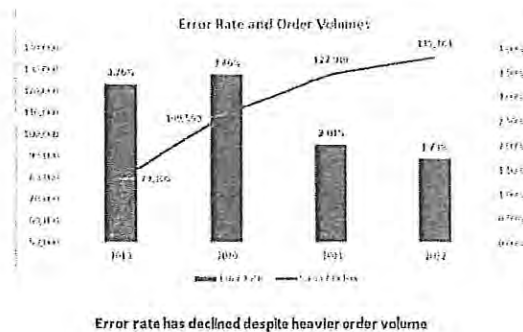
— HERBERT H. SUTTON JR., CHIEF OPERATIONS OFFICER



Like Mississippi, Iowa has seen strong growth in alcohol sales in the last few years. We have been able to scale with the state to serve this growth and maintain very high service levels. In fact, we were given the Iowa Stateways Best Practices award to recognize the successful transition we made when implementing with the state in 2019.

CONTINUOUS IMPROVEMENT

- Staffing and shift changes to support a smoother receipt, put away, and pick flow.
- Added a night shift that handles all receiving and put away that alleviated congestion and inefficiency of performing both functions during the day shift.
- Implemented JDA WMS that provides improved labor management, workflow and pick logic. Increased pick accuracy and inventory accuracy.
- Racking design and configuration to support expansion of SKUs and rationalize case pick vs each picks to improve pick efficiency and accuracy.
- Improved "Highly Allocated Product" processes to drive visibility, control, and accuracy of limited quantity product.



Error rate has declined despite heavier order volume

As mentioned earlier in our proposal, Continuous Improvement is one of Ruan's guiding principles. The slide above highlights some of the CI projects we have implemented so far at the IABD warehouse. Our world class WMS has allowed us to improve traffic flow and increase pick rates. Through employee training and retaining team members, we have been able to continually improve

pick error rates despite significant volume growth.

As mentioned in the video, all of this CI work has also resulted in cost/case savings throughout our partnership.

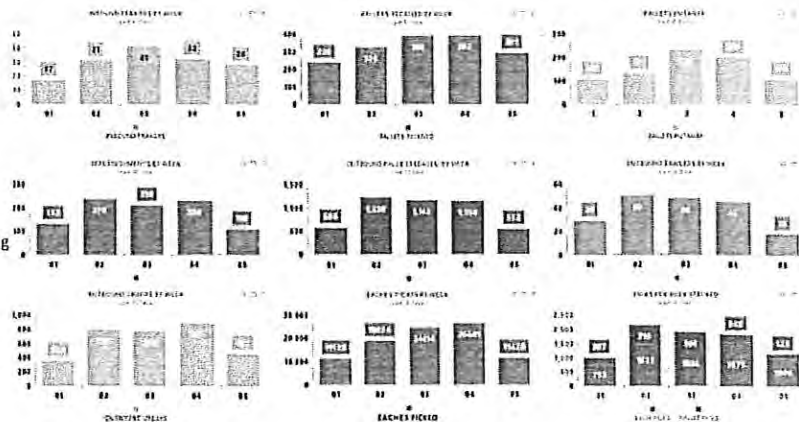
WAREHOUSE PRODUCTIVITY METRICS

+ Metrics Tracked

- Operational statistics like picks/day, trailer utilization, etc.
- Employee level productivity measures like pick rates, mis-picks and damage rates

+ Benefits

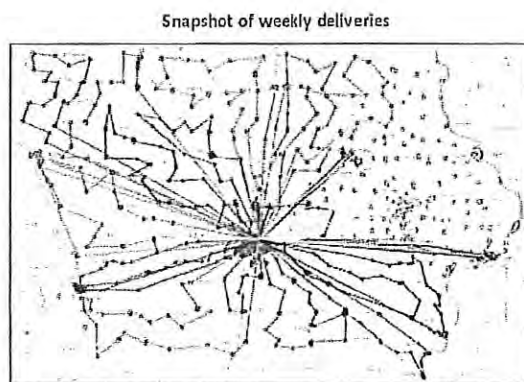
- Identifies top performers and team members that need additional coaching
- Better inventory accuracy
- Improved throughput



Ruan has a very robust reporting tool that integrates with our Blue Yonder WMS and is included in this proposal at no additional cost. The dashboard above is a sample of what is used at IABD. All reporting is customizable, and we are confident that we can deliver all the reporting in sections 4.1.3.3 and 4.1.3.4.

DISTRIBUTION MODEL

- Ruan's fleet delivers to all 1,900 customers on set weekly routes
- Orders are palletized and loaded in reverse stop sequence
- Orders are delivered same day, or next day on longer routes
- Average of 21 deliveries per load



Deliveries have steadily increased since Ruan took over, while still maintaining a 98.99% on time rate

Our warehouse team plans 1,200 deliveries per month to support 1,900 retail customers. While distribution is not in scope, our experience as a distributor will help us support MS ABC's distribution partners. We understand what it takes to be an effective partner that allows carriers to successfully execute last mile delivery.

OUR VALUE PROPOSITION

Ruan offers the ideal flexible combination of asset and non-asset-based supply chain & logistics solutions to get your goods to the right places at the right time — safely and efficiently. We've built our company to anticipate and support your growth goals and help you stay ahead of evolving customer requirements and we've powered it all with the best team in the industry.

IT'S NOT JUST ABOUT WHAT WE DO

It's about HOW we do it.
From the top, down. Everyone is at the table.
We're Imbedded with you.
We embrace your mission and align our values.
We drive value and efficiencies by listening.
Create innovations by collaborating.
Improve performance through personal connections.

HUMAN CONNECTIONS DRIVE PERFORMANCE

We are your eyes and ears.
Your best ally and biggest confidant.
Your team of experts on the inside.
That understands and cares.
That uncovers challenges - and solves them.

Day in and day out.
We work with you, beside you, and for you.

Your dedicated team of Ruan experts deliver results every day through their deep knowledge, commitment to your mission, and their ability to leverage world class technology and data analytics to plan proactively, drive efficiencies, and manage costs on your behalf.



Ruan has carefully reviewed the RFP requirements and we are confident that we can expertly manage all aspects of warehousing as listed and in scope. We look forward to the opportunity to partner with MS ABC.

RED

The **RUAN** Magazine

Number 18 Feb 2022

...er calls World Food Prize
a weapon against terrorism



"The most outstanding
grant of safety promotion
all highway men."



JOHN RUAN

Ruan Given
High Office
A.T.A.

For the first time, an Iowa
truck operator is
the top gene



SINCE
1932



"Our people,
not trucks,
are Ruan's
biggest asset."

John Ruan, 1974

The **RUAN** Magazine

Number 18 Fall 2022

No. **18**
SINCE
1932



John Ruan III

This 90th Anniversary Edition of RED is dedicated to Chairman Emeritus John Ruan III (1943 – 2021) whose commitment to safety, dedication to service, and vision for a better future drive us forward every day.

03 Services

3 keys to success in outsourcing to a 3PL partner

08 Cover Story

Honoring our legacy while looking forward

Regulatory update current and stav

THEIR

18 Regulations 20 Case Study

Staying compliant through change

How a public-private partnership serves Iowa retailers

A Letter from Ben McLean | CHIEF EXECUTIVE OFFICER



Welcome to Ruan's commemorative 90th Anniversary Edition of RED.

Shortly after I joined Ruan, we celebrated our 75th anniversary – a remarkable milestone in my mind at the time. Since then, I've developed a much deeper

appreciation for the history behind our business because I am constantly reminded of how it continues to guide us forward every day. Our history is anchored by one man's commitment to hard work, the well-being of his team, the satisfaction of his customers, and the health of the world around him. And it has successfully steered us through countless challenges, disruptions, and opportunities over the past nine decades.

To get a sense of the core values and true essence of our company, we have to go all the way back to Day One: July 4, 1932. Our founder, John Ruan, was forced to drop out of Iowa State University after his dad passed away, the stock market crashed, and his family lost all of their savings and livelihood. Young John, determined to provide for his family, traded in their car to buy a truck and used it to haul gravel for road building. At night, he slept in a tent at the gravel site.

I am still in awe of that story. It leaves me full of admiration for a teenager who, while trying to make ends meet in such hard times, somehow grew his first truck into one of the largest, privately-owned trucking companies in the nation. It also demonstrates how a company survives 90 years: with an unparalleled work ethic that's laser-focused on serving

customers, providing for families, and doing its part to improve lives.

Our industry is not an easy one. Change is always right around the corner, and the

challenges can be significant. But Ruan has always had the ability to adapt, prevailing through decades of economic downturns, world conflicts, and supply chain disruptions. Through the generations, we've established a legacy of innovating and evolving to meet marketplace needs, while thriving through times of change. For instance, with the encouragement of our late Chairman John Ruan III (the son

of our founder), we made the strategic decision to invest in growing our Managed Transportation service. The outstanding growth and success of this service, which is built around great logistics team members and sophisticated technology, not only complements our dedicated fleets and other offerings, but it also allows us to deliver great value for customers, provide for our team members, and keep our nation's supply chain moving.

Of course, one of the biggest changes in our 90-year history came two years ago with a global pandemic that proved to be more challenging and uncertain than anything our company had endured since World War II. We had no playbook for COVID-19, other than our legacy of adapting to change through very challenging times. We learned how to pivot quickly with information that

was changing daily. I cannot say enough about how our people responded. They did not wait to be informed that

they were "essential." Instead, they acted with purpose – a purpose that defines their profession and defines Ruan. They acted to take care of our country, the communities around them, and our families by keeping critical goods moving to where they were needed most.

While my hope for all of us is that we will never experience any other time that is so difficult, I know that we will be ready to come together to overcome anything we face.

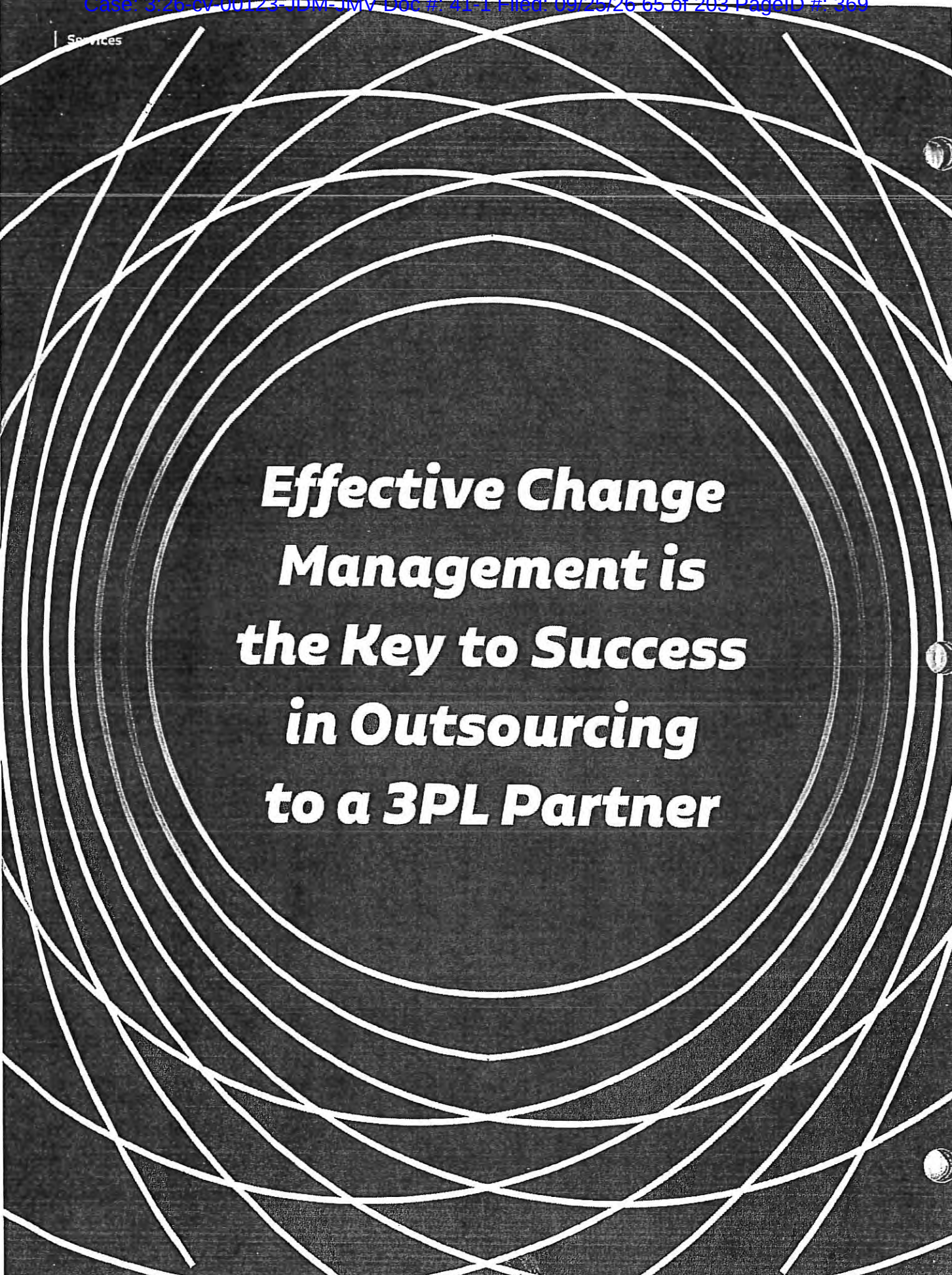
As we celebrate our 90-year anniversary as Ruan, I am so very proud of our history as a family business and the legacy created by our founder and sustained by his son. Our continued success will be enabled by the same grit and determination that they demonstrated to grow and build this company. **Our company has grown, the customers we serve have evolved, and the solutions we offer have advanced. But the honorable, noble work that we do – to serve a higher purpose for America – has not.**

We aim to continue serving our noble purpose for generations to come.

We've established a legacy of innovating and evolving to meet marketplace needs, while thriving through times of change.

I know that we will be ready to come together to overcome anything we face.

Services

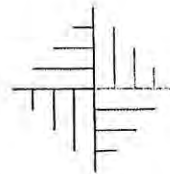


***Effective Change
Management is
the Key to Success
in Outsourcing
to a 3PL Partner***

Shippers can identify many benefits to relying on an experienced third-party logistics (3PL) provider to manage their transportation and logistics processes, including full network visibility, route optimization, carrier management, access to performance benchmarks and metrics, and more.

Making the change, however, can be daunting, and shippers should ensure

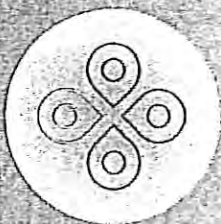
they choose an experienced partner — one who understands that having a detailed change management plan can mean the difference between a successful transition and a complete disaster. Ruan's experts have identified three keys to effectively managing a transition to an outsourced transportation management solution.



BUILD A FOUNDATION OF TRUST

The key to any successful partnership is trust. Our goal is to cultivate close relationships with our customers to understand what matters the most to them — their pain points, their goals for success, their key competitors, their long-term goals, and more. By understanding their business, we are able to propose valuable process improvements to advance their operations. Ultimately, we strive to understand a customer's business as if it were our own.

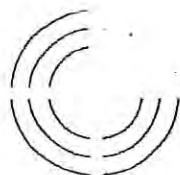
Equipped with this foundational knowledge, we design managed transportation solutions using a shipper mindset. Ruan's transportation management system (TMS) platform was made for shippers, which allows our solution engineers and analysts to think about executing transportation just like our customer would. When our proposed solutions demonstrate an understanding of a shipper's pain points and goals for success, they are more likely to entrust us with their business and allow our experts to guide them through the implementation process.



"Together, Ruan and the customer develop a contingency plan to account for any unforeseen situations, like an incumbent 3PL not exiting the business gracefully on the scheduled cutover date. We know the potential risk points, and we prepare against them."

— Graham Page, Director of Integrated Solutions

Services



BROAD CUSTOMER ENGAGEMENT

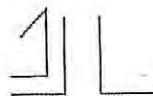
Ruan's sales, operations, and project management teams engage with a prospective customer arm-in-arm during the analysis and design phase to identify the right data collection process, along with the right people process. We work with a prospect to ensure the correct subject matter experts are in the room early on — it's critical for a shipper to involve their teams up front to clarify why they are considering partnering with a 3PL and, most importantly, why it is the right move for the company.

After a prospective customer has selected Ruan as their 3PL partner, we conduct Joint Application Design (JAD) sessions to make decisions around transportation planning, execution, event management, back-office functions, and reporting and analysis. JAD sessions are held not only with the transportation teams, but also each company's functional teams like customer service, finance, operations, production, procurement, information technology, and more. Each party has a voice as we drill down to determine micro-level details. For instance, when discussing freight audit and payment, we want to gain alignment between each company's finance and accounting teams before the start-up.

"We come to an agreement early on to a very granular level about how the business will be executed, then we build the system around that," said Ruan's Sr. Vice President of Supply Chain Solutions Paul Jensen. "And then, because we created awareness and broad engagement from the earliest stages, both parties are invested and are willing to support it. When challenges happen, as they do in transportation, the shipper's front-line teams are willing to help solve the problem — not just point out the problem — because we're all invested in a true partnership."

"We come to an agreement early on to a very granular level about how the business will be executed, then we build the system around that."

— Paul Jensen, Sr. Vice President of Supply Chain Solutions



START-UP MANAGEMENT

When Ruan wins new business, our teams ensure that the start-up is as seamless as possible so our customers can continue business as usual. Once the start-up team has received notice that the business has been awarded to Ruan, we will collaborate to determine the best start date and assign a project manager who organizes the business implementation from start to finish and coordinates tasks among all parties involved. As part of this transition, Ruan will walk hand-in-hand with the customer to facilitate internal and external communications, whether the customer is transitioning from another 3PL or from managing the transportation network internally.

Overall, we aim to execute our start-ups with precision and manage the process efficiently so the transition is completely seamless and all risks are mitigated. Leading up to launch, we host a Conference Room Pilot session, which includes the same parties who participated in the JAD session, to ensure we have alignment and validate the process and integration designs will effectively support the business. A successful Conference Room Pilot is the project milestone that marks the completion of the configuration phase before the team moves into more robust and detailed testing.

"The Conference Room Pilot is a critical milestone for mitigating risk since it gives everybody an opportunity to bring up the 'what about this?' scenario," said Director of Integrated Solutions Graham Page. "Together, Ruan and the customer develop a contingency plan to account for any unforeseen situations, like an incumbent 3PL not exiting the business gracefully on the scheduled cutover date. We know the potential risk points, and we prepare against them."

Throughout the start-up, Ruan will demonstrate a detailed orientation process with a focus on standardization, timeline accountability, and optimization — all critical aspects to ensuring we build a solid foundation for our long-term partnerships.

If your company is considering outsourcing the management of your transportation but you are not entirely certain how to do it, we understand. Following a tried-and-true change management process is the key to success — and Ruan has an excellent track record. Contact us today for a free transportation spend analysis at Solutions@ruan.com or (866) 782-6669.

3PL Onboarding and Launch Process

ANALYSIS AND DESIGN

The key element of this phase includes hosting a Joint Application Design (JAD) session with a broad range of various subject matter experts from Ruan and the customer to collect requirements and inputs in order to design a future-state solution focused on optimization and efficiency.



CONFIGURATION

During the configuration phase, we host a Conference Room Pilot to demonstrate system configuration and functionality.

TESTING

Integration and end-to-end testing ensure the solutions and metrics achieve the goals set during the analysis and design phase.



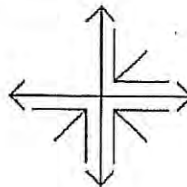
TRAINING AND ONBOARDING

Our experts will train the customer's team on using the customer portal to achieve full visibility of the transportation network. A final acceptance test ensures systems and user training are aligned.



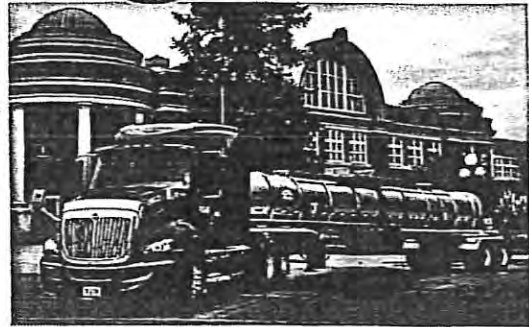
PRODUCTION PREPARATION AND LAUNCH

After user acceptance testing and approval, the launch occurs per the process established in the JAD session. Ruan offers flexible billing methodologies and reporting options throughout the partnership.



Celebrating

Leader calls World Food Prize
a weapon against terrorism



"The most outstanding
team of safety promoters
all highway users."



JOHN RUAN

Ruan Given
High Office
in A.T.A.

For the first time, an Iowa
truck operator now holds one
of the top general offices of

SINCE
1932

**Personal connections are —
and always will be — at the
heart of Ruan.**



***“Our people, not trucks,
are Ruan’s biggest asset.”***

– John Ruan, 1974

Companies don’t typically celebrate 90-year anniversaries if they aren’t focused on the future. Ruan always has been. That’s why we’re still here, stronger than ever, relentlessly committed to service and continuous improvement.

Over the years, we’ve shared the story of 17-year-old John Ruan’s modest beginning back in 1932, when he hand-shoveled a single shipment of gravel and hauled it to be used for road building. But who could have known that such a young person would turn his very first truck into a company that would someday change the world for so many?

Because that’s what he did.

The foundation John Ruan set with a higher purpose in mind – to improve the lives of his own family, his family of team members, and families across the globe — is what has propelled our company for nine decades. From humble beginnings, an unwavering vision persisted through three generations of Ruan family leadership. And it continues to be the core of who we are.

We’re a family-owned business that’s powerfully personal.

Our company has weathered a storm of challenges throughout our history: recessions, wars, natural disasters, civil unrest, supply chain issues, driver shortages, ever-changing technologies, and global pandemics. While no one could have anticipated the hard times ahead, Ruan has always understood the importance of *staying ahead*.

***“Through challenging times, we’ve remained
an extended family with a noble purpose.”***

– Ben McLean, Chief Executive Officer

To stay ahead meant developing long-lasting relationships. Never have we skirted around integrity or hard work. Every day, we work to anticipate our customers’ and team members’ needs — because personal connections have always been at the heart of our solutions and how we operate.

During deregulation of the trucking industry in the 1980s, many transportation companies (with similar modest beginnings) either closed or sold out to larger companies, while Ruan held tight to our Iowa family roots. Ruan has always focused on creating opportunities for professional drivers and has remained a destination for the industry’s best by continuously improving truck comfort and safety, creating predictable schedules, and offering work-life balance. And as customers evolved to need non-asset-based logistics services, Ruan added those solutions to our list of capabilities.



Our people have always come first. And always will.

Safety was a priority at our company early on because nothing has ever been more important than people and their wellbeing. In fact, Ruan was the first in the industry to introduce formal safety programs back in the mid-1940s, when four supervisors were responsible for hiring and providing safety training to all drivers.

Later, the Megasafer Safety Program was introduced as our proprietary safety initiative. Not only does it emphasize defensive driving, but its Megasafer7 Rules of Safe Driving component trains drivers in the skills and habits that help prevent accidents.

“When we talk about safety, we’re not talking about trucks or other equipment that can be replaced; we’re talking about human lives. Nothing is more important.” – John Ruan

Safety was critically important to John Ruan. So much so that everyone in our company – from vice presidents to operation managers to dispatchers and office staff – are still trained in the Megasafer program today.

The people powering technology make all the difference.

We’ve always known our customers, our customers’ clients, our professional truck drivers, and the goods they haul are the true core of our business. With the trucking industry now responsible for moving more than 70 percent of all freight across the country, having systems in place to ensure real-time visibility to those goods is crucial. This is one of the biggest concerns for transportation executives today: if they can’t see where their shipments are, they’re not in control of their supply chains.



Ruan was recently selected as a Top 10 Best Managed Transportation Services Company for 2022 by InTek Freight & Logistics Inc.

But technology is only as good as the people implementing it, supporting it, and garnering insights from it. We’ve been able to combine the most advanced software to provide real-time tracking from secure client portals. And our customers see it all – ETA calculations, truck positioning details, and notifications for event management should a shipment be arriving late. Because we continue to embrace the future, no matter how different it may look today.

**We are at your service. Because we work with you.**

Here at Ruan, we think like a shipper, not a carrier.

What exactly does that mean?

*It means making meaningful connections and working together.
It means driving conversations and finding efficiencies by listening.
It means creating innovations by collaborating.*

“There is great power in being present.”

– Brandon Oldenbroek, Vice President of Operations,
Brokerage Support Services

From the beginning, young John Ruan knew the value of building long-lasting relationships – not just partnerships, but true, enduring relationships. He wanted his business to help his customers succeed, while offering every single bit of added value possible. To them, and for them.

That's what we still do today. Our Integrated Supply Chain Solutions strategy begins with conversations. Through Dedicated Contract Transportation, Managed Transportation, Value-Added Warehousing, and Brokerage Support Services, we customize plans that cover every inch of every shipment.



Learning everything about our customers — getting to know the people, their needs, their vision, their objectives — is how Ruan is so successful at building custom solutions to satisfy and exceed expectations, one customer at a time. We pride ourselves on fitting every customer with customized solutions tailor-made to deliver precisely what's needed to transform their supply chain and logistics operations.

Our heart is in our community and our world, investing in the future.

A teenager's determination to help support his family through the Great Depression grew into a desire to improve a community and, eventually, the world.

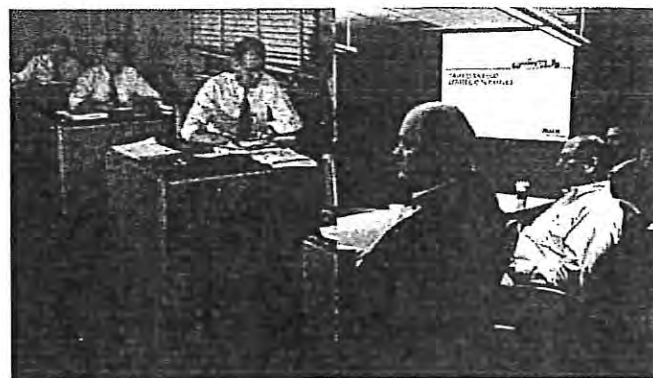
Rooted in Des Moines, the company staked its headquarters downtown, investing in what would become one of the tallest buildings in Iowa. This is just one example of how Ruan carried out his vision of a city that would be thriving and professional. And it is.

John Ruan III was a close confidant to his father, who strongly believed that feeding families would improve lives across the globe. Because of this, Ruan III led the effort to create a permanent home for one of his father's greatest legacies—the World Food Prize—in downtown Des Moines. Today, the prize is regarded as one of the most distinguished and important awards in agriculture.

While the elder Ruan set a higher purpose of philanthropy within his family and his company, Ruan III quietly expanded that legacy of civic-mindedness. In fact, Ruan III encouraged his father to leave a sizable bequest to The Ruan Foundation to support charitable causes. The foundation, now under leadership of the third generation of the Ruan family, continues to invest heavily across a number of civic and social priorities.

The Road Ahead

These are the core values that have driven generations of our family members — including thousands of dedicated Ruan team members — to care for our clients and each other. And to continuously improve lives around the world. As we celebrate our 90th anniversary and the rich heritage that has shaped our culture at Ruan, we stand ready and excited for the road ahead, committed to staying ahead of the curve for the next 90 years and beyond.



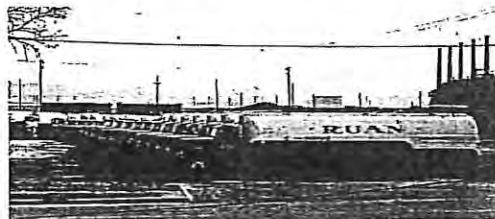
"The difference is how we interact with our world." — Eleke Ukpabi, Vice President, Solution Engineering and Strategy

1930s

1932 John Ruan hauled his first load of gravel.



1933 John Ruan started hauling dirt and mixed concrete on a road construction job, then gradually began adding trucks and branching into general freight hauling.



1937 Ruan Transport entered the petroleum transport field. At one point, tankers made deliveries of fuel oils and gasoline from pipeline and river terminals to more than 3,000 bulk plants in Iowa, Illinois, Missouri, Nebraska, Minnesota, and Wisconsin. John Ruan was quoted in a local newspaper saying, "We met a demand with a service that was needed, and we've grown with the demand."

1940s

1942 John Ruan met with other trucking leaders in Iowa, and they agreed that it was critical to speak with a unified voice, especially regarding influencing legislation. They consolidated the state's three motor carrier groups to form the Iowa Motor Truck Association. John was the group's first treasurer.

1946 A Ruan gasoline transport participated in a Des Moines parade.



1949



JOHN RUAN

Ruan Given High Office In A.T.A.

For the first time, an Iowa truck operator now holds one of the top general offices of American Trucking Associations, Inc.

John Ruan of Des Moines, founder and president of the Ruan Transport Corp., was unanimously elected fourth vice-president of A.T.A. at the national convention in Boston, Mass., late last month.

Ruan had been a member of the A.T.A. executive committee for three years, as vice-president for Iowa, representing the Iowa Motor Truck Association. Now, he has been singled out as one of the general officers of the national organization.

The election recognized Ruan's active part in national affairs of the trucking industry, especially those pertaining to safety. Besides being vice-president and a member of the executive board, Ruan is a member of the national street and highway safety committee of A.T.A. and the safety committee of the National

(Continued on Page 2)

1950

RUAN WINS TOP SAFETY AWARD

The highest national safety award of the American tank-truck industry will be presented in New York, N. Y., today to John Ruan, president of the Ruan Transportation Corp., Des Moines.

Operator of petroleum transports from 11 midwest terminals, the firm was cited for running more than 15 million miles with an accident ratio of .679 per 100,000 miles during the year ended July 31, 1950.

The fleet also received the American Trucking Association's "Trailmobile" trophy for "the most outstanding program of safety promotion for all highway users."

1948 Ruan bought 65 International tandem tractors and 11 White tandem tractors — this was said to be one of the largest equipment deals in the history of Iowa motor transportation. John Ruan called the purchase "a good investment, not only for safe and efficient operation, but also for the future security of the business and employees."

1948 Ruan built a new office and home terminal in East Des Moines and formed the Ruan Cab Company, consisting of 13 cabs.



1950s

1950 and 1951 Ruan won the American Trucking Associations' Trailmobile trophy, the highest national safety award.



1951 A Ruan tanker was featured in International Trail magazine.



1953 The National Tank Truck Carriers (NTTC) elected John Ruan president at its annual convention.

Record Number Attend NTTC Convention; Elect Ruan President



1957 Matchbook cover

1958 Ruan's safety program won the President's Trophy from the American Trucking Associations.

1960s

1963 Ruan Leasing commenced business, providing all types of equipment on a full-service lease basis.

1964 Ruan continued to expand with new customers and acquisitions. One acquisition allowed the right to haul missile fuel, classified and under auspices of the U.S. military. Ruan hauled fuel that powered NASA's Gemini space program from 1964-1967.



1967 Throughout the 1960s, management broadened the company's market and lessened reliance on petroleum based liquids. By 1967, petroleum hauling accounted for only 54 percent of gross revenues, while it was well over 90 percent in 1957.

1968 John Ruan III began working in operations for Ruan Leasing and moved up the corporate ladder.

1964

Trucking Leaders Guests of LBJ for Economic Review

A group of trucking industry executives was among 192 business leaders who were guests of President Johnson at a White House luncheon last week.

Among the motor carrier leaders present were John M. Akers, president of American Trucking Associations and president of Akers Motor Lines, Inc., Gastonia, N. C.; John Ruan, second vice president of ATA and president and treasurer of Ruan Transport Corp., Des Moines; Welby M. Frantz, ATA vice president-at-large and president of Eastern Express, Inc., Terre Haute; John J. Gill, ATA vice president-at-large and president of Petroleum Heat & Power Co., Providence, R. I.; and John S. Rice, ATA state vice president from Montana and president of Rice Truck Lines, West Great Falls; and William G. White, president of Consolidated Freightways, Inc., Menlo Park, Calif., and ATA state vice president.

The White House meeting was part of a series of such parleys the President has been holding with representatives of various walks of American life to emphasize the need for continued national unity.

Cites Business Success

After remarks on the Southeast Asia crisis, President Johnson turned to the American economy and declared that "no businessmen anywhere have ever enjoyed the measure of success American businessmen are enjoying now."

He repeated statistics to establish that for 42 consecutive months during the Kennedy and Johnson administrations "we have had the longest and largest peacetime expansion of our economy on record."

He said that his Council of Economic Advisers had given him figures showing that:

- Initial reports from more than 1,100 nonfinancial corporations indicate that second-quarter profits set an all-time quarterly record and that the full year of 1964 will set a new annual record.

- In the last six months the purchasing power of the average American consumer has expanded by 3.5%. Over the whole period since early 1961, buying power has averaged a 3.4% gain per year. This is in contrast with the average gain of only 1.0% per year during the 1952 to 1960 period.

1968

John Ruan, president of The Ruan Transport Co., has been elected to the board of directors of The Bankers Trust Co., James W. Hubbell, board chairman, announced Tuesday.

Ruan also is president of Petroleum Transport System, Ruan Cab Co., and heads other affiliated trucking firms with service to most of the United States.



RUAN

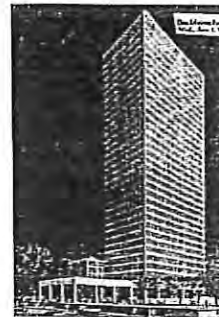
1970s

1970 Ruan ordered 1,000 International trucks for \$16 million.



1972-1975 The Ruan Center was proposed and built for \$26 million in downtown Des Moines, consisting of 36 stories.

1976 Ruan won the Progress Award from United Way, demonstrating the philanthropic commitment of the company.



1972 Ruan tested a low pollution engine from GM.

October 4, 1972 Des Moines Sunday Register

D.M. Truck Firm Tests Low Pollution Engine

1978 Ruan engaged in the MEGA Truck project. The company brought together 31 vendors with the mission of creating components with superior performance standards that could be applied to a standard International or Freightliner truck.



1980s

1980 Ruan Transport successfully navigated deregulation by gradually withdrawing from the petroleum hauling business, giving greater emphasis to contract carriage (early customers included Super Valu, Toro, Clorox, and Farmland Industries), and expanding the profitable leasing side of the operation.

1982 John Ruan was elected to Iowa Business Hall of Fame.

1982 Ruan Transport celebrated 50 years with the theme 50 Years and Rollin'. The trucking business now included more than 6,000 units.



1985 Ruan unveiled a computerized information system for the fleet, MEGA One. It represented a significant shift for the company; Ruan began selling its experience in transportation to customers rather than merely providing them with trucks. In addition to hauling goods or leasing vehicles, Ruan also offered an array of services such as providing drivers, training drivers and managers, locating parts and repair facilities, and supplying fuel.

1986 Ruan Transportation Management Systems became the official moniker, combining Ruan Transport and Ruan Leasing. The RTMS umbrella included full-service leasing, alternative contract carriage, a national rental fleet, contract maintenance, driver leasing, administrative services, and truck sales.

1989 Ruan and ESPN funded the Des Moines Grand Prix.



1991

By GEORGE CLIFFORD III

Register Staff Writer

Ruan Transportation Services will spend \$1 million to sponsor the first three years of the Greater Des Moines Grand Prix, and the ESPN cable television network will broadcast this year's race live, officials said Monday.

Robert Houser, president of Greater Des Moines Grand Prix Inc., said the agreements with Ruan and the network were major steps forward for the race, which will be run through the streets of downtown Des Moines July 9. Preliminary races will take place July 7 and 8.

"Today's announcements by ESPN and Ruan are two of the key elements in making the race a success," Houser said.

John Ruan, chairman of the transportation company's board of directors, said national television exposure for the company was a major reason for his decision to sponsor the event. Ruan said the sponsorship and telecast contracts were negotiated simultaneously.

Under the sponsorship agreement, the race will be called the Ruan Greater Des Moines Grand Prix in all advertising and promotional activity.

Asked about the company's decision to sponsor the race, Ruan smiled and pointed to Houser. "The guy just turned the heat on," Ruan said.

Ruan said the anticipated influx of money into the Des Moines area figured in his company's decision. Race officials have estimated the economic impact of the race will be \$5 million or more.

"It's good for Des Moines, and what's good for Des Moines is good for us," Ruan said.

While Ruan will be the primary sponsor, race officials are hoping to announce smaller sponsorship commitments from other companies in the near future.

Race officials said ESPN's decision to carry the race was important because it assures that a large national audience would see the event and, thus, downtown Des Moines. Previously, officials have said a primary reason for the race is to boost Des Moines' image.

Televised shots of race cars thundering through the city's streets may change perceptions of some Americans that Des Moines is a sleepy or stagnant town, officials have said.

1989

1990s

1990 John Ruan established the World Food Prize Foundation to support the World Food Prize, fulfilling John's long-held goal of advancing Iowa as the agricultural capital of the world.

1991 John Ruan was named Iowa Business Leader of the Year.

1995 Ruan began offering Managed Transportation and Brokerage Support Services to our valued customers.



1997 The ATA honored John Ruan for his years of service by naming their new Capitol Hill complex the Ruan Center for Transportation.



1997 John Ruan gave \$10 million to permanently endow the World Food Prize.

1998 John Ruan III advanced from vice chairman to chairman of Ruan.

2000s

2000 Ruan began offering Value-Added Warehousing as part of our Integrated Supply Chain Solutions.

2003 John Ruan's biography: "In for the Long Haul: The Life of John Ruan" was published by historian William B. Fredericks.



2008 Ruan joined the U.S. Environmental Protection Agency's SmartWay Transport Partnership as part of the ongoing commitment to improve fuel efficiency while reducing our carbon footprint.



2009 Ruan celebrated our inaugural Founder's Days in July, a time for the company to honor John Ruan.

2010s

2010 | February 14

John Ruan passed away at 96.



2011 Chairman John Ruan III was elected chairman of the U.S. Chamber of Commerce's Board of Directors.

2011 Ruan launched our proprietary Megasafe Safety Program, a comprehensive system that guides training, safety meetings, and overall field operations. The objective of Ruan's Megasafe Safety Program is to create a best-in-class safety culture, continually improve Department of Transportation compliance, eliminate variability, and reduce risk through improved safety and loss prevention management. The key component of the Megasafe program is Ruan's Megasafe 7 Rules of Safe Driving.



2012 John Ruan III was inducted to the Iowa Business Hall of Fame.

2014 Ruan's senior leaders introduced five new Guiding Principles that define our desired culture and how we treat each other and set priorities. Our Guiding Principles drive our expected collective behavior and provide an additional foundation and alignment for continued profitable growth and successful change going forward. They are: People First, Safety Focus, Exceptional Performance, Customer Satisfaction, and Continuous Improvement.

2002

Leader calls World Food Prize a weapon against terrorism



2014 Benjamin McLean, part of the third generation of the Ruan family, took the helm as Ruan's CEO.

2018 Continuing our commitment to invest in sustainable technology, Ruan was among the first companies to reserve five fully electric Tesla semis.



2020s

2020 Ruan in-serviced our first fully electric yard tractor in Otsego, MN.



2021 | September 11 Chairman Emeritus John Ruan III passed away at 78.



Then

VS

Now

Equipment

JOHN'S FIRST TRUCK

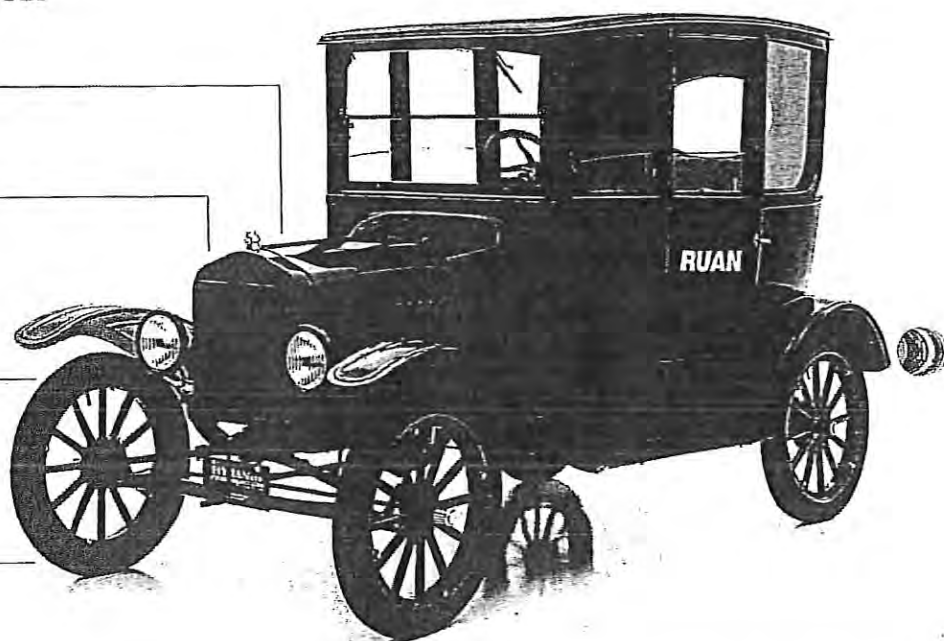
1921 Ford Model T Roadster

Engine: 20 h.p. at 1800 RPM

Two-speed transmission

John Ruan purchased his truck for \$10 in bad order and disassembled. By consulting with others, he restored the vehicle to operation himself. The truck was originally bought for \$584.25.

100-inch wheel base



In the late 1970s, as part of the MEGA Truck project, Ruan brought together 31 vendors with the mission of creating components with superior performance standards that could be applied to a standard International or Freightliner truck. By 1981, the MEGA Truck debuted with six trucks. It was designed to travel 1 million miles without requiring major repairs, and advances included a self-lubricating system, tire air pressure sensors, and a continuous oil replenishment system. While the initial cost of the truck was higher, the extra cost would be recovered over its longer life. By 1982, 100 MEGA Trucks were in operation.

"First, protect the thousands of motorists who meet Ruan transports on the highway each day; and second, to protect the tanker drivers themselves and the company's equipment."

— John Ruan on the priorities of the safety program

Today's trucks are so technologically advanced, they're like computers driving down the road. Heavy-duty trucks are designed to be as efficient and productive as possible while providing an ideal and safe work environment for truck drivers. Ruan invests in late-model trucks equipped with advanced technology designed to assist the driver in avoiding accidents by activating controls on the truck. Advanced driver assistance systems on the trucks can alert drivers if they are not maintaining proper following distance, departing a lane, or speeding. In some cases, the technology may activate brake pressure when a driver is slow to react to conditions on the roadway, like a sudden stop ahead. Ruan has also deployed a Video Safety Program. Each vehicle in our fleet is equipped with an inward- and outward-facing recorder that captures footage when triggered by an event like hard braking, lane departure, not wearing a seat belt, using a hand-held cell phone, and more. Ruan utilizes the provided data and footage to coach drivers on continuously improving safety performance.

**EARLY OPERATIONS****1938****Loads hauled:****2,000****Trucks:****28****Miles operated:****500,000****Revenue:****\$75,000****1964****Employees:****1,600****Trucks:****364****Pieces of equipment:****364****States operated in:****31****Miles operated:****135 million****Locations:****47**

Ruan hauled more than 200 wet and dry bulk products.

CURRENT OPERATIONS**2021****Warehouse space:****1.5
million sq. ft.****Freight under management:****\$2.5 billion****Miles operated:****278.7 million****Team members:****5,000**

Today, Ruan serves our broad range of customers from more than 300 operations across 48 states.

Ruan has expertise in transporting and warehousing goods in every industry, including grocery, food processing, manufacturing, agricultural, industrial gases, chemicals, retail, beverages, metals, food grade, building materials, medical supplies, and consumer packaged goods.



Safety

Early

Ruan was one of the first trucking companies in the 1940s to adopt a formal safety program that included an onboarding program with special manuals to ensure truck drivers were well prepared for their duties before working. By the end of the decade, the safety program was led by a director of safety and consisted of four driver supervisors. They hired and trained new drivers, retrained current drivers, and continually evaluated the drivers on their knowledge of traffic laws and driving skills. Quarterly safety meetings were held by the safety director.

According to John Ruan, the safety program was designed to "first, protect the thousands of motorists who meet Ruan transports on the highway each day; and second, to protect the tanker drivers themselves and the company's equipment."

Mid

In 1986, Ruan launched the MEGA Safe Program. The training program was packaged into several training modules that included videos and other instructional materials designed to assist trainers in leading company safety classes.

Now

Ruan is driven by five Guiding Principles — one of which is our commitment to approach everything with a Safety Focus. Ruan is proud to employ our proprietary Megasafe Safety Program, relaunched in 2012 as a comprehensive defensive driving system that guides training, safety meetings, and overall field safety operations. This program allows Ruan to closely align safety efforts with federal regulations and accident and injury trends.

The Megasafe Safety Program has several components. Megasafe drives mandatory Impact Meetings that all Ruan drivers attend, customer and team member communications, new driver training, personal protective equipment (PPE) guidelines, remedial training, and many others.

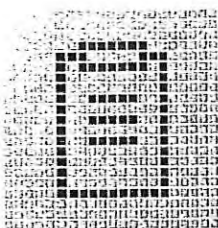
Led by our Vice President of Safety, our safety team members are positioned across the country to offer training and support to our 300 operations. Safety managers are responsible for facilitating safety and compliance training for their respective operations, coaching, mentoring, addressing accident and injury trends, building plans for improvement, and celebrating and giving positive recognition to the various teams. Our driver safety instructors conduct hands-on training, classroom training, remedial training, perform skills assessments, and carry an active Class A CDL. At our Des Moines Campus, Ruan has a compliance team whose sole responsibility is to work with our operations and drivers to ensure we are compliant with regulations. The compliance team monitors hours-of-service requirements, physical requirements, drug and alcohol requirements, and all other regulatory items.

2022 REGULATORY UPDATE

Regulatory update: Be current and stay compliant

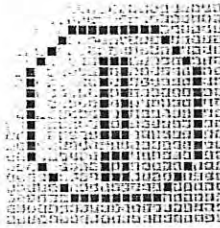
According to the Federal Motor Carrier Safety Administration (FMCSA), 5.9 million commercial vehicle drivers currently operate across the country, delivering the goods our nation needs to keep moving. With so many moving parts, the trucking industry is always evolving. New laws and regulations impact drivers, carriers, and end users alike, making it vital to stay in the know.

Ruan's safety, legal, and operations teams stay abreast of new and pending regulations to ensure compliance at the state and federal levels. We've highlighted a few regulatory updates and issues impacting the industry now and in the foreseeable future.



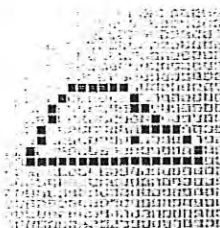
Entry-Level Driver Training Rule

The new entry-level driver training (ELDT) rule mandates certain minimum training requirements for those seeking to obtain a Class A or Class B commercial driver's license (CDL), or a hazardous materials, passenger, or school bus endorsement. The ELDT rule establishes who can be an instructor and exactly what kind of education needs to be provided for new drivers. The rule is intended to make our roadways safer by ensuring all CDL drivers are trained the same way. The FMCSA has created a national Training Provider Registry for instructors. Training providers wishing to provide ELDT will need to be listed on the Training Provider Registry, and drivers seeking a CDL or endorsement must complete the required training as set forth in the ELDT rule.



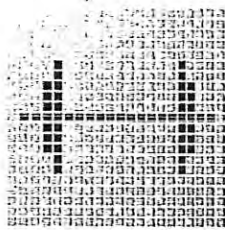
Heavy Truck Automatic Emergency Braking

The National Highway Traffic Safety Administration (NHTSA) has proposed a rule to require and/or standardize equipment performance for automatic emergency braking (AEB) systems on heavy trucks. The NHTSA believes AEB systems represent the next wave of major advances in vehicle safety, helping to reduce the severity of rear-end crashes. This rulemaking will likely propose performance standards for AEB systems on heavy trucks and accompanying tests to measure performance in NHTSA compliance testing.



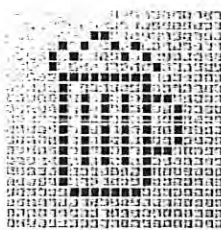
New EPA Emission Standards for Heavy-Duty Trucks

The U.S. Environmental Protection Agency (EPA) has proposed new standards for heavy-duty truck and engine manufacturers to further reduce emissions starting in model year 2027. The proposed standards would reduce emissions of smog- and soot-forming nitrogen oxides from heavy-duty gasoline and diesel engines and set updated greenhouse gas standards for commercial vehicles. The proposal comes after the "Strengthening American Leadership in Clean Cars and Trucks" executive order. Specifics of the new regulation are still in development, with the EPA seeking input from industry stakeholders.



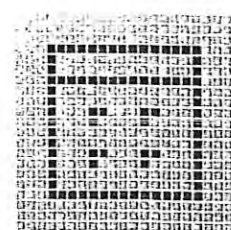
Safety Fitness Evaluations

In 2016, a Safety Fitness Determination rule as part of Compliance Safety Accountability (CSA) was proposed to replace the current three-tier federal rating system of "Satisfactory, Conditional, and Unsatisfactory" with a single determination of "unfit" for federally regulated commercial motor carriers. This single label of "unfit" would require the carrier to either improve operations or shut down. This proposal was shot down by most of the industry based on the belief that the rule wouldn't be equal and that the FMCSA lacks sufficient data for all individual fleets. The FMCSA is once again looking at these safety ratings in 2022 and plans to gather information about how to more effectively identify "unfit" trucking companies. They will be seeking input about the use of currently available safety data, including inspection data, in determining carrier fitness and about changing the current three-tier rating structure.



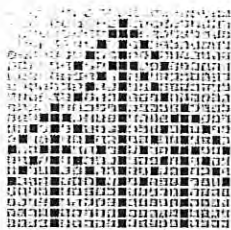
National Drug and Alcohol Clearinghouse

The Drug and Alcohol Clearinghouse became operational on January 6, 2020. Under this program, carriers are required to report drivers' positive drug test results and refusals to test into a central Drug and Alcohol Clearinghouse. Employers must also access this database when looking to hire potential drivers, as well as query the database annually for current drivers. In the past two years, over 126,000 drug and alcohol violations have been reported, more than 56 percent of which were for marijuana. With over 5.1 million drivers under the authority of the FMCSA, the annual positive rate is around 1.2 percent, with a total of 2 percent of drivers having been removed from service since 2020. Drivers can return to service after getting help from a substance abuse professional and by following counseling requirements and a strict testing schedule. Unfortunately, many drivers with a positive test have yet to enroll in the return-to-work process. Positive results remain in the Clearinghouse for up to five years.



New Driver Apprentice Pilot Program

In order to drive a commercial motor vehicle in interstate commerce, current U.S. regulations require drivers to be at least 21 years old. This limits opportunities for younger drivers, who may already be driving longer distances on permitted intrastate routes. The American Trucking Associations, along with Ruan and other industry advocates, has been fighting to pass legislation to lower the required age to drive interstate for years now, but the effort finally gained traction in 2021. The bipartisan DRIVE Safe Act was recently passed and is designed to help eliminate one of the primary obstacles to bringing younger drivers into the transportation industry. This act will establish an apprenticeship program to allow for the legal operation of a commercial vehicle in interstate commerce by CDL holders under the age of 21. Under this program, an apprentice would be defined as a person under the age of 21 who currently holds a CDL. As part of the program, apprentices would complete two probationary periods where they can operate in interstate commerce under the supervision of an experienced driver in the passenger seat. Experienced drivers must be at least 26 years old and have held a CDL and been employed by a motor carrier for at least the past two years, with at least five years of interstate commercial motor vehicle experience, along with other safety requirements.



Speed Limiters

The FMCSA recently collected industry comments on a proposal to mandate speed limiters on most heavy-duty trucks. At this point, the FMCSA has not specified a speed to which trucks will be limited under the regulation. A joint rulemaking issued in 2016 by FMCSA and the National Highway Traffic Safety Administration explored potentially limiting trucks to either 60, 65, or 68 miles per hour.

According to *Commercial Carrier Journal*, most large carriers already employ speed limiters, and the American Trucking Associations supports the rulemaking. Opponents contend that speed differentials between trucks and passenger cars on highways would have a negative impact on safety.



RAISING THEIR SPIRITS

A CORDIAL
PARTNERSHIP
BETWEEN THE STATE
OF IOWA AND RUAN
ASSURES TIMELY AND
COST-EFFECTIVE
DISTRIBUTION
OF ALCOHOL WITHIN
THE HAWKEYE STATE.

One business that remained very strong during the pandemic was that of alcohol distribution.

The State of Iowa experienced steadily increasing sales at a time when product variety was also growing. "We were deemed an essential business during the pandemic, so it was very important that we were able to fulfill our obligations to our stores," said Herb Sutton Jr., Chief Operations Officer at the Iowa Alcoholic Beverages Division (ABD). "The suppliers are very creative in what they provide to the state, and it provides a good opportunity for Iowans to have choice." Sutton said that sales really began to explode when state law changed in 2011 to allow convenience stores to sell liquor. About six years ago, the state realized it would need some transportation and distribution expertise to meet its growing obligations. "Our strategic plan is always looking for ways to improve service to our customers," said Stephen Larson, Administrator for the ABD. "We did not feel that the model that we had then was a sustainable model to meet the needs of our customers as the Iowa marketplace continued to grow in the number of distribution points. So, we made a decision strategically to look at a public-private partnership for the distribution of alcohol." ABD sought a company that had expertise in both warehousing and transportation. The new partner would run the state's distribution warehouse in Ankeny, IA, and also transport and deliver orders to the more than 1,850 customer locations that the state currently serves. After an extensive evaluation process, the ABD found their partner right in their own backyard: Ruan.

A Partnership with the Right Mix

The partnership between Ruan and the Iowa Alcoholic Beverages Division launched in 2019, when Ruan began managing and staffing the Ankeny warehouse that distributes all of the alcoholic spirits statewide. The work includes receiving inventory from suppliers and filling customer orders, which consist primarily of full cases and mixed cases of individually picked bottles. Ruan also operates an optimized transportation network using 20 tractors and 32 trailers to deliver all of the orders picked by the warehouse. Ruan continues to optimize the routes within the network to incorporate new customer destinations efficiently. In a typical week, the drivers travel about 19,500 miles to deliver some 58,000 cases of liquor. Many of the drivers had been state employees but transferred to Ruan employment with the partnership. That helped to provide a seamless transition that maintained and then exceeded the prior performance levels. "It was very important for us to have a seamless transition because public-private partnerships can become very public if they go wrong. But the customer-service levels have been really good," Sutton said. Volumes have also increased, requiring a 20,000-square-foot warehouse expansion to add storage. The layout of the warehouse is also being redesigned to make picking more efficient. Transitioning to Ruan's warehouse management system and in-house software provided better integration between the distribution and transportation operations. Overall, the partnership has exceeded the expected cost savings. "The hard costs, which are the distribution costs of transportation and warehousing, are also lower than what they would have been under the prior model," Larson said. "One of the benefits to the seamless transition is Ruan 'gets it'. I feel very strongly we will have a long-term strategic partnership with Ruan."

Originally published in DC Velocity.

One of the benefits to the seamless transition is Ruan 'gets it'. I feel very strongly we will have a long-term strategic partnership with Ruan.

— Stephen Larson, Administrator for the ABD

TRANSPORTATION NETWORK

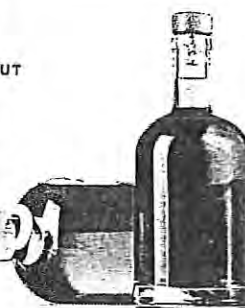


TYPICAL WEEK

DRIVERS TRAVEL ABOUT

19,500
miles to deliver

58,000
cases of liquor.



WAREHOUSE



**90 years. 1 reason
for our success. You.**

**Thank you to all of our
professional team members,
valued customers, dedicated
suppliers, and supportive
communities for 90 years of
trusted partnerships.**

A Letter from Don Van Alstine



It's impossible for a company to achieve 90 years of success without taking a trip back down the river. We've seen how we've made it and how we've made it to survive. It's not just about what we did; it's about what we're doing now. It's not just about what we did; it's about what we're doing now. It's not just about what we did; it's about what we're doing now.

When I think about Ruan's future and how it translates to our past, I think of our core Guiding Principles. These are not just words; they are the foundation of our success.

room wall, our team members live by them every day. When we face the most difficult situations that are very volatile or economic conditions that are very disruptive, we fall back on who we are. We act with integrity and honesty. We think People First, Safety Focus, Exceptional Performance, Customer Satisfaction, and Continuous Improvement. These are Guiding Principles that we will draw from, time and time again. They have guided us to where we are and, importantly, will guide us as we move forward.

We think People First, Safety Focus, Exceptional Performance, Customer Satisfaction, and Continuous Improvement.

At Ruan, we enjoy customer relationships that are measured in decades. A big reason for this is how our values align with theirs. That common view creates strong, healthy, and durable partnerships across the board because we don't see problems. We see shared opportunities.

When we go to market, we have great self-actualization. We know what we're good at. We are confident in our capabilities. And we recognize that what some of our competitors do is not who we are. The ability to stay true to our strengths allows us to bring value to our customers, our team members, our suppliers, and the communities we serve. We operate through honesty and transparency. That's how we tie everything back to our Guiding Principles, which I firmly believe will stay as soundly into the future.

Our people are Ruan's greatest differentiator. I have been in this business for over 40 years, so I realize that may sound like a cliché and old school. But we really do have the industry's very best in this family business. It's how I know we will continue to face adversity, push through challenges, and bring value through innovation and dedication no matter what awaits us down the long road ahead.

We really do have the industry's very best in this family business.

This fall, I will have the honor of beginning my term as chairman of the American Trucking Associations — an organization that John Ruan helped build. As an early visionary in the trucking industry, John Ruan understood how the collective voice of the states could help shape legislation and positively influence the industry. So, as I look ahead to serving the ATA in this capacity, I know I represent Mr. Ruan and the Ruan brand.

With the ATA, and with the Ruan companies, John Ruan, a real entrepreneur, instilled the perseverance, the fortitude, and the grittiness needed to succeed. Our first 90 years were built with those strong beliefs and the conviction to be fair and do things right. To me those were our first Guiding Principles, and they will help us deliver the next 90 years!

Meet Herb,

COO of the Iowa Alcoholic Beverages Division.

He's part of a statewide leadership team.

*That regulates and distributes
spirits in Iowa — safely.*

Meet Leah,

Dedicated Transportation Manager at Ruan.

She's part of a hardworking logistics team.

*That stores, picks, and delivers beverage
shipments — seamlessly.*

Keeping customers' shelves stocked and consumer spirits high. Together.



***Human to human is the most important
connection we make.***

*When our team comes to the table, we become your
team. We learn your business top to bottom. So we can
provide custom solutions that increase efficiency in
your warehouse and result in on-time and in-full
deliveries to your customers — just ask Herb and Leah.*

*For more information about how our personal approach
can help improve your business performance, call
(866) 782-6669, email us at solutions@ruan.com
or visit ruan.com.*

Our team is yours.

3	Ruan Transport Corporation
Name of Business (Official Name and D/B/A)	
Business Headquarters (include Address, Telephone, and Facsimile)	666 Grand Ave Suite 3200 Des Moines, IA 50309 866-782-6669
If a Division or Subsidiary of another organization provide the name and address of the parent	n/a
Billing address	PO Box 977 Des Moines, IA 50304-0977
Name of Chief Executive Officer	Benjamin McLean
Customer Contact (include name, title, address, telephone, toll-free number, facsimile and e-mail)	Jason Dobbs VP Integrated Solutions Sales 2691 California Cross Rd, California, Campbell County, KY-41007 859-609-9192 jdobbs@ruan.com
Company web site	ruan.com
Type of Organization (i.e., Sole proprietor, Corporation, Partnership, etc. - should be the same as on the Taxpayer ID Form)	Corporation
Length of time in business	90 years
Annual Sales (for the two most recently completed Fiscal Years)	\$1.1B, \$1.3 B
Number of full-time employees (average from the two most recent Fiscal Years)	4,400
Type of and description of business	Asset based 3rd Party Logistics provider
State of incorporation, state of formation or state of organization	IA
Identify and specify the location(s) and telephone numbers of the major offices and other facilities that relate to the Vendor's performance under the terms of the RFP	
Identify the Vendor's accounting firm	KPMG
Identify your State vendor number	

Identify your Dunn & Bradstreet Number	585816 00-694-1371
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7.4 Provide the number of years of experience in providing the services within this RFP. Describe your experience with services similar in size.	Ruan has been in business since 1932 and has provided dedicated warehousing for 25+ years. We have experience with services similar in size, including warehousing for the state of Iowa Alcoholic Beverages Division. The Iowa Alcoholic Beverages Division is the alcoholic beverage control authority for the state of Iowa regulating liquor wholesales. Ankeny, IA Statistics + 39 team members + 180,000 square feet + 24 trailer spots + 10 dock doors + 125,000 weekly unit picks Other Features + Integrated with IABC order management system + Real-time inventory transactions + Directed put away and pick routes defined by Ruan's WMS + Inventory transactions completed at time of shipping + Real-time visibility to suppliers + Supporting more than 75 suppliers Dedicated Fleet + Dedicated fleet servicing 1,900 retailers and wholesalers throughout Iowa 18 drivers 32 dry vans
--	--

Describe your experience in recruiting and hiring qualified warehouse associates. Include your experience in orientation, training and management of warehouse associates.

Ruan has a staff of human resources recruiters based at our corporate office in downtown Des Moines who will have the responsibility for posting, advertising, recruiting, screening, and hiring the warehouse employees. This same group will also be responsible for the future hiring of warehouse employees if needed. This same department will also be responsible for recruiting and hiring the administrative staff.

Ruan's staffing philosophy involves a mix of Ruan full time employees with agency employees. Our typical agency employee has a tenure of over 18 months and allows for flexibilities as volumes fluctuate.

Once employees are hired, our training and development department conduct orientation for both administrative staff and warehouse employees. Both will be thoroughly trained on Ruan and ABC policies and procedures from initial hire paperwork through all of processes and procedures for Ruan and ABC operations. Our employee onboarding is one full day which occurs before the employee is allowed access to the warehouse floor and covers all safety topics as well as company policy and employee expectations.

Once the employee has been onboarded the task specific training to the documented standard work is typically takes another full week.

All Supervisors and hourly team members are cross trained on all receiving, order fulfillment, and shipping duties which allows for coverage during vacations and during periods of growth.

Paul A. Jensen

5015 Andrews Place, Pleasant Hill, IA 50327

515.868.8506

pajbikes@gmail.com

QUALIFICATIONS

Executive Level Experience: Successfully led a \$350 million managed transportation business unit with full P&L responsibility including staffing, vendor relationships and business development.

Demonstrated supply chain expert: Managed North America logistics and warehousing for a large multi-national agricultural company with accountability for a combined \$200 million transportation and warehousing budget.

Proven Leader: Over 25 years of leadership experience at all organizational levels

TRACK RECORD

Ruan Transport Corporation – Des Moines, IA

2015 – Present Senior Vice President, Supply Chain Solutions

- Executive leadership over all Warehousing and Managed Transportation accounts
- Led several successful implementations, including the public/private partnership between Ruan and Iowa Alcoholic Beverage Divisions's statewide alcohol warehousing and distribution
- Steadily grown Ruan's non-asset business year over year since joining the company

DuPont Pioneer – Johnston, IA

2011 – 2015 Senior Manager, Logistics and Contracting

- Developed an integrated project team to deliver \$27 million in logistics cost savings in 2015.
- Implemented a six node regional distribution center network which improved service levels to sales channel and improved inventory utilization.
- Implemented an outsourced transportation management solution enabling the centralization of customer service functions and reducing staffing costs nearly \$4 million.
- Manage over \$1 billion in grower contracting and payment.

Jacobson Companies – Des Moines, IA

2009 – 2011 Executive Vice President of Logistics

- Operated a business unit providing managed transportation services for \$350 million in freight spend supporting over 60 customers across numerous verticals.
- Closely collaborated with other business units within Jacobson to create integrated logistics solutions for customers.
- Worked closely with Business Development team to create value adding solutions for potential clients and seamlessly on-boarding new business.
- Created and implemented an organization plan following restructuring of the company.

2007 – 2009 Senior Vice President of Operations

- Operated the national and regional asset based truckload fleets of Jacobson Companies.
- Developed and implemented an organizational plan to consolidate three regional trucking fleets that had been acquired into the Jacobson regional and national network.
- Led the company during a significant economic downturn in transportation working closely with customers, vendors and staffing to control costs while protecting service and delivering results

1999 – 2007 Director of Operations

- Developed systems, tools and processes to deliver managed transportation solutions to customers in numerous verticals.
- Built a staff with the skills, technical ability and demeanor to manage the day to day operations of a diverse customer base.
- Led the company to ISO 9001 certification

United States Navy – Submarine Officer

1999 – 2010 Communications Officer, Exercise Planner - US Strategic Command (Navy Reserves)

1996 – 1998 Navigator & Operations Officer - USS Billfish (SSN676)

1993 – 1996 Emergency Actions Officer - United States Strategic Command

1990 – 1993 Assistant Weapons Officer, Assistant Engineer USS Simon Bolívar (SSBN 641 GOLD)
1989 – 1990 Nuclear Power Training

EDUCATION

IOWA STATE UNIVERSITY, 1989 – B.S. - Physics

7.6 Key Personnel Resumes

Scott Petersen

601 Findlay Dr NW, Altoona, IA 50009 Cell: 515.240.5119
Scottpetersen2715@gmail.com

PROFESSIONAL EXPERIENCE

Dedicated Warehouse Leader, April 2019 to Present

Ruan Transportation, Des Moines, IA

- Responsible for leading multiple dedicated contract warehouse operations.
- Developed and maintained customer relationships by exceeding service metrics and communicating effectively.
- Applied my experience to build strong teams in two startup operations and one WMS conversion focusing on safety and building bench strength within the workforce.
- Ensured a positive working environment by promoting the company's culture of people first and safety expectations.
- Drove operational efficiencies to achieve operational and financial performance expectations.

Vice President of Operations, January 2015 to September 2018

XPO Logistics (Formerly Norbert Dentressangle) Des Moines, IA

- Full P&L responsibility for multiple supply chain operations throughout the United States.
- 500 to 600 employees with annual revenues of \$50 million.
- Instill safety and profitability throughout the organization.
- Provide sponsorship and leadership to continuous improvement projects and other company initiatives.
- Assist clients, operations and shared services with executive support.
- Foster growth of current customers and potential sales promoting full offerings of company capabilities.

Director of Operations, 2007 to 2014

Norbert Dentressangle (Formerly Jacobson Companies) Des Moines, IA

- The main contact to a single large food customer to bring consistency in processes, culture and to streamline communication to multiple facilities and business units to ensure customer satisfaction.
- Managed team responsible for multiple facilities, 300 employees encompassing 2.6M s/f.
- Responsible for maintaining high standards for safety, quality, food safety and inventory integrity.
- Oversee various value-added services including two packaging/kitting departments, hostling and a centralized appointment scheduling department.
- Successfully facilitated many green-field start-ups and WMS conversions between facilities.
- Lowered customer rates and improved margin in multiple cost centers through process and system improvements, job centralization and restructuring.
- Through various continuous improvement projects and/or cost avoidances, saved over \$1 MM across multiple cost centers.

Operations Manager, 2000 to 2007

Jacobson Companies Ames, IA

- Managed a food-grade facility 180k s/f employing 40 employees in a high-volume operation directly in a customer owned warehouse attached to the customer's manufacturing plant.
- Partnered daily with the customer on employee safety, quality, food safety, volume planning and inventory integrity.
- Managed value-added services such as hostling and a repack display area in customer facility.

Operations, 1989 to 2000

Jacobson Companies Des Moines, IA

- Held the following positions to start my career in supply chain.

- MHE operator
- Customer Service Representative
- Warehouse Supervisor I
- Warehouse Supervisor II

Education

Iowa Western Community College

MARTY WADLE – Chief Commercial Officer at Ruan

EDUCATION: Bachelor of Business Administration Iowa State University, Ames, IA - December 1992
Major: Transportation and Logistics

ADDITIONAL INFORMATION:

Software Knowledge: Microsoft Office Products, Roadnet, Truckstops, DirectRoute, Manugistics, Infor, Optisite, PeopleNet, OTM, TMW, JDA RedPrairie Red Prairie
Certified Continuous Quality Improvement Specialist, CSCMP
member Member of Iowa State University Executive Advisory Council for the COB

WORK HISTORY:

Ruan Transportation 1996 - Present

Chief Commercial Officer 2019 - Present

- Lead Ruan's Sales, Marketing and Solution Engineering teams
- Responsible for maintaining relationships with key customers, including business reviews, contract negotiations, etc.

SVP Supply Chain Solutions 2012 – 2019

- Lead Ruan's Supply Chain solutions Division
- Warehousing, crossdocking, dedicated transportation, logistics and brokerage
- Operational responsibility for 25% of company revenue
- Report to CEO, multiple direct reports and 1000 team members in the division

VP Logistics Solutions 2007 – 2012

- Develop supply chain solutions for existing and potential customers
- Lead Quality and PMO areas
- Budgetary responsibility

Director of Design and Pricing: 2002 – 2006

- Develop logistics solutions for existing and potential customers
- Manage a group of analysts

National Account Manager: 1998 – 2002

- Logistics coordinator for a large international account
- 15 locations, 300 dedicated drivers, 400,000 carrier loads per year
- Officed at the account's corporate headquarters

Distribution Analyst, Sr. Dist. Analyst: 1996 - 1999

- Promoted to Senior Distribution Analyst January 1997
- Utilize various software packages to analyze distribution systems, assist in sales presentations and train end users
- Manage the development, testing, and implementation of in-house software

Central Transport, Des Moines, Iowa, Driver Supervisor: 1995 - 1996

- Dispatcher at Central Transport's Des Moines LTL terminal
- Driver and dock supervision, customer service, billing and payroll

Ruan Transportation Management Systems, Inc.
Selected Financial Data

Source: Audited Financial Statements

Year Ended	31-Dec-21	31-Dec-20
Revenues	\$ 1,426,900,006	\$ 1,221,437,826
Total Assets	600,435,862	615,125,668
Cash	48,350,382	68,961,117
Current Assets	232,612,605	221,527,089
Current Liabilities	181,167,117	183,715,642
Current Ratio	1.28	1.21
Debt		
Current portion	53,385,305	66,357,486
Long-term debt less current portion	98,677,251	139,068,203
Total Debt	152,062,556	205,425,689
Net Debt (Total Debt less Cash)	103,712,174	136,464,572
Total stockholder's equity	197,966,043	162,869,561

TAB 4 – COST PROPOSAL

ATTACHMENT D – Proposal Form

3rd Party Warehouse Operator

Proposal Number: 3120002542

Gentlemen:

Pursuant to the advertisement for proposals to be received, I/We Ruan Transport Corporation

located at 666 Grand Ave Des Moines IA 50309

do submit our proposal form for **Proposal # 3120002542**. This proposal is made without collusion on the part of any person, firm or corporation.

The pricing must include ALL associated costs with no additional or hidden fees.

Per Senate Bill 2844, Section 3(3)(a) provides that the department shall pay the operator cost-plus on these operations at a set dollar amount per case of alcoholic beverages sold. A case is considered sold when it is shipped. The following estimated cases to be shipped will be used to determine the per case fee charged by the vendor during the initial term of the contract. These figures represent estimates. The Department does not guarantee that this number of cases will be shipped during these years.

Year 1 – 4,423,127

Year 2 – 4,555,821

Year 3 – 4,692,495

Year 4 – 4,833,270

3rd Party Operator's price per case fee **\$2.22**

The price submitted shall reflect the price per case fee.

If the vendor wishes to include a yearly change in price over the course of the agreement, the vendor may either list the per case fee by year or provide a set percentage rate at which the per case fee will increase on an annual basis:

Year 2: \$2.35

Year 3: \$2.49

Year 4: 2.64

OR

Annual percentage increase: _____

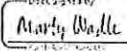
The vendor may submit a request for a price increase at the time of any future renewal. Such price increase shall be based on an increase in actual costs to the vendor, and vendor must submit documentation of such increase to the Department prior to any such increase in price. The Department will review the documentation and determine whether an increase is justified at its sole discretion.

Exceptions and/or Deviations? Yes X No

Please list and describe exceptions if applicable:

We believe that by implementing our world class WMS, there should be opportunity for productivity improvements that would result in a lower headcount. If that is the case, we would like to reopen pricing to pass on those savings to the State of Mississippi.

Company: Ruan Transport Corporation

Signature: 

Address: 666 Grand Ave Suite 3200

Printed name: Marty Wadle

Des Moines IA 50309

Title: Chief Commercial Officer

Phone: 515-245-2821

Date: 11/18/2022

E-mail Address: mwadle@ruan.com

Notice of Amendment # 1

Request for Proposal

RFP# 3120002542

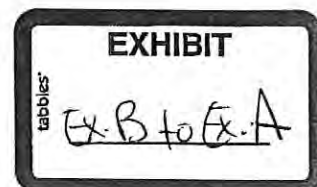
3rd Party Warehouse Operator



Mississippi Department of Revenue
500 Clinton Center Drive
Clinton, MS 39056

Contact: Erica Green-Greenwood, Procurement Officer II - erica.green@dor.ms.gov

THIS IS AMENDMENT ONE (1) TO THE REQUEST FOR PROPOSAL.



The RFP refers to the vendor meeting and site visit on October 25, 2022, as “mandatory.”

To clarify, the Department believes it is in the best interest of every vendor who wishes to submit a proposal to attend the meeting and site visit in order to have the best understanding of the services to be rendered under any future agreement.

However, if a vendor is unable to attend, this will not be deemed a disqualifying event prohibiting the vendor from submitting a proposal.

Notice of Amendment # 2

Request for Proposal

RFP# 3120002542

3rd Party Warehouse Operator



Mississippi Department of Revenue
500 Clinton Center Drive
Clinton, MS 39056

Contact: Erica Green-Greenwood, Procurement Officer II - erica.green@dor.ms.gov

THIS IS AMENDMENT TWO (2) TO THE REQUEST FOR PROPOSAL.

Question # 1

Are you open to any other commercial models than the fixed cost per case?

Answer:

Senate Bill 2844 states that, "The department shall pay the operator...at a set dollar amount per case of alcoholic beverages sold." Therefore, the Department is not open to other commercial models.

Question # 2

Will the MDOR provide headcount and productivity by area of the current facility?

Answer:

Please refer to Attachment A.

Question # 3

Our assumption is that the MDOR's expectation is that we interview the current workforce and offer employment to those that meet our hiring criteria.

Answer:

The 3rd Party Operator is expected to hire qualified candidates to satisfy the contract requirements.

Question # 4

Will additional data be provided that would assist in modeling the solution:

- Line level order history
- Item master
- Inbound data by PO/SKU
- Inventory snapshots
- Routing detail

Answer:

No other data will be provided.

Question # 5

What size trailers are being loaded?

Answer:

MDOR's contracted delivery service providers have a variety of trailer types that include box trucks, PUP and 48ft trailers.

Question # 6

4.1.2.2 states that the average cases per week outbound in FY2027 is 103,000 while section 4.1.2.1 states that the average cases per week received is 98,000. What is the reason for the difference of 5,000 cases per week?

Answer:

Average cases outbound will be different from average cases received because orders pull from inventory cases that could have been in the building for quite some time. Similarly, receiving is a different function that also receives cases at a different daily or weekly rate than outbound order volume.

Question # 7

What is the response timeframe for vendor questions?

Answer:

Although we try to respond back as soon as possible, the active deadline for answers to submitted questions is November 4, 2022.

Question # 8

Do the employees of the state become employees of the contractor on the date the contract is awarded?

Answer:

No. It is up to the contractor on whom they wish to hire.

Question # 9

If the contractor wishes to keep the current employees, will DOR provide salary and compensation information to properly budget?

Answer:

We will not be releasing salary and compensation information as a part of this process. The selected vendor will receive salary information after the award of the contract.

Question # 10

Are there warn obligations for the department?

Answer:

Governmental agencies are not required to issue WARN notices. The Department will be required to follow the MS State Personnel Board's policies for a Reduction in Force.

Question # 11

Is the awarded vendor responsible for all maintenance on the facility?

Answer:

Senate Bill 2844 (Regular Session 2022) Section 3(2) provides that the Department shall pay regular maintenance expenses. Regular maintenance is defined as monthly overhead expenses, including but not limited to, utilities, cleaning services and lawn care. It also specifies that "The operator shall be allotted a monthly spending limit for occasional improvements. The state may, at any time, review the operator's spending. The operator shall obtain prior state approval for any spending over the monthly limit set in the contract. The contract shall allow the operator to pay out of pocket, in which case the state will reimburse the operator on a monthly basis out of monies in the ABC Warehouse Improvements Fund..."

"Occasional improvements" is defined as "items of maintenance, repairs, upgrades or other improvements for the warehouse or its equipment that are not performed on a monthly basis."

Question # 12

Will vendors be able to obtain current financials as it relates to operating the warehouse?

Answer:

Please refer to Attachment B.

Question # 13

Is the current distribution done by a 3rd party trucking company?

Answer:

Yes. Our shipping contracts are handled by 2 different companies. One is for our Jackson Metro Contract (delivery to all permittees located in Hinds and Rankin Counties and in the southern portion of Madison County, excluding permitted locations located in the municipal limits of the cities of Canton and Flora) and the other is for our Statewide Contract (all permittees outside the Jackson Metro area).

Question # 14

Do the current shipping contracts with the DOR terminate once the 3rd Party Warehouse Operator contract is awarded or do they continue?

Answer:

Senate Bill 2844 (Regular Session 2022) Section 3(1) provides that the shipping contracts in effect on July 1, 2022, shall remain in effect until the expiration of its term, which is listed in the agreements as June 30, 2024.

Question # 15

Are the costs relating to shipping for vendors currently fixed?

Answer:

Yes. The costs are those that are currently within the respective contracts. Current shipping costs are charged to the permittee as a part of the sale of product.

Question # 16

Do either of the 3rd Party shipping companies provide any services other than shipping, specifically, jockeying of trucks or is it just for shipping?

Answer:

Yes, the shipping companies are required to move trucks on the yard and provide a trailer spotter during the entire loading process. The shipping companies are also responsible for counting loads or accepting ABC's load count document.

Question # 17

Are there any minimum performance metrics that have been provided by the State as to warehouse workers?

Answer:

There are no dictated minimum performance metrics for warehouse workers, however, RFP Section 4.1.3.3, provides the performance metrics/kpis that will be used to measure the 3rd Party Operator. The awarded operator may use any applicable performance metrics stated in Section 4.1.3.3 to develop performance metrics for their warehouse workers.

Question # 18

When the new warehouse is built, who will be responsible for the upfitting, such as racking, conveyor and etc.?

Answer:

Senate Bill 2844 provides for the design and construction of a new warehouse facility. The construction costs shall be paid by the State and shall include all costs associated with land acquisition, design, construction, furnishing and equipping the new warehouse.

Question # 19

Who is responsible for maintenance to the existing warehouse?

Answer:

Senate Bill 2844 provides that the department shall pay regular maintenance expenses. Regular maintenance is defined as monthly overhead expenses, including but not limited to, utilities, cleaning services and lawn care. It also specifies that "The operator shall be allotted a monthly spending limit for occasional improvements. The state may, at any time, review the operator's spending. The operator shall obtain prior state approval for any spending over the monthly limit set in the contract. The contract shall allow the operator to pay out of pocket, in which case the state will reimburse the operator on a monthly basis out of monies in the ABC Warehouse Improvements Fund..."

"Occasional improvements" is defined as items of maintenance, repairs, upgrades or other improvements for the warehouse or its equipment that are not performed on a monthly basis.

Question # 20

What is the timeline for moving into the new warehouse?

Answer:

We have been working with the Department of Finance Administration (DFA), who is overseeing the design and construction of the new warehouse. However, we do not have an estimated date for completion of a new warehouse at this time.

Question # 21

In the new warehouse facility, is the awarded vendor obligated to operate under a new WMS or can they continue using MARS?

Answer:

Vendor may continue to use MARS in the new warehouse; however, new interfaces would have to be built between MARS and the new warehouse handling equipment.

Question # 22

Are all of the material equipment leased-owned or end of life?

Answer:

Most of the lift equipment maintained in the warehouse is on a rental contract. All other lift equipment is owned by DOR/ABC. The conveyor systems were installed in 2003 and have had some enhancements. All conveyor systems, including the conveyor operating system, are considered end of life.

Question # 23

Once the new warehouse is constructed and ready for operation, who will be responsible for transitioning inventory to the new warehouse?

Answer:

The operator.

Question # 24

The term of the contract is 4 years or until the old warehouse closes, how does that relate to the new warehouse?

Answer:

The initial contract shall terminate on the earlier of 4 years from the date the contract begins or the last day of use of the existing warehouse. Based on the current plan, the current warehouse won't "close" until the new warehouse is ready for transition.

Question # 25

How many renewal options are there?

Answer:

There are two renewal options, for up to 4 years each. Renewal will be at DOR's sole discretion subject to approval by the Public Procurement Review Board (PPRB).

Question # 26

For the new warehouse, which entity will be required to provide automation, material handling and etc. the State or the 3rd Party Operator?

Answer:

The State will be responsible for providing all material handling equipment in the new warehouse.

Question # 27

Will the 3rd Party Operator have the ability to give input on the construction and layout of the new warehouse?

Answer:

Senate Bill No. 2844 (Regular Session 2022) Section 2 (3) provides that the contract for design and construction shall include consultation with the operator so that the warehouse may, so far as possible, suit the preferences of the operator. As stated above, design and construction of the new warehouse falls under the supervision of the Department of Finance Administration.

Question # 28

Does pricing need to take into consideration transition into the new warehouse not just the old warehouse?

Answer:

The pricing provided under this RFP is for the initial contract. The selected operator may negotiate a new price under the renewal periods should there be any material changes or extraordinary circumstances that would affect the price. As stated in the RFP, "The vendor may submit a request for a price increase at the time of any future renewal. Such price increase shall be based on an increase in actual costs to the vendor, and vendor must submit documentation of such increase to the Department prior to any such increase in price."

Question # 29

If market conditions change dramatically over these four years, will vendors have the ability to renegotiate pricing?

Answer:

The vendor is bound by the fixed per case fee submitted in its proposal. This includes any annual increase submitted in the proposal and used by the Department to determine overall cost during the procurement process. Vendors are bound by the prices along with the annual increases provided in their submission. However, the selected operator is given the opportunity to request an increase in fees under the renewal periods should there be any material changes or extraordinary circumstances that would affect the price. See response to Question 28.

Question # 30

Is there a provision within the RFP allowing for a request for increase in price based on extraordinary circumstances?

Answer:

See Responses to Question 28 and 29.

Question # 31

If there is a change in scope of what is actually being performed, is there an opportunity to request to receive a price change? Does this extend to operating parameters as well?

Answer:

Yes, if it falls within the parameters of the "Change in Scope of Work" and "Price Adjustment" clauses that will be included in the agreement for these services. Please see Appendix C of the RFP for examples of these clauses.

Question # 32

Does routing of the trucks fall under the 3rd Party Warehouse Operator?

Answer:

The Department will provide for the routing of the trucks. ABC currently works with the contracted delivery service providers to set up and edit the routes that best helps them service accounts.

Question # 33

If bottle picking becomes prevalent would this transition into a new price?

Answer:

Yes, if it falls within the parameters of the "Change in Scope of Work" and "Price Adjustment" clauses that will be included in the agreement for these services. Please see Appendix C of the RFP for examples of these clauses.

Question # 34

What is the anticipated timeline for an operator to take over operations of the existing warehouse?

Answer:

Our anticipation is upon approval of the agreement by PPRB, however, there will be some lead up time where DOR will be working with the awarded vendor, prior to the vendor taking over the warehouse.

Question # 35

Are there any upcoming management or IT changes?

Answer:

The Associate Commissioner who is responsible for ABC will be retiring at the end of December 2022. We do not have any scheduled IT changes at this time.

Question # 36

What resources will be provided by the State for transition?

Answer:

The Department will work with the operator and provide resources reasonably necessary for a transition from DOR to the awarded operator. This will include all resources reasonably necessary for system integration.

Question # 37

Do the conditions of the current bailment agreements flow through to the 3rd Party Operator?

Answer:

They are not expressly listed within the existing bailment agreements. However, DOR will cooperate with the operator to assign all applicable rights and responsibilities.

Question # 38

The projected contract date is 2/7, based on the award date, is that when the operator would transition?

Answer:

The operator will transition on the projected contract date of 2/7.

Question # 39

The award notification date is 12/9/2022, and the projected contract date is 2/7/2023, which leaves 60 days between award and the start date.

Answer:

Clarification was made as to what is listed within the RFP regarding the date of award, which will be the date the evaluation committee selects the winning offeror and the contract start date is based on receiving PPRB approval on 2/1/2023.

Question # 40

Can the awarded vendor use the existing equipment within the warehouse until they receive their own equipment?

Answer:

The operator may assume all rental agreements the Department currently has for lift equipment subject to approval by the rental vendor(s). The Department will cooperate with the operator in this contractual transition. The operator may use all owned lift equipment and batteries. The operator will be responsible for repairs and maintenance on Department-owned equipment.

Question # 41

Are there any current maintenance agreements for any material handling equipment that will continue?

Answer:

There are no maintenance agreements in place for the lift equipment, however, we do have a software/maintenance agreement for the logical control system through 12/31/2024 as well as remote support agreement on the conveyor through 06/30/2025.

Question # 42

Are there any additional details DOR can provide on the required security requirements for the new warehouse?

Answer:

Per Section 4.1.3.2 of the RFP the operator shall adequately secure the facility to prevent pilferage, theft, break-in or damage and provide security 24-hours per day, seven days per week. The 3rd Party Operator should determine how they wish to meet these requirements.

Question # 43

Are there any existing security contracts that will extend for the 3rd Party Operator once they take over?

Answer:

The DOR has one security contract, which is set to expire on March 17, 2023. The awarded vendor will be responsible for providing security on the effective date of assuming the operator of the warehouse.

Question # 44

In relation to the per case pricing, where did the case volumes come from and what happens if the volumes are not correct?

Answer:

Per the RFP, the number of cases listed are based on an estimation and will be used to determine the total cost of the initial contract. The estimated figures are based on past performance and should not be construed as a guarantee.

Question # 45

If the operator chooses to continue with the current WMS, is the IT Support Staff as well as the hardware provided by the State or the 3rd Party Operator?

Answer:

The Department will continue to provide support for any hardware owned by the Department and our MARS Team will continue to provide support for our system.

Question # 46

If volume increases beyond what is currently anticipated and the current system cannot handle that volume, and this requires more manual picking, can this trigger a higher cost?

Answer:

No. See responses to Questions 28 and 29.

Question # 47

Will the State own the new facility and racking?

Answer:

Yes.

Question # 48

Will the State charge the operator rent for the use of the equipment?

Answer:

No.

Question # 49

If the State exercises the termination for convenience clause, will the 3rd Party Operator be compensated in any way?

Answer:

No. The operator will be paid for the service performed up until that point. For context, this clause is not particular to this service. PPRB requires that every service contract include this clause.

Question # 50

Where will we find answers to our questions?

Answer:

Answers will be submitted via email to all vendors to which the RFP was issued to. Vendors can also locate the answers on our agency website under the Procurement tab at www.dor.ms.gov.

Question # 51

The Pre-proposal Conference and Site Visit is listed as a mandatory in the RFP, but, we received an amendment to the proposal stating that the word mandatory was not used, however, failure to be here would not result in being prohibited from providing a proposal.

Answer:

Yes. A notice of amendment was issued based on a discussion DOR had. At the end of the day, we want as much competition as possible, so we decided to allow offerors to provide a proposal with the understanding that they are missing out on something big, by not attending the pre-

proposal conference and site visit. However, it is not an exclusionary event for providing a proposal.

Question # 52

Will DOR provide a draft copy of an agreement prior to a proposal being submitted?

Answer:

No. However, generally the agreement will track with the conditions and clauses listed in the RFP.

Question # 53

Will the State still be responsible for the determining the skus that will be used throughout the warehouse?

Answer:

Yes.

Question # 54

Will the State still be responsible for interacting with license holders in terms of taking orders, collecting payments and various types of responsibilities and if so, how will that be communicated on nightly basis to the 3rd Party Operator if any issues should arise?

Answer:

Yes, the state will provide a file nightly to the operator for orders to be shipped.

Question # 55

Will performance metrics go into effect on the date that the contract is awarded and operation begins, even if there is a backlog?

Answer:

Yes; however, the Department will make allowances to account for any backlog of orders existing as of the date the operator begins operations.

Please sign and return with Attachment H.

Company: _____ Signature: _____

Date: _____

Attachment A

Geo code 2500 Warehouse Operations
 Geo code 2520 Warehouse Operations
 Geo code 2522 Receiving
 Geo code 2523 Shipping

Organizational Unit (Label)	Payroll Area (Label)	Job Title	Position Code	PIN VIN Indicator	PIN VIN Number	Position Geo-Location Code
01814084	SoMS Monthly	Program Specialist Supervisor	20005711	P	4054	2500
01810009	SoMS Monthly	Warehouse Associate Supervisor	20004952	P	0009	2500
01810047	SoMS Monthly	Warehouse Associate Supervisor	20004982	P	0047	2520
01810068	SoMS Monthly	Warehouse Associate Supervisor	20005003	P	0068	2520
01814016	SoMS Monthly	Warehouse Associate Team Lead	20005677	P	4016	2520
01814052	SoMS Monthly	Warehouse Associate I	20005586	P	1556	2522
01814060	SoMS Monthly	Warehouse Associate I	20005490	P	1014	2522
01814052	SoMS Monthly	Warehouse Associate I	20005739	P	4022	2522
01814052	SoMS Monthly	Warehouse Associate I	20005746	P	4122	2522
01814060	SoMS Monthly	Warehouse Associate I	20005764	P	4147	2522
01814052	SoMS Monthly	Warehouse Associate I	20005554	P	1408	2522
01814052	SoMS Monthly	Warehouse Associate I	20005789	P	4157	2522
01814052	SoMS Monthly	Warehouse Associate I	20005754	P	4132	2522
01814052	SoMS Monthly	Warehouse Associate I	20005111	P	0214	2522
01811161	SoMS Monthly	Warehouse Associate I	20005760	P	4142	2522
01814060	SoMS Monthly	Warehouse Associate I	20005761	P	4143	2522
01814060	SoMS Monthly	Warehouse Associate I	21041209	P	0702	2522
01811161	SoMS Monthly	Warehouse Associate I	20005574	P	1494	2522
01814060	SoMS Monthly	Warehouse Associate I	20005690	P	4035	2522
01814060	SoMS Monthly	Warehouse Associate I	20005502	P	1204	2522
01814052	SoMS Monthly	Warehouse Associate I	20005787	P	4130	2522
01814060	SoMS Monthly	Warehouse Associate I	20005763	P	4146	2522
01814052	SoMS Monthly	Warehouse Associate I	20005509	P	1208	2522
01814052	SoMS Monthly	Warehouse Associate I	20005709	P	4062	2522
01814060	SoMS Monthly	Warehouse Associate I	21041208	P	0704	2522
01814052	SoMS Monthly	Warehouse Associate I	20005691	P	4036	2522
01811161	SoMS Monthly	Warehouse Associate I	21035251	P	0613	2522
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01814052	SoMS Monthly	Warehouse Associate II	20005692	P	4037	2522
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01814060	SoMS Monthly	Warehouse Associate III	20005901	P	1203	2522
01814060	SoMS Monthly	Warehouse Associate III	20005823	P	0415	2522
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01814004	SoMS Monthly	Warehouse Associate I	20005255	P	0380	2523
01814053	SoMS Monthly	Warehouse Associate I	20005062	P	0144	2523
01814053	SoMS Monthly	Warehouse Associate I	20006102	P	0270	2523
01814053	SoMS Monthly	Warehouse Associate I	20005708	P	4061	2523
01814055	SoMS Monthly	Warehouse Associate I	20005812	P	2103	2523
01814053	SoMS Monthly	Warehouse Associate I	20005510	P	2097	2523
01814053	SoMS Monthly	Warehouse Associate I	20005704	P	4056	2523
01814004	SoMS Monthly	Warehouse Associate I	20005773	P	4170	2523
01814004	SoMS Monthly	Warehouse Associate I	20005055	P	0149	2523
01814055	SoMS Monthly	Warehouse Associate I	20006175	P	0285	2523
01814055	SoMS Monthly	Warehouse Associate I	20005741	P	4118	2523
01814053	SoMS Monthly	Warehouse Associate I	20005752	P	4129	2523
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01814004	SoMS Monthly	Warehouse Associate I	20005779	P	4176	2523
01814004	SoMS Monthly	Warehouse Associate I	20005758	P	4139	2523
01814004	SoMS Monthly	Warehouse Associate I	20005771	P	4168	2523
01814053	SoMS Monthly	Warehouse Associate II	20006117	P	0220	2523
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01814055	SoMS Monthly	Warehouse Associate I	21041200	P	0699	2523
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01814053	SoMS Monthly	Warehouse Associate III	20005759	P	4140	2523
01814004	SoMS Monthly	Warehouse Associate III	20005773	P	4172	2523
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01814055	SoMS Monthly	Warehouse Associate III	20006115	P	0218	2523
01814053	SoMS Monthly	Warehouse Associate III	20006477	P	1120	2523
01814004	SoMS Monthly	Warehouse Associate III	20005758	P	4135	2523
01814053	SoMS Monthly	Warehouse Associate III	20005760	P	4177	2523
01814055	SoMS Monthly	Warehouse Associate III	20005776	P	4173	2523
01814053	SoMS Monthly	Warehouse Associate III	20005749	P	4128	2523
01814004	SoMS Monthly	Warehouse Associate Team Lead	20005669	P	4004	2523
01814055	SoMS Monthly	Warehouse Associate Team Lead	20005703	P	4055	2523
01814053	SoMS Monthly	Warehouse Associate Team Lead	20005702	P	4053	2523

**Alcoholic Beverage Control
Operating Expenses**

	FY21 Actual	FY22 Actual
ABC Warehouse Only (excluding Administration)		
Salaries	\$ 4,107,735	\$ 4,503,398
Travel	-	-
Contractual Services	1,465,168	1,509,304
Commodities	516,603	619,276
Equipment and Vehicles	35,645	325,386
Other than equipment (Buildings)	-	-
Total	\$ 6,125,151	\$ 6,957,364

Notice of Amendment # 3

Request for Proposal

RFP# 3120002542

3rd Party Warehouse Operator



Mississippi Department of Revenue
500 Clinton Center Drive
Clinton, MS 39056

Contact: Erica Green-Greenwood, Procurement Officer II - erica.green@dor.ms.gov

THIS IS AMENDMENT THREE (3) TO THE REQUEST FOR PROPOSAL.

Question # 1

Can you provide the estimated value of the equipment and inventory, specifically equipment that is called out within the Insurance requirements listed in 2.13 (A), so that we can properly estimate our insurance cost?

Answer:

The estimated value of lift equipment is \$799,000 and \$400,000 for batteries. The value of the inventory is approximately \$70M FOB.

Question # 2

Can you provide the current MS-ABC warehouse headcount, at 'full staff' by each functional area (pick mod pickers, loaders, replenishment, receivers etc.) including supervisory and mgt.?

Answer:

Please refer to Attachment A.

Question # 2.1

Is the operator expected to assume this headcount or manage future employment as they see fit if chosen as Operator?

Answer:

The 3rd Party Operator is expected to hire qualified candidates to satisfy the contract requirements whether the candidates are current Department employees or not.

Question # 3

Can you list **ALL** of the costs that the Operator would be responsible for on annual basis if chosen as the operator. **Ex. Labor, benefits, equipment maintenance, warehouse supplies??)**

Answer:

Senate Bill 2844 provides that the department shall pay regular maintenance expenses. Regular maintenance is defined as monthly overhead expenses, including but not limited to, utilities, cleaning services and lawn care. It also specifies that "The operator shall be allotted a monthly spending limit for occasional improvements. The state may, at any time, review the operator's spending. The operator shall obtain prior state approval for any spending over the monthly limit set in the contract. The contract shall allow the operator to pay out of pocket, in which case the state will reimburse the operator on a monthly basis out of monies in the ABC Warehouse Improvements Fund..."

"Occasional improvements" is defined as items of maintenance, repairs, upgrades or other improvements for the warehouse or its equipment that are not performed on a monthly basis.

Any purchases made by DOR will have to be made according to applicable Mississippi procurement laws. The awarded vendor agrees that DOR is not liable for any damages arising from delays or time required to procure such maintenance or improvements

Question # 3.1

Any responsibilities as far as building, grounds maintenance?

Answer:

Senate Bill 2844 provides that the Department shall pay regular maintenance expenses. Regular maintenance expenses are defined as monthly overhead expenses, including but not limited to, utilities, cleaning services and lawn care.

Question # 3.2

Will any additional cost components be added upon move from current facility to new facility?

Answer:

No additional cost components have been identified at this time.

Question # 4

Do you currently have a site for the new building in mind?

Answer:

No, not currently.

Question # 5

Please provide a list of all Material Handling Equipment ("MHE") – including but not limited to, forklifts, rider jacks, pallet jacks, any and all material handling equipment. Please clarify how the State's MHE will be handled post RFP – will it be transferred to the new operator? Is the MHE under lease and if so, can the Operator assume the lease? Please list the age of all MHE along with a history of repairs and preventative maintenance – specifically include age of batteries for all MHE.

Answer:

Please refer to Attachment C for a list of rental/owned MHE equipment. This list includes the age and/or year of purchase for the last 3 years. Repair history is not available. Most of the forklifts and stock pickers in the warehouse are on a rental contract. All other lift equipment, batteries and conveyor system are owned by DOR/ABC. In relation to rental equipment, the operator may assume all rental agreements the Department currently has for lift equipment subject to approval by the vendor(s). The Department will cooperate with the operator in this contractual transition. In relation to owned equipment, the operator may use all owned equipment and batteries. The operator will be responsible for repairs and maintenance on Department-owned equipment.

It will be the responsibility of the State in providing all material handling equipment in the new warehouse. However, the operator is responsible in obtaining the necessary forklifts, pallet jacks, rider jacks, stock pickers etc., that it needs to perform its contracted services in the existing warehouse and the new warehouse.

Question # 6

When operating in the old facility (and the new facility) will the State or the Operator be responsible for repairs and maintenance of the building including items such as: dock doors, bumper plates – all aspects of the building. Will there be a dollar limit? Is the State responsible for items above that cost, or will the State be responsible for all repairs, maintenance and upkeep of the buildings? For items like lighting in old warehouse – who is responsible for light bulbs, fixtures, ballasts? What about additional lighting – who would be responsible – State or Operator? How will items like this be handled in new warehouse?

Answer:

Senate Bill 2844 provides that the department shall pay regular maintenance expenses. Regular maintenance is defined as monthly overhead expenses, including but not limited to, utilities, cleaning services and lawn care. It also specifies that "The operator shall be allotted a monthly spending limit for occasional improvements. The state may, at any time, review the operator's spending. The operator shall obtain prior state approval for any spending over the monthly limit set in the contract. The contract shall allow the operator to pay out of pocket, in which case the state will reimburse the operator on a monthly basis out of monies in the ABC Warehouse Improvements Fund..."

"Occasional improvements" is defined as items of maintenance, repairs, upgrades or other improvements for the warehouse or its equipment that are not performed on a monthly basis.

Any purchases made by DOR will have to be made according to applicable Mississippi procurement laws. The awarded vendor agrees that DOR is not liable for any damages arising from delays or time required to procure such maintenance or improvements.

Question # 7

Will the racking in the old warehouse be transferred to Operator?

Answer:

No.

Question # 7.1

Who is responsible for purchasing the racking in the new warehouse?

Answer:

Senate Bill 2844 provides for the design and construction of a new warehouse facility. The construction costs shall be paid by the State and shall include all costs associated with land acquisition, design, construction, furnishing and equipping the new warehouse.

Question # 8

Who is responsible for paying utilities in the old warehouse? New warehouse?

Answer:

Please refer to the response to Question # 6.

Question # 8.1

Please provide a listing of all utility bills and amounts for past 12 months.

Answer:

We will not be providing this information as the Department of Revenue will be responsible for paying all utilities for the warehouse.

Question # 9

Please provide a turnover report for personnel in the warehouse for the past 12 months.

Answer:

We do not maintain a turnover report. Please refer to Attachment E for the number of new hires and terminations over the past 12 months.

Amendment # 3 _ 3rd Party Warehouse Operator

Question # 10

Please provide a list of all computer equipment, printers, label printers, scanners and software (including Microsoft or other operating systems and software) along with age and how they will be handled in this transition. Please include make, model and age of such equipment. Will the state transfer to the Operator? How will existing computer equipment and software be handled? Can licenses be transferred to Operator?

Answer:

Please refer to Attachment D for a list of equipment. The agency will not be able to transfer the existing equipment and software to the operator. All existing equipment will continue to be maintained by the agency. The WCS (Bastian) system is currently under maintenance with BASTIAN. Each computer is setup for a specific system and will be used for that system only.

Question # 11

During tour, we were informed the warehouse is full. Will operator have any say in SKU rationalization, selection, deletion, etc? Including normal SKU's and special-order SKU's.

Answer:

The Department will maintain its role in listing and delisting of products. We will continue to allow for special orders on new products, allocated products and products that do not meet quota to be a listed product.

Question # 12

Who will order the inventory after the RFP, the Operator or the State?

Answer:

The Department does not order bailment inventory. Bailment inventory levels are maintained by the individual suppliers pursuant to the bailment agreement between Department of Revenue and the suppliers. The Department places supply orders with the supplier for special orders items. These practices will remain in place.

Question # 12.1

Please provide the processes and procedures and standards for ordering inventory from suppliers.

Answer:

Please refer to Question # 12.

Question # 13

How will daily orders be communicated from State to Operator?

Answer:

The State will provide a file nightly to the operator for orders to be shipped.

Question # 13.1

Will the State continue to invoice and collect from license holders?

Answer:

Yes.

Question # 13.2

What data will state need from Operator to invoice license holders?

Answer:

We will need a file after the nightly shipping that will account for the cases placed on the trucks.

Question # 14

Will the operator have any voice in the process of how license holders order?

Answer:

No, the Department will continue to accept orders through our existing TAP system.

Question # 14.1

We understand a license holder could currently order daily if they choose – is that correct?

Answer:

That is the current environment. While the Department does not currently use a dedicated delivery schedule for permittees, we understand that an operator may move to a dedicated delivery schedule.

Question # 14.2

What are the standards/processes for license holder's orders?

Answer:

There is a minimum 10-case order unless it is a special order. Special orders can be single cases.

Question # 14.3

What is minimum order?

Answer:

10 cases for liquor (bailment) order items and 1 case for special order items.

Question # 14.4

Can that be changed?

Answer:

Changes to the minimum order are subject to change by the Department. Proposed changes to the minimum order by the Operator will be considered.

Question # 15

Old warehouse has conveyor system, who will be responsible for selection and purchase of similar equipment for new warehouse?

Answer:

The State will be responsible for providing all material handling equipment in the new warehouse. Senate Bill 2844 does provide that the new operator shall be consulted so that the warehouse may, so far as possible, suite the preferences of the operator.

Question # 16

Please provide details on conveyor system including age, repair history, number of personnel currently on staff to maintain and ensure operation of conveyor system.

Answer:

The current conveyor system was procured from W & H systems in 2003. The last major upgrades were made in FY 2014 and FY 2015. We do not maintain a repair history. We have a project to rebuild the extend conveyors and to make repairs to the sorter in process, but we are awaiting parts to arrive. The Department currently employs (4) four maintenance technicians and is in the process of hiring (2) two additional technicians.

Question # 17

Will operator have say/input in engineering/design/architecture of new facility?

Answer:

Senate Bill 2844 provides for the design and construction of a new warehouse facility. The construction costs shall be paid by the State and shall include all costs associated with land acquisition, design, construction, furnishing and equipping the new warehouse.

Senate Bill No. 2844 (Regular Session 2022) Section 2 (3) provides that the contract for design and construction shall include consultation with the operator so that the warehouse may, so far as possible, suit the preferences of the operator. However, design and construction of the new warehouse falls under the supervision of the Department of Finance Administration.

Question # 18

When will the new facility be completed?

Answer:

We have been working with the Department of Finance and Administration, who is overseeing the design and construction of the new warehouse. However, we do not have an estimated date for completion of a new warehouse at this time.

Question # 19

Will the Operator or the State be responsible in regard to payments – payments to vendors or collection from license holders?

Answer:

The State will be responsible for this.

Question # 20

What resources will the state provide with regard to training on existing systems including the current warehouse management system, MARS, any other systems?

Answer:

The Department will work with the operator and provide resources reasonably necessary for a transition from DOR to the awarded operator. This will include all resources reasonably necessary for system integration.

Question # 21

If a new warehouse management system is chosen, what resources will the state provide to integrate with MARS?

Answer:

Please refer to the response to Question # 20.

Question # 21.1

When can an operator expect to receive required services from the state to accomplish this?

Answer:

Once the awarded Operator has decided to move forward with a new warehouse management system and communicated all necessary details of the system to the DOR.

Question # 22

What processes/procedures can be changed to the existing system – from license holder ordering, ordering inventory from vendors/suppliers, headcount, software, equipment, shipping times, shift times to make operation more efficient. What can and can't be done or changed?

Answer:

The permittee ordering process cannot be changed. The Department does place supply orders for special order products and this process will not be changed. The awarded vendor may change headcount, software, equipment, shipping times and shift times. Any changes to the software and equipment will be at the operator's expense and may require time to allow for interfacing into the Department's MARS system.

Question # 23

What is the age of the roof on the existing building?

Answer:

The new roof was installed on the original building in 2008. The new wine room was added 2002/2003 and has its original roof.

Question # 23.1

Who is responsible for repairs?

Answer:

The Department is responsible for the maintenance and upkeep of the existing building roof.

Question # 23.2

What is the repair history for the roof?

Answer:

The roof is inspected periodically and needed repairs are performed. Current roof over original section of warehouse is covered under warranty.

Question # 23.3

Any issues an operator should be aware of?

Answer:

We are in the process of procuring for repairs for the roof of the new wine room to alleviate leaks.
Amendment # 3 _ 3rd Party Warehouse Operator

Question # 24

Please provide copy of current organizational chart of all warehouse and personnel effected by this RFP. The organizational chart as it stands today. Please provide job descriptions for all positions.

Answer:

Please refer to Attachment A.

Question # 24

Please provide current compensation rate for all positions.

Answer:

We will not be releasing salary and compensation information as a part of this process. The selected vendor will receive salary information after the award of the contract.

Question # 25

Can the operator be provided applications/resumes of current employees?

Answer:

We will not be releasing applications and resumes as a part of this process. The awarded vendor may obtain, upon request, copies of applications and resumes after the award of the contract and upon obtaining consent from the employee.

Question # 26

Are any senior management personnel planning on staying in current roles if offered employment by operator?

Answer:

We have not had any discussions with current warehouse personnel concerning continuation of their roles or as an employee of the operator.

Question # 27

Does the current facility have a generator?

Answer:

The generator is currently not operational due to multiple failed electrical components. The generator is old (1978) and the number of qualified technicians trained to service are limited. ABC has been told by these technicians that it would cost more to repair the generator than the generator is worth.

Question # 28

Is there a written process/procedure manual for warehouse? Safety manual? Please provide if so.

Answer:

The selected vendor will receive procedure and safety information after the award of the contract.

Question # 29

What is the Bastian system?

Answer:

Bastian is the system that operates the conveyor system.

Amendment # 3 _ 3rd Party Warehouse Operator

Question # 30

Please explain, post RFP, the workflow from the standpoint of a license holder ordering product until that product is delivered and paid for by the license holder clarifying what the operator is responsible for and what the state is responsible for.

Answer:

Permittees place an order through our TAP system. Once the order is in line for shipment, the order is included in the cut for the day. The order will be picked that night and put on a truck for delivery. The permittee is then billed for the product in a nightly process and a debit is made against the permittee's bank account. The operator will be responsible for receiving a file containing the orders for shipment for the day. Order labels will be printed from the Bastian system, and then placed on the cases. The cases are then placed on the line.

Question # 30.1

Please provide same data from supply side – from identifying need for inventory, placing order, scheduling delivery, receipt and payment – clarifying what the operator is responsible for vs. the state.

Answer:

Suppliers employ brokers to represent them in Mississippi. Brokers and suppliers are responsible for maintaining the supplier's bailment inventory in the warehouse. The top 30+ suppliers are given standing monthly appointments. All other suppliers will schedule receiving appointments as needed. The operator will be responsible for the unloading of trucks and the stocking inventory.

Question # 31

How many cases were delivered to the warehouse in the past 12 months that did not get shipped to license holders?

Answer:

The state currently has a backlog of approximately 150,000 cases. This varies on a daily basis. We work with the suppliers to maintain an inventory of 6-10 weeks. Some products that come from overseas may be allowed longer times due to supply issues.

Question # 31.1

Please provide an aging of the inventory on the floor.

Answer:

We do not maintain a report on the age of the inventory. The Department has a bailment agreement with each supplier which requires that the supplier maintain six (6) weeks of inventory on hand for all bailment SKUs. The inventory is rotated as it is depleted.

Question # 31.2

Who is responsible for slow-moving inventory in the warehouse and what happens to it?

Answer:

Slow moving product may be subject to a delisting. We do a delisting process in February and August. Bailment items that are delisted with inventory on hand must either be picked up by the supplier or it may be destroyed at the direction of the supplier.

Question # 32

Please clarify and explain how damages will be handled and what the Operator is responsible for vs. the state.

Answer:

The operator will be responsible for paying for any product damages that occur while the product is in their possession. Once the product has been loaded, damages to products will be handled pursuant to the terms of the existing shipping contracts.

Question # 33

How many cases were delivered "late" in past 12 months?

Answer:

All cases delivered to licensed retailers in the past 12 months have taken anywhere from one week to two weeks after the order was placed by the retailer. The awarded operator will be required to make next day delivery per the RFP.

Question # 34

For clarity, the initial term of the contract is 4 years if that entire 4 years is in the old warehouse, BUT it is less than 4 years and terminates upon move to the new facility. Is the initial term shorter of 4 years or when the move is made from old warehouse to new warehouse.

Answer:

The initial contract shall terminate on the earlier of 4 years from the date the contract begins or the last day of use of the existing warehouse. Based on the current plan, the current warehouse won't "close" until the new warehouse is ready for transition.

Question # 35

Who is responsible for moving inventory from old warehouse to new warehouse?

Answer:

The operator.

Question # 36

Please describe MDOR's vision for how the operations will transition from the current facility to the new. Contractually, physically, and potential pricing adjustments.

Answer:

Post-award, MDOR will participate in discussions with the awarded operator to facilitate a successful transition. MDOR and the operator will enter into an operating agreement after approval by the Public Procurement Review Board (PPRB). This agreement will list the obligations of both parties, and incorporate the RFP, winning proposal and any amendments to the RFP. The actual transition will begin once the parties have entered into the agreement.

All pricing and potential price adjustments shall be based on the proposal submitted by the awarded operator and the price-adjustment clause included in the agreement. The price adjustment clause is listed in the RFP for your review. Pricing cannot be changed outside the per case fee and annual price adjustment (if any) listed by the operator in its RFP without PPRB approval.

Question # 37

When was the last time the facility was inspected by Occupational Safety and Health Administration and what deficiencies were identified, if any?

Answer:

The state is not under the purview of the Occupational Safety and Health Administration and as such, the facility is not subject to OSHA inspections.

Question # 38

In what state will the new building be delivered? Will the tenant be required to make improvements? Who is responsible for office furniture and racking?

Answer:

The new facility will be delivered in a "ready to go" state.

Question # 39

What is the timing of the construction RFP to be released and completion of the building?

Answer:

We do not have a timeframe for the construction RFP. Although MDOR is working with the Department of Finance and Administration on this project, DFA has control over this construction project and its procurement process.

Question # 39.1

Who will be responsible for transition costs to the new building?

Answer:

The operator.

Question # 40

Who will be responsible for maintenance in the current facility? As well, the new facility?

Answer:

Senate Bill 2844 (Regular Session 2022) Section 3(2) provides that the Department shall pay regular maintenance expenses. Regular maintenance is defined as monthly overhead expenses, including but not limited to, utilities, cleaning services and lawn care. It also specifies that "The operator shall be allotted a monthly spending limit for occasional improvements. The state may, at any time, review the operator's spending. The operator shall obtain prior state approval for any spending over the monthly limit set in the contract. The contract shall allow the operator to pay out of pocket, in which case the state will reimburse the operator on a monthly basis out of monies in the ABC Warehouse Improvements Fund..."

"Occasional improvements" is defined as "items of maintenance, repairs, upgrades or other improvements for the warehouse or its equipment that are not performed on a monthly basis."

Any purchases made by DOR will have to be made according to applicable Mississippi procurement laws. The awarded vendor agrees that DOR is not liable for any damages arising from delays or time required to procure such maintenance or improvements.

Question # 41

Is it the DOR's expectation to own the new facility?

Answer:

The State will own the new facility.

Question # 41.1

Will the DOR be charging rent to the operator and what will be included in the rent?

Answer:

No. The State will not be charging rent.

Question # 41.2

Tenant improvement, insurance, taxes, or Common Area Maintenance?

Answer:

The Department cannot interpret the substance of this question in a manner that allows it to be properly responded to. Therefore, the Department cannot provide an answer to this question.

Question #42

If there are scope or operating parameter changes made by the DOR will the opportunity to review and adjust pricing be present?

Answer:

Yes, if it falls within the parameters of the "Change in Scope of Work" and "Price Adjustment" clauses that will be included in the agreement for these services. Please see Appendix C of the RFP for examples of these clauses. However, any changes to the price will be subject to approval by PPRB.

Question #43

Can you provide the existing building layout.

Answer:

Please refer to Attachment F for the existing building layout.

Question #44

Can you provide the list of MHE and their age.

Answer:

See response to Question #5.

Question # 45

What is the clear height of the current building and slope to each corner?

Answer:

The clear height varies. Typical clear height in the majority of the warehouse is 24'-8." Typical clear height in the new wine room that was added in 2003 is 28'-0." Roof is sloped at a minimum 1/8" per foot to the nearest roof drain.

Question # 46

What is the current turnover rate in the warehouse?

Answer:

We do not maintain a turnover rate. Please refer to Attachment E for the number of new hires and terminations over the past 12 months.

Question # 47

Could you provide headcount by shift and by working function?

Answer:

Please refer to Attachment A.

Question # 48

What is the starting wage for employees, what is their wage progression, and what has been the last 3 years % increase to wages?

Answer:

We will not be releasing salary and compensation information as a part of this process. The selected vendor will receive salary information after the award of the contract.

Question # 49

What is the historic outbound volume on Fridays?

Answer:

We do not ship on Fridays, except during the holiday season of October through January. Average Friday case count is 15,000. Friday shifts have been added as determined by the Department. The operator may choose their shift schedule to best service the terms of the contract.

Question # 50

Can you provide all delivery points and avg quantity per shipment per location?

Answer:

As of November 1, 2022, the total number of licensed permittees is in excess of 2,400. The average quantity per shipment per location is 30-35 cases. This varies drastically depending on the account type and size. There is a 10-case minimum to place a liquor (bailment) order.

Question # 51

Is the MDOR currently picking any outbound orders on first shift?

Answer:

The only outbound orders that are picked on the first shift are bulk drop shipments.

Question # 52

Will the RFP scoring for the Technical and Project Management portions be a forced rank of providers or could multiple score a 30 out of 30, for example.

Answer:

It is not a forced rank. There could be multiple proposals that receive all possible points.

Question # 53

What % of SKU's are 60 proof or higher?

Answer:

We do not maintain the proof of each product.

Question # 54

Can we get existing layout?

Answer:

See response to Question #43.

Question # 55

Can we get proposed location/layout of new racking and any other anticipated changes?

Answer:

The scope of work for the racking expansion project includes additions to the following pick modules on both A & B levels:

- Pick Module 1 – east side, 13 bays extending app. 5ft
- Pick Module 3 – west side, all bays extending app. 5ft
- Pick Module 4 – east side, all bays extending app. 6ft
- Pick Module 6
 - east (2 bays) and west side (3 bays), extending app. 9ft
 - east and west side, 6 bays each extending app. 14ft

Question # 56

What is the height of new building?

Answer:

The new building has not been designed.

Question # 57

Do we pay for breakage inventory or just the cost to repair it?

Answer:

The operator will be responsible for paying for any product damage that occurs while the product is in their possession. Once the products have been loaded, damages to the products will be handled pursuant to the terms of the shipping contracts.

Question # 58

Can we get a list of contracts for all equipment such as: MHE, Bailers, conveyors, HVAC along with maintenance schedules? Is there anything that we would be responsible for?

Answer:

Please refer to Attachment C for a list of rental/owned MHE equipment. This list includes the age and/or year of purchase for the last 3 years. Repair history is not available. Most of the forklifts and stock pickers in the warehouse are on a rental contract. All other lift equipment, batteries and conveyor system are owned by DOR/ABC. In relation to rental equipment, the operator may assume all rental agreements the Department currently has for lift equipment subject to approval by the vendor(s). The Department will cooperate with the operator in this contractual transition.

In relation to owned equipment, the operator may use all owned equipment and batteries. The operator will be responsible for repairs and maintenance on Department-owned equipment.

It will be the responsibility of the State in providing all material handling equipment in the new warehouse. However, the operator is responsible in obtaining the necessary forklifts, pallet jacks, rider jacks, stock pickers etc., that it needs to perform its contracted services in the existing warehouse and the new warehouse.

Question # 59

Please provide current staffing by function.

Answer:

Please refer to Attachment A, for staffing by job title.

Question # 60

We know there is a delivery company handling delivery, who owns routing?

Answer:

The Department will provide for the routing of the trucks. ABC currently works with the contracted delivery service providers to set up and edit the routes that best helps them service accounts.

Question # 61

When is new building projected to be completed?

Answer:

We have been working with the Department of Finance Administration (DFA), who is overseeing the design and construction of the new warehouse. However, we do not have an estimated date for completion of a new warehouse.

Question # 62

Do we need a new WMS in the new building, or can we use MARS WMS?

Answer:

Vendor may continue to use MARS in the new warehouse; however, new interfaces would have to be built between MARS and the new warehouse handling equipment.

Question # 62.1

Is there an inbound schedule for supplier loads and how will it be adhered to, if not, when do trucks typically show up inside the 1st shift?

Answer:

The top 30+ suppliers have standing appointments. All other suppliers, schedules delivery appointments as needed. We do have some suppliers that miss appointments and some that are late. The first trucks begin arriving at 6:00 a.m.

Question # 63

What type of work is Pull off the system?

Answer:

The Department cannot interpret the substance of this question in a manner that allows it to be properly responded to. Therefore, the Department cannot provide an answer to this question.

Question # 64

What is the current capacity of the building and how many cases are being held today?

Answer: The optimal operating capacity is 425,000 cases maximum. Today there are 446,000 cases on hand. The current inventory levels are elevated due to holiday items arriving and shipping out in October through December.

Question # 65

How many open locations by month?

Answer: The Department cannot interpret the substance of this question in a manner that allows it to be properly responded to. Therefore, the Department cannot provide an answer to this question.

Question # 66

Does Mars WMS support RF?

Answer:

The Department cannot interpret the substance of this question in a manner that allows it to be properly responded to. Therefore, the Department cannot provide answers to this question.

Question # 67

Is humidity an issue with the conveyor system?

Answer:

High humidity levels can contribute to packaging unable to maintain integrity. However, this is not a common occurrence throughout the year. The Department is in the process of installing high-velocity, low-speed fans to help circulate the air, moderate temperature, and provide a better working environment.

Question # 68

If current facility is out of capacity or becomes out of capacity, what type improvements/changes will the state do to get back under capacity?

Answer:

If inventory levels get too high, we begin canceling receiving appointments and/or requiring the supplier to pick up excess inventory.

Question # 68.1

Can we refuse loads or cancel loads if we are out of space?

Answer:

The Department has measures in place to control inbound inventory and will work with the Operator if/when the need arises.

Question # 68.2

Is there a price increase when the inventory goes above functional capacity?

Answer:

No.

Amendment # 3 _ 3rd Party Warehouse Operator

Question # 69

Data shows about 6 stops a truck and 600 cases per truck. This results in 100 cases per delivery. This seems high. Is this a mix of some very large orders and a lot of trucks that are 10+ stops and less than 20 cases/delivery?

Answer:

The size of deliveries will vary widely depending on the type and size of each account that orders wine and spirits from the Department.

Question # 69.1

What is the average number of SKUs per delivery?

Answer:

We do not maintain this information.

Question # 69.2

Can we get a break down of average delivery for liquor store vs on premise.

Answer:

No, we do not maintain this information. However, approximately 88% of all cases are delivered to off-premise package store accounts.

Question # 70

Is next day delivery consistent with current timeliness of orders and deliveries managed by the state?

Answer:

Next day delivery was common practice by the Department prior to the escalated demand due to the pandemic which began in early 2020.

Question # 71

If there is any backlog at the start of the contract, what are the responsibilities, expectations, and processes with regards to backlog?

Answer:

This will be addressed once the new operator is selected.

Question # 72

If any backlog exists, is there a time for catchup (e.g., 'grace period')?

Answer:

Performance metrics will go into effect upon the date the contract is awarded and operation begins, however, the Department will make allowances to account for any backlog of orders existing as of the date the operator begins operations.

Question # 73

Is it possible to see the operation processes while they are running? i.e., sorting, loading on trucks?

Answer:

No.

Question # 74

Are there certain breakage policies?

Answer:

See responses to Questions #32 and #75.

Question # 75

Can the state further explain how breakage and shrinkage is handled? Is the awarded operator responsible for the costs--if yes, at what costs? i.e., FOB

Answer:

Operator will be responsible for breakage that occurs prior to the product being loaded onto the shipping companies' trucks. Per the RFP, Section 1.6.3, "Damage Process" the selected operator will be required to credit the Department for each bottle damages in receiving, put away, warehousing, picking and loading. The cost is FOB.

Question # 76

Is routing the responsibility of the awarded operator?

Answer:

The Department will provide for the routing of the trucks. ABC currently works with the contracted delivery service providers to set up and edit the routes that best helps them service accounts.

Question # 77

Are there any warehouse pickups by legally licensed retailers?

Answer:

No.

Question # 78

What is the current process for truck loading? E.g., on the floor, on pallets?

Answer:

Trucks are loaded by stacking cases on the floor of the truck.

Question # 79

Can the state provide monthly inventory on hand for the last three years?

Answer: See Section 1.6.5 Inventory in the RFP.

Question # 80

Other than pallet and cardboard recycling listed in section 1.6.6, does the state have any requirements around sustainable disposal and/or recycling? If yes, are they required?

Answer:

No.

Question # 81

Please provide a list of vendors that received the RFP?

Answer:

The Department cannot provide an exhaustive list because the RFP can be received by vendors via downloading through the DOR website.

Amendment # 3 _ 3rd Party Warehouse Operator

Question # 82

If non-3rd party resources will work in the building, is the State of Mississippi responsible for insuring those individuals /employees?

Answer:

For purposes of this response, MDOR is defining “3rd party resources” as individuals who are either employed by the awarded operator or for whom the awarded operator is responsible. Based on this definition, MDOR responds that it will be responsible for self-insuring against the actions of individuals who are employed by the State to the extent required by law and subject to the Mississippi Tort Claims Act. Additionally, MDOR provides worker compensation coverage for its employees as required by law.

Question # 83

How will insurance be segregated/separated from the area of the building that the State of Mississippi is using?

Answer:

The Department cannot interpret the substance of this question in a manner that allows it to be properly responded to. Therefore, the Department cannot provide an answer to this question.

Question # 84

Will a 3rd party entity assist the State, in any capacity, in making the final selection? If yes, please provide the expected responsibilities and activities provided by the 3rd party entity?

Answer:

Yes. MDOR has retained the services of Johnson Stephens Consulting, which, amongst other responsibilities, will be supporting MDOR as a non-voting member of the evaluation committee during evaluation of submitted proposals.

Question # 85

As part of the submission, can pictures and videos of our facilities be included?

Answer:

Pictures may be included so long as they are submitted in a manner that conforms with RFP requirements.

Question # 86

What is the current WMS, and what interface capabilities are available?

Answer:

The current WMS is a Gentax application we have named MARS. Our MARS WMS is part of the MARS system used by Department of Revenue and is a configurable, off the shelf system. There could potentially be requested changes that cannot be made due to the nature of the system. The MARS WMS which is utilized by ABC was designed by ABC management, developed by FAST Enterprises and implemented by FAST and DOR's Information Technology Department based off of current business process needs. The current preferred methods supported for interfacing with this system is RESTful web services and SFTP file transfers.

Question # 87

If the awarded operator decides to migrate to a new system, after contract (but before termination), can/will Mississippi provide necessary resources / technical support? i.e., new WMS, new software, etc. to assist with migration and interface into MARS?

Answer:

The Department will work with the operator and provide resources reasonably necessary for a transition from DOR to the awarded operator. This will include all resources reasonably necessary for system integration.

Question # 88

Should the awarded operator continue to use the existing technology that is currently implemented, what resource availability is available for corrections, fixes, etc., should there be downtime?

Answer:

The MARS system is the WMS for the ABC as well as the computer system used by the Department of Revenue. The system is a configurable, off the shelf system. Any changes that strictly require configurability can be made. However, any changes to the core portions of the software must be approved by the vendor and the vendor may not approve these changes. Corrections to software and bug fixes can be made through the Department's established processes. Any changes to the current business processes will have to be approved by DOR, developed by FAST and tested prior to implementation. This process is lengthy and could take a significant amount of time to implement. For this reason, the awarded operator should ensure they understand the current processes when proposing a solution.

Question # 89

Does the WMS provided by the state provide near real-time inventory in the MARS system?

Answer:

Yes

Question # 90

Will a physical inventory count occur at the time of conversion /start of the operator's contract? If yes, by whom?

Answer:

There will be a physical inventory count conducted by both the Department and the Operator upon award of contract.

Question # 91

When was the last full inventory and what were the results?

Answer:

The selected vendor will receive inventory information after the award of the contract.

Question # 92

What are the rules for inventory management that the winner will be responsible for?

Answer:

The Operator will be responsible for stocking inventory and rotating inventory stock. The Department will audit inventory periodically to maintain accuracy.

Question # 93

What is the inventory policy that the state manages to?

Answer:

See response to Question #92.

Question # 94

Can the awarded operator expect that the inventory will remain consistent for the next four years (i.e., consistent with facility volume throughout)?

Answer:

The Operator will be responsible for stocking inventory and rotating inventory stock. The Department will audit inventory periodically to maintain accuracy.

Question # 95

Who is responsible for inventory reconciliations?

Answer:

The Operator will be responsible for stocking inventory and rotating inventory stock. The Department will audit inventory periodically to maintain accuracy.

Question # 96

Who is responsible to manage inventory discrepancies before the transfer / contract date?

Answer:

See response to Question #90.

Question # 97

How will inventory transfer be managed at the transfer/contract start date?

Answer:

See response to Question #90.

Question # 98

Can you provide any reporting with current KPIs for warehouse operations?

Answer:

Please refer to Section 4.1.3.3 which provides the performance metrics/kpis that will be used to measure the 3rd Party Operator. The awarded operator may use any applicable performance metrics stated in Section 4.1.3.3 to develop performance metrics for their warehouse workers.

Question # 99

Are there performance targets for each of the metrics listed?

Answer:

See response to Question # 98.

Question # 100

If a backlog exists at the contract start, will the backlog inventory count towards performance metrics?

Answer:

Performance metrics will go into effect upon the date the contract is awarded, and operation begins, however, the Department will make allowances to account for any backlog of orders existing as of the date the operator begins operations.

Question # 101

What is the responsibility of the awarded operator as it relates to property/facility (interior and exterior) maintenance? E.g., roof, mechanical, yard and concrete pad repairs?

Answer:

Senate Bill 2844 (Regular Session 2022) Section 3(2) provides that the Department shall pay regular maintenance expenses. Regular maintenance is defined as monthly overhead expenses, including but not limited to, utilities, cleaning services and lawn care. It also specifies that “The operator shall be allotted a monthly spending limit for occasional improvements. The state may, at any time, review the operator’s spending. The operator shall obtain prior state approval for any spending over the monthly limit set in the contract. The contract shall allow the operator to pay out of pocket, in which case the state will reimburse the operator on a monthly basis out of monies in the ABC Warehouse Improvements Fund...”

“Occasional improvements” is defined as “items of maintenance, repairs, upgrades or other improvements for the warehouse or its equipment that are not performed on a monthly basis.”

Any purchases made by DOR will have to be made according to applicable Mississippi procurement laws. The awarded vendor agrees that DOR is not liable for any damages arising from delays or time required to procure such maintenance or improvements.

Question # 102

What is the responsibility of the awarded operator as it relates to MHE maintenance? E.g., conveyors, POCs, computers, lift equipment, handheld?

Answer:

Senate Bill 2844 (Regular Session 2022) Section 3(2) provides that the Department shall pay regular maintenance expenses. Regular maintenance is defined as monthly overhead expenses, including but not limited to, utilities, cleaning services and lawn care. It also specifies that “The operator shall be allotted a monthly spending limit for occasional improvements. The state may, at any time, review the operator’s spending. The operator shall obtain prior state approval for any spending over the monthly limit set in the contract. The contract shall allow the operator to pay out of pocket, in which case the state will reimburse the operator on a monthly basis out of monies in the ABC Warehouse Improvements Fund...”

“Occasional improvements” is defined as “items of maintenance, repairs, upgrades or other improvements for the warehouse or its equipment that are not performed on a monthly basis.”

Any purchases made by DOR will have to be made according to applicable Mississippi procurement laws. The awarded vendor agrees that DOR is not liable for any damages arising from delays or time required to procure such maintenance or improvements.

Question # 103

Will the awarded operator be appropriated a portion of the office area? i.e., will office area be set aside for awarded operator?

Answer:

The operator will be allowed to use 2,650 square feet of office space on the second floor of the warehouse.

Question # 104

Is there balance remaining/available on the \$1M grant for the awarded 3rd party to continue projects? i.e., for pending / in process CapEx.

Answer:

The use of any monies in Capital Expense Funds appropriated by the legislature will be determined by the Department of Revenue.

Question # 105

Is the awarded operator responsible for disposal of old equipment? Or can it be returned to the State at the end of the agreement?

Answer:

All State-owned equipment must be disposed in a manner compliant with Mississippi law. Therefore, the operator will need to return old equipment to MDOR for proper disposal.

Question # 106

Will non-3rd party staff be located in the building? If yes, how many?

Answer:

The Department of Revenue does not plan on utilizing any temporary staffing services after the Operator assumes control of the warehouse operations.

Question # 107

What is total complement of annual hourly and salary headcount at the facility?

Answer:

We will not be releasing salary and compensation information as a part of this process. The selected vendor will receive salary information after the award of the contract.

Question # 108

What are the current hourly rates for employees at the facility, by job classification?

Answer:

Please refer to Question 107.

Question # 109

What is the budgeted headcount, by job classification or function, at the facility?

Answer:

Please refer to Question 107.

Question # 110

What is the past two-years raise authority? What are the historical raises over the last three years?

Answer:

We will not be releasing salary and compensation information as a part of this process. The selected vendor will receive salary information after the award of the contract.

Question # 111

Are WARN Notices required? If yes, who is responsible for managing this process?

Answer:

Governmental agencies are not required to issue WARN notices. The Department will be required to follow the MS State Personnel Board's policies for a Reduction in Force.

Question # 112

How will workman's compensation be managed? Will the awarded operator be responsible (post contract start date) for any liabilities, should the operator retain the employees?

Answer:

The awarded operator will be responsible for providing workers compensation coverage as required by law to its employees.

Question # 113

What is the standard set of benefits for government employees? (SGWS to compare against our current benefits)

Answer:

MDOR employees are provided the option to purchase medical, vision, dental, life and other forms of insurance through the Department's third-party administrator. Further, employees can participate in Flexible Spending Accounts (FSAs) for qualified health care expenses. Finally, MDOR employees participate in the State's retirement plan through matched wage contributions. Additional information may be found at www.dfa.ms.gov/insurance and www.pers.ms.gov/Content/Handbooks/Member_Handbook.pdf.

Question # 114

Please provide any other contracts, related to facilities, equipment, normal repair/maintenance, that extend beyond the initial 4-year contract period.

Answer:

The Department is not aware of any contracts between it and a vendor solely relating to the current Warehouse that will extend beyond 4 years from the date of this response.

Question # 115

Are there any safety requirements that the awarded operator needs to meet?

Answer:

Please see the RFP for all requirements of the awarded operator. Additionally, the awarded operator will agree to meet all safety requirements mandated by Mississippi law and federal law.

Question # 116

For privately held entities, would failure to provide (at the time of submission) the last two years of audited financials or end of year financials result in disqualification?

Answer:

Vendors are required to submit all documents as listed in the subject RFP. If a vendor fails to submit a required document, this could result in the proposal being deemed non-responsive.

Question # 117

To support the 'Cost-plus' approach, can you provide the all-inclusive financials for the last three years?

Answer:

Please refer to Attachment B for operating expenses for the warehouse for the previous two fiscal years.

Question # 118

Please confirm if there are any rent / charge backs to the entity, for any portion of the building that is used by the awarded operator.

Answer:

The operator will not be charged rent or be charged any costs for the use of any portion of the building.

Question # 119

Please provide a list of all forklift and powered equipment currently owned/leased.

Answer:

Please refer to Attachment C.

Question # 120

In the existing camera system how many cameras are currently in operation and who is the manufacturer and provider of all camera equipment?

Answer:

The camera system in use at the warehouse has 32 camera and 2 DVRs. The cameras are VTC THBB22fe-2 cameras and the DVRs are Hikvision TVIMR16, 16 channel DVRs.

Question # 121

What is the latest inventory shortage number in cases and dollars?

Answer:

The Department currently employs cycle counts by sku. Any adjustments that are necessary are made at that time. A full inventory will be performed prior to the operator assuming the operations.

Question # 122

How many split cases are currently being shipped a week on average?

Answer:

None

Question # 123

Do you currently know how much the monthly spending limit for improvements will be as referenced in SB2844 Section 3(2)?

Answer:

This amount has not been determined.

Question # 124

The RFP states 45-day payment terms, is this a negotiable item when the contract is awarded? Will the state consider 30-day payment terms?

Answer:

Payment terms are "net 45." These terms are governed by the E-Payment Clause.

Question # 125

When transitioning to the new facility will the MS ABC pay for integration costs between the existing systems and a new WMS that the awarded supplier brings into the operation?

Answer:

The Department will be responsible for providing the resources necessary to make modifications to its MARS system to handle any interfaces needed with a new WMS in the new facility. The operator will be responsible for any resources to make modifications to its WMS.

Question # 126

Who will be responsible for the costs surrounding the transition of product from the existing ABC facility to the new ABC facility when it comes on-line? These costs would include manhours for picking, shipping, transportation/shuttle costs, receiving and restocking the existing inventory from the existing warehouse to the new warehouse.

Answer:

The operator is responsible.

Please sign and return with Attachment H.

Company: _____ Signature: _____

Date: _____

Attachment C

Equipment - Rental	Qty	End Date
Baler	1	4/25/2025
Dry Box Trailers	2	5/15/2023
Reach Truck Forklifts	6	12/31/2024
Standup Rider Forklifts	2	12/31/2024
Stock Pickers	16	12/31/2024

Equipment - Owned	Qty	Age or Year Purchased	Maintenance Agreement	End Date
Conveyor	1	2003	Remote Support	6/30/2025
Electric Pallet Jack	1	2013		
Medium Duty Conveyors				
Reach Truck Forklifts	6	2019-2021		
Scrubber	1	2017	Maintenance Agreement	11/17/2023
Sorter	1	2003	Software for Logical Control System	12/31/2024
Standup Rider Forklifts	3	2014-2021		
Stock Pickers	17	2011-2022		
Sit-down Forklifts	2	2000		

Batteries	Qty	Age or Year Purchased
12-125-15	33	2020-2022
18-125-13	15	2020-2022
18-125-17	2	2020-2022
18-85-23	1	2020-2022
18-85-19	1	2020-2022

Attachment D**Computer Equipment/Copiers/Printers/Label Printers/Scanners/Mail Machines/Software**

Equipment - Rental (this refers to equipment in the warehouse)	Quantity	Rental End Date
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Ricoh Copier	1	8/31/2027
Xerox D95	1	5/31/2023

Equipment - Owned (this refers to equipment in the Warehouse)		Purchase Date
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Cisco Switches - 9200	6	6/23/2020
Dell Optiplex Micro	5	3/31/2022
Dell Optiplex Micro 3070S	9	5/5/2020
Dell Optiplex SFF	2	3/31/2022
HP LaserJet 600	1	6/30/2014
HP LaserJet 600	1	6/30/2014
HP LaserJet 4250	2	4/1/2005
HP LaserJet P451n	1	5/25/2015
Meraki Dual-Band Omni Antennas	20	10/27/2021
Meraki Dual Band Sector Antennas	8	10/27/2021
Meraki MR86 Wi-Fi 6 Outdoor APs	14	10/27/2021
Virtual Servers - SHIP, Bastian and Voiteq	2	4/20/2021
Voiteq Hand scanners Zebra TC51	4	5/31/2021
Voiteq Headsets Zebra HS3100	6	5/31/2018
Zebra Charging Cradle	18	2/22/2018
Zebra Hand Scanners MC92N0 Series	18	2/22/2018
Zebra Label Printer ZT61042-T210000Z	2	1/29/2021
Zebra Label Printer ZT41142-T210000Z	4	4/4/2022

Equipment - Owned (this refers to equipment in the Warehouse)	Quantity	Maintenance Agreement Term End Date
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Small Label Machine	1	11/9/2023
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ABC Monthly Hires and Separations
Past 12 Months
Prepared November 3, 2022

2021			
Month		New Hires	Separations

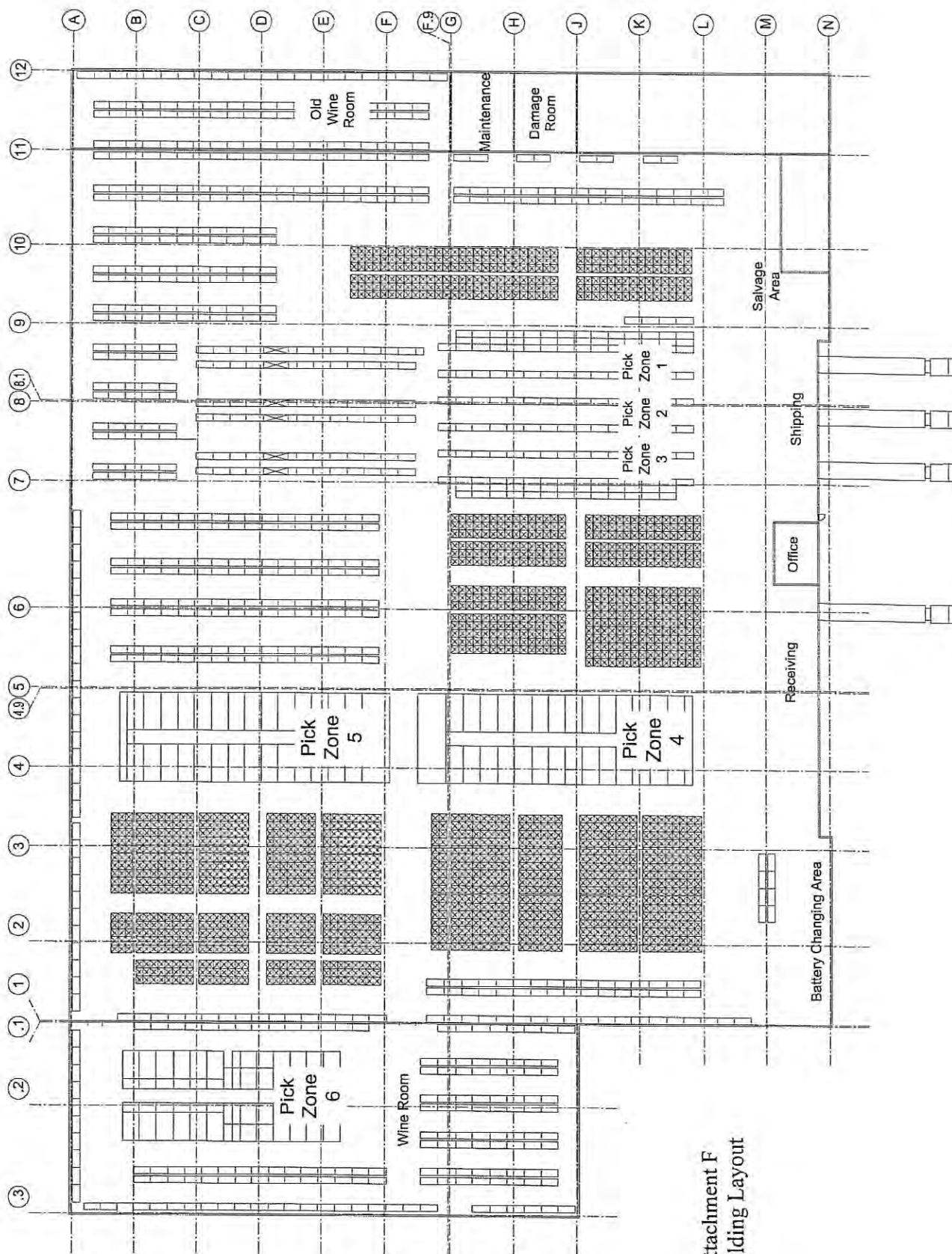
Jan			
Feb			
March			
April			
May			
June			
Jul		4	7
Aug		10	13
Sept		10	4
Oct		9	2
Nov		14	3
Dec		4	5

Total	51	34
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2022			
Month		New Hires	Separations

Jan		6	9
Feb		14	2
March		10	15
April		15	7
May		4	12
June		16	19
Jul		4	4
Aug		23	20
Sept		20	10
Oct		13	16
Nov			
Dec			

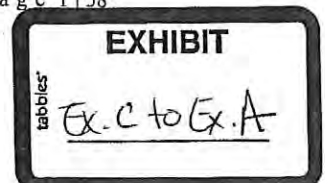
Total	125	114
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Attachment F
Building Layout



RFP Number	3120002542	RFP Title	3 rd Party Operation of the Alcoholic Beverage Control Division	
Agency	Mississippi Department of Revenue – Alcoholic Beverage Control Division			
Initial Term of Contract	4 Years	Renewals	2 Renewals	
Proposal Coordinator: Erica Green-Greenwood Phone: 601-923-7860 E-mail: erica.green@dor.ms.gov				
Mailing Address: 500 Clinton Center Drive Clinton, MS 39056				
Procurement Timeline			Date/Time (Central Time)	
Request for Proposal Issue Date:			10/11/2022	
First Publication:			10/11/2022	
Second Publication:			10/18/2022	
Mandatory Pre-proposal Conference/Location and Address: 1286 Gluckstadt Rd (ABC Division) Madison, MS 39110			10/25/2022; 10:00 am CST	
Mandatory Site Visit Location and Address: 1286 Gluckstadt Rd Madison, MS 39110			10/25/2022; 2:00 pm CST	
Deadline for Submission of Questions:			10/28/2022; 5:00 pm CST	
Last Day Answers Posted to Website (no questions accepted, or responses provided after this date):			11/04/2022 5:00 pm CST	
Proposal Packet Submission Deadline:			11/22/2022; 12:00 pm CST	
Proposal Opening (not open to the public):			11/22/2022; 2:00 pm CST	
Evaluations:			12/2-7/2022	
Award Notification:			12/09/2022	
Debriefing Request Date:			12/14/2022	
Protest Deadline:			12/16/2022; 12:00 pm CST	
Submission to PPRB Deadline:			01/04/2023	
PPRB Meeting Date			02/01/2023	
Projected Contract Date:			02/07/2023	
Relevant Websites				
Amendments to this RFP will be published to https://www.dor.ms.gov/procurement				



RFP COMPLIANCE CHECKLIST*To be completed by Procurement Officer to verify Vendor's responsiveness*The items below should be included in your response to RFP No. **3120002542**.**Response Included**

COMPLIANCE CHECKLIST	Yes	No
Offeror's proposal submitted timely?		
Offeror followed the below format: a. One (1) signed and clearly marked original proposal and one (1) identical copy. b. Proposals should be placed in a three-ring loose-leaf binder with the Offeror's name and RFP number on the front.		
The original proposal shall include the section components clearly tabbed as follows:		
Tab 1 – Attachments A-J		
Attachment A - Proposal Cover Sheet (used to complete Compliance Checklist)		
Attachment B - Certification to Sign on Behalf of the Company		
Attachment C – Supplier Registration/Paymode		
Attachment D - Proposal Form # 1 – <i>3rd Party Warehouse Operations</i>		
Attachment E - References		
Attachment F - Reference Score Sheet # 1		
(Offeror received minimum score of 6)		
Attachment G - Reference Score Sheet # 2		
(Offeror received minimum score of 6)		
Attachment H - Acknowledgement of Amendments, including copies of the Notice of Amendment.		
Attachment I - Secretary of State Acknowledgment		
Attachment J - Conflict of Interest Disclosure Statement		
Minimum Requirements to be Deemed Responsible	Yes	No
Longevity (at least 10 years of experience in the service referenced in the RFP)		

Qualifications, experience and management personnel to carry out the terms of the contract		
Legally eligible to execute a contract with MDOR		
Offeror certifies it is registered to do business with the State of Mississippi or will do so within seven (7) business days of award.		
Offeror agrees to provide adequate fire and casualty insurance and provide at least \$10,000,000 of liability insurance.		
Ability, capacity, skill and financial resources to perform work or service required		
Offeror has a passing reference score		
Tab 2 Technical Proposal		
Technical Factor (Blind)		
Warehouse Operations		
- Information Technology Requirements		
- Order Fulfillment Requirements		
- Administrative Requirements		
- Warehouse Operations Requirements		
Tab 3 Project Management Proposal		
Project Management Factor		
- Letter of Introduction		
- Executive Summary		
- Business and Directory Information		
- Project Management Factors		
- Personnel – Resumes for Key Staff		
- Financial Capacity Information		
Tab 4 Cost Proposal		
Cost Factor (Blind)		
- Price		
- Attachment D		

Please note:

DO NOT include a copy of the RFP in the binders.

SECTION 1. INTRODUCTION

1.1 Introduction - ABC Warehouse Operations and Distribution

In 2022, the Mississippi State Senate created and sent to the Governor for signature Senate Bill No. 2844 (SB2844). SB2844 is comprehensive legislation, which has been signed into law by the Governor of Mississippi and took effect on July 1, 2022, covering the warehousing and distribution of alcoholic beverages for the State of Mississippi. As signed into law, SB2844 mandates the following:

- The construction of a new warehouse facility for alcoholic beverages to be constructed in the Jackson, MS area, within 50 miles of the state capitol building. Components for funding the construction are contained within the legislation. A list of qualifications for construction contractors and design engineering is also included in the legislation. This construction will be overseen by the Department of Finance and Administration with reasonable consultation with the operator chosen by this RFP.
- The Mississippi Department of Revenue shall contract with an operator for warehouse and distribution operations. This operator contract is to begin as soon as possible in the existing MS ABC warehouse with future transition to the new warehouse after construction is completed as detailed in SB2844.

Warehousing and distribution of alcoholic beverages within the State of Mississippi currently takes place from a 211,000 square foot, state-owned Mississippi (MS) Alcoholic Beverage Control (ABC) Division warehouse facility located at 1286 Gluckstadt Road in Madison, Mississippi (Warehouse Facility or Warehouse). **The term “alcoholic beverages” includes distilled spirits of more than 6% alcohol by weight and wine of more than 5% alcohol by weight. Beer, light wine (5% or less ABW) and light spirits products (6% and less ABW) are not sold through the Warehouse Facility. They are sold separately through licensed distributors and are outside the parameters of this RFP.** The Warehouse Facility has 171,150 square feet of non-climate-controlled warehouse space for product storage and dock space. There is an additional 24,200 square feet of climate-controlled space for wine storage in the existing facility. The Warehouse Facility also contains two levels of office space (24,200 square feet) and a small storage area (5,450 square feet). Ceiling height for the non-climate-controlled space is 24’ 8” clearance. Ceiling height for the climate-controlled space for wine storage is 28’ 0” clearance. The initial warehouse facility was built in 1983 and initially consisted of the current non-climate-controlled 171,150 square foot space. The climate-controlled expansion for wine was constructed in 2003. Picking and loading is executed through a conveyor, with pick modules, and an automated sortation system that was also installed in 2003.

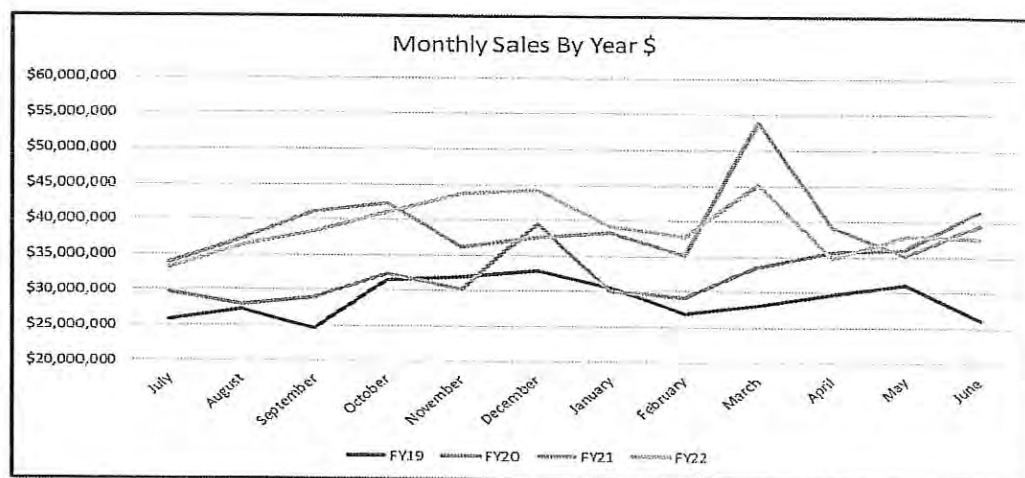
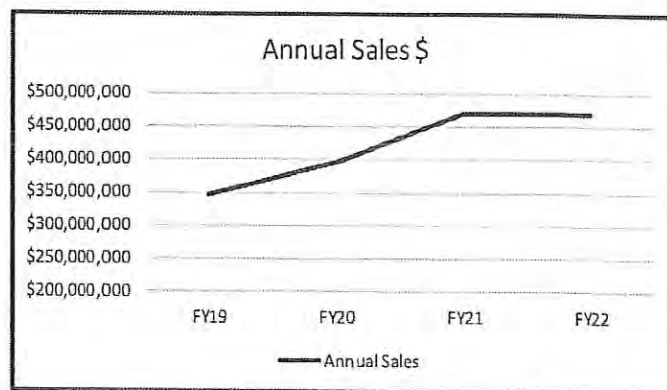
Warehousing and distribution operations are currently operated by the Mississippi ABC Division. State employees are responsible for the receipt, storage, warehousing and picking/loading of alcoholic beverages. Warehouse management offices are located within the office space area of this Warehouse Facility. ABC Administration is housed in the Gluckstadt Facility as well. Total square footage for administration space is 18,000 square feet. The ABC Division currently contracts with two third-party shipping companies for delivery from the Warehouse Facility to the permittee locations throughout the State. M&J Transport delivers to permittees in and within the three counties surrounding the Warehouse Facility. Douglas Express Delivery services the remaining counties in the State of Mississippi. There are currently 2,337 active alcoholic beverage permittees in the State being serviced from the Warehouse Facility. The Warehouse operates under a bailment system in which the ownership of the product remains with the alcoholic beverage supplier until it is delivered to the authorized permittee. However, special order

products and damaged products are purchased and owned by the ABC to be resold to permittees. The Warehouse typically operates on a four-day schedule, with two operating shifts: 1st (Day) shift – Receiving & Put Away (6am – 5pm) and 2nd (Night) Shift – Picking, Loading, and Shipping (4pm – 2:30am or until shipping loading is complete). Operating hours are from Mondays at 6am through Fridays at 2am or until shipping loading is completed.

1.2 Sales

The State of Mississippi's fiscal year calendar runs from July 1 through June 30. Over the past 4 fiscal years, the Mississippi ABC network has seen growth year over year in sales and cases distributed. Wine and spirits demand increased significantly during the COVID year, FY2020, and continued to grow in FY2021. As conditions have moderated in FY2022, demand in FY2022 essentially flattened out when compared to FY2021.

Fiscal Year	Annual Sales	% Change over Previous Year
FY19	\$346,193,621	
FY20	\$394,846,362	14.05%
FY21	\$469,362,182	18.87%
FY22	\$469,091,896	-0.06%



According to Food Bev Media, a recognized food and beverage industry media outlet, growth in sales of alcoholic beverages is estimated to grow at a rate of 4%-5% year-over-year for the next 5 years. Growth is expected to be the result of three key factors:

- Selling alcohol on-line through apps has provided the consumer with visibility into available inventory across various outlets without having to leave the house and drive to a beverage outlet;
- Sales of whiskey have increased over the last 5 years and are expected to remain in high demand in the foreseeable future; and
- Ready-To-Drink (RTD) offerings have grown almost 600% over the past year, with the most popular RTD options being malt-based cocktails, hard seltzers and canned wine.

1.3 Current network

There are currently 2,337 active ABC permittees in Mississippi. All off-premise permittees (often referred to as package stores or liquor stores) are private and can only operate one outlet for alcoholic beverage sales in the state of Mississippi. The shipping and delivery function, which is not included in this request for proposal, is operated by two carriers. M&J Transport delivers locally in and within a three county region where the existing Warehouse Facility is located. Douglas Express Delivery delivers to the remaining counties within the State of Mississippi. Douglas Express Delivery has configured the network to ensure that all areas of the State can be reached next day.

There are 82 counties in the State of Mississippi. Counties in the State are either dry or wet for legal sale of alcoholic beverages. In dry counties the sale of alcoholic beverages is prohibited. However, possession of alcoholic beverages is legal throughout the State. There are 27 dry counties in the State. 3 counties have 2 judicial districts where $\frac{1}{2}$ of the county is dry and $\frac{1}{2}$ of the county is wet. The remaining 52 counties are considered wet counties and open to the sale of alcoholic beverages. The Mississippi county map below shows the scope of the alcoholic beverages network. Counties highlighted in yellow are dry counties, blue highlighted counties are wet counties. There are exceptions within the dry counties where the sales of alcoholic beverages are allowed by law. Municipalities in dry counties, designated by blue discs, and specific areas in dry counties, such as resorts, country clubs and casinos, designated by blue triangles, allow the sale of alcoholic beverages. Blue discs and blue triangles on the map represent municipalities and areas within the dry counties where alcoholic beverages are sold.



1.4 Orders

Orders from permittee locations are entered into a customer portal within the Mississippi Automated Revenue System (MARS). There are two types of orders shipped by MS ABC.

- Regular Orders – Replenishment orders submitted as needed on the day prior to delivery.
- Special Orders – Special orders are submitted by permittees for product that is not in the standard item master and is ordered uniquely for that store. Special orders are handled separately and take priority in the shipping process.

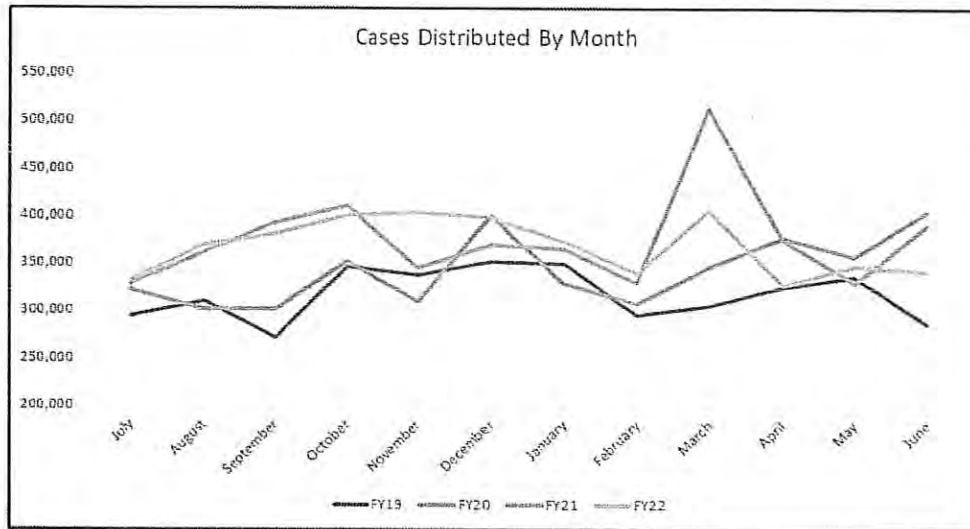
Below is the existing ordering schedule:

- Order cutoff 11 am Monday > Pick & Load Monday night > Deliver Tuesday
- Order cutoff 11 am Tuesday > Pick & Load Tuesday night > Deliver Wednesday
- Order cutoff 11 am Wednesday > Pick & Load Wednesday night > Deliver Thursday
- Order cutoff 11 am Thursday > Pick & Load Thursday night > Deliver Friday

MS ABC operates with next-day delivery from the day the permittee orders the alcoholic beverages being the standard delivery time. There is a 10-case minimum order quantity to receive a regular delivery. A regular delivery that does not meet the 10-case minimum is held until the next delivery to that location that meets the minimum order requirement. Permittees must order in full case quantities; split case shipments are not available. Special orders are shipped the day after receipt in the warehouse. Special orders that are less than 10 cases, are held to ship with the next regular delivery to the permittee. **The Department expects the new operator chosen through this RFP to offer services under these same terms.**

The charts below show the shipment history by month for the last 4 fiscal years. The trend shows where COVID year demand began to increase in April, May and June in FY2020. This increase continued in FY2021, with a leveling-out in FY2022.

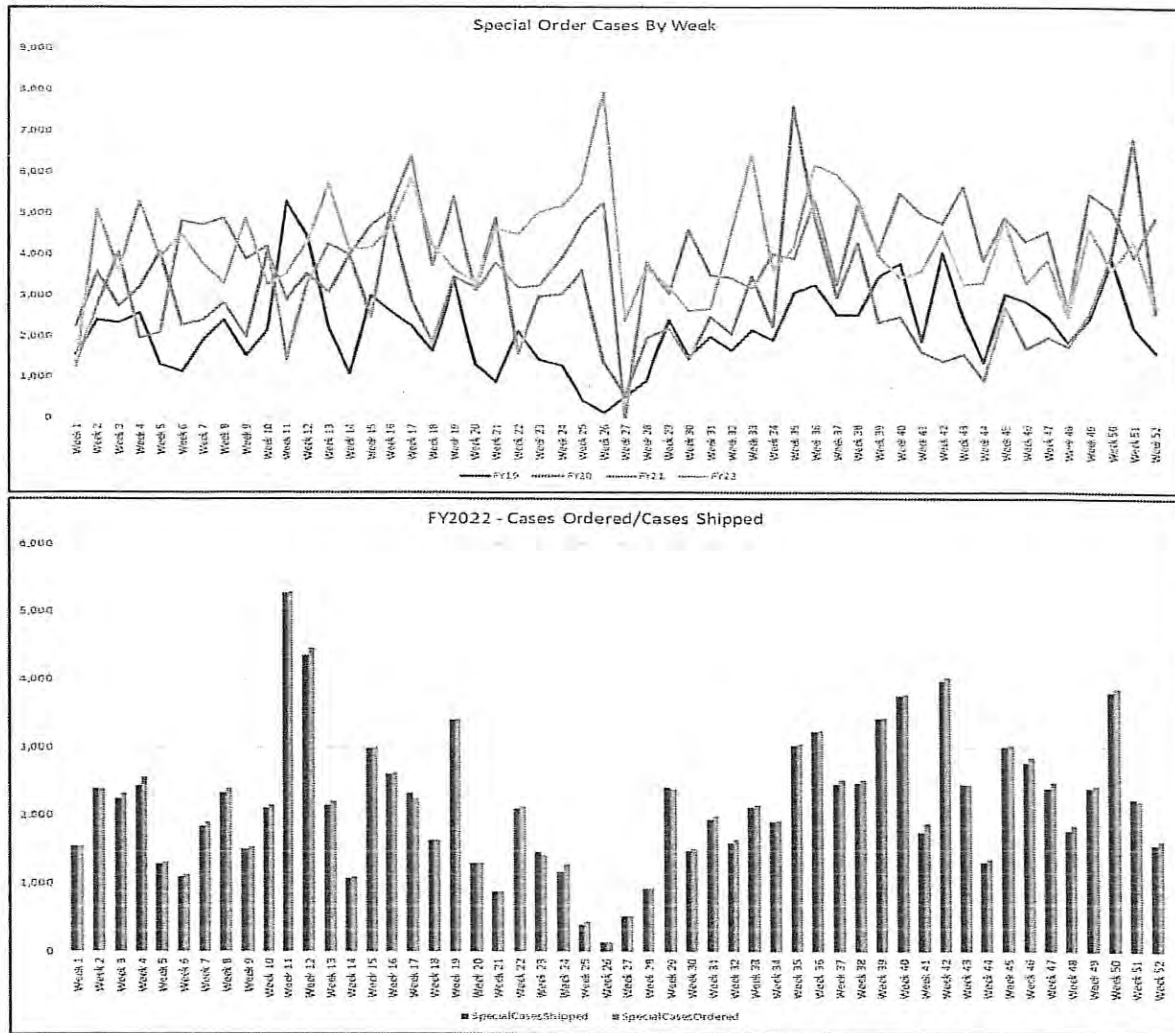
Month	Cases Distributed			
	FY19 7/18-6/19	FY20 7/19-6/20	FY21 7/20-6/21	FY22 7/21-6/22
July	294,946	322,215	329,533	332,079
August	310,703	300,933	362,324	370,168
September	271,116	301,753	393,137	380,422
October	346,787	352,646	410,474	400,884
November	337,992	310,644	345,451	403,776
December	351,883	401,081	370,146	398,325
January	349,736	328,634	365,727	372,741
February	296,386	308,230	329,591	340,529
March	306,118	346,796	514,026	406,225
April	325,976	377,639	374,935	327,661
May	337,254	358,018	330,087	347,768
June	286,888	404,745	391,163	342,549
Cases Distributed	3,815,785	4,113,334	4,516,594	4,423,127
Monthly Average	317,982	342,778	376,383	368,594
%Change		7.80%	9.80%	-2.07%



1.5 Special Orders

Special orders are primarily allocated product or product that has not met quota in order to be a bailment item. A special order for a permittee can include product that is or is not part of the standard item master list. Supplier brokers work with the permittees on new product innovations and are the primary driver for special orders. Special orders are entered as a separate order into the MARS system. Product for special orders is owned by MS ABC and not included in the bailment inventory.

In the current operation, special orders are handled separately and have priority in shipping. When special order product is received, there is an area within the Warehouse for storage and picking. Special order product that is received one day is assigned a pick location and included in the next night's picking, loading and shipping workload. Special order cases range from 300 to 3,000 per night. The average shipping night for special orders is 1,500 cases. The special-order charts below show the weekly trends in special order cases over the last 4 years and the weekly comparison of cases ordered to cases shipped for FY2022. There are currently bulk drop shipments to permittees that are special orders. Drop shipping special orders is not the optimal process but a requirement in the current environment.



1.6 Operational Processes

1.6.1 Receiving

The current business hours for receiving are Monday through Thursday, 6am – 5pm. On a weekly basis, there are 75-85 inbound trucks received, primarily full truckload (76%) and 99% on pallets. All carriers are required to schedule an appointment for receiving. There are 6 doors available for receiving. Average inbound trends for the past 4 fiscal years are listed in the charts below.

	Weekly Cases Received	Weekly Inbound Trucks	Weekly FTL Shipments	Weekly LTL Shipments
FY19	66,156	74	57	18
FY20	78,005	88	67	21
FY21	77,739	87	66	20
FY22	81,480	87	66	20

Inbound cases are labeled with the unique state product code for Mississippi. After product is unloaded from the inbound truck, a receiver scans the label on a case and then enters the quantity received. Each state that distributes their own distilled spirits and wine has a unique item number for each product. Bar codes on the label should correspond to the unique item code for Mississippi (see example below). Once all items on a bill of lading are scanned into MARS, there is a comparison of the receipt to the advance ship notice (ASN) from the supplier. If the receipt matches the ASN, the shipment is received into inventory in MARS. If there is a variance, the variance is noted onto the driver's bill of lading and the correct item and quantity is received into inventory. Where an inbound load arrives and there is excessive damage, the load is not accepted into inventory and shipped back to the supplier. If there has been mis-shipped product, not intended for MS ABC, the product is placed into the Warehouse and returned to the supplier at their expense.



1.6.2 Stocking – Put Away and Replenishment

A primary task within the Warehouse is making sure that bailment inventories are stocked and ready to be picked for shipping. This means that alcoholic beverages products received from suppliers at the Warehouse must be properly processed and put away. Put away for received product and restocking of depleted pick locations from the previous night takes place on the 1st shift (Day), which is the receiving and put away shift. Once the supply order has been received into MARS, a bill of lading is scanned into MARS, the state's warehouse management system and lift operators assigned to put away, scan the item into a handheld device which renders the most recent reserve location where the item was stored. The lift operator proceeds to the most recent location first. If the same item is still in the location, the product is put away in that location. If the reserve location is full or has been used for another item, the lift operator places the product into an empty reserve location as close to the pick location as possible and enters the location code into the handheld device. When product is added to an existing reserve location, only wine is rotated to ensure that the oldest product is shipped first.

There is an isolated area in the facility for stocking and picking of special orders. When special order product is received, the product is taken to the special orders storage area. The area adjoins the special order pick line. Prior to shipping, the special order product is assigned a pick slot to be picked during shipping that evening. Special order product that is an active inventory item is picked from the permanent pick slot.

The facility uses open floor, bulk inventory locations as well as pallet rack locations for reserve inventory storage. Suppliers manage inventory in the Warehouse within capacity guidelines set by the MS ABC Division.



Bulk Storage Reserve Locations



Pick Module Reserve Locations

All listed SKU's have an assigned pick location. Replenishment of pick locations is performed primarily on the 1st shift (Day) – receiving and put away. Day shift lift operators responsible for replenishment are assigned a section of pick slots in the Warehouse. These operators work off a report generated from MARS each morning that lists pick locations that have been depleted below a defined threshold the previous night. The report lists the pick locations, reserve locations where there is product available, total quantity on hand, an item number and an item description.

PICK LOCATION	BULK 1	BULK 2	BULK 3	BULK 4	BULK 5	BULK 6	BULK 7	ON HAND	DESCRIPTION
86 06 63	20 20 11	23 34 24	22 29 25					17.00	348205 BELLA SERA
86 06 12	25 35 21	24 34 22	21 51 22					36.00	567410 FRET BROTH
86 06 54	11 59 22							.00	253270 LOUIS JADO
86 06 23	20 31 22	15 10 13						48.00	656932 GALLO FAME
86 06 34	20 49 22	18 54 13						52.00	725082 LUC BELAIR
86 06 64	21 25 22	20 31 13	23 54 14	14 28 21				176.00	413340 JAM JAR SW
86 06 24	24 28 12							37.85	409673 DARK HORSE
86 06 73	24 28 12	20 47 13	24 42 21	25 36 13	20 52 14			54.00	629385 SUTTER HOME
86 06 61	24 50 22							87.00	546412 BEARING PI
86 10 14								.00	728374 MENAGE A TI
86 10 43	01 44 13	23 19 15						41.00	343773 DA VINCI TI
86 10 33	18 64 22	19 66 12						88.00	
86 10 72	20 49 21	20 47 24						25.00	
86 10 22	23 23 26	23 64 23						63.00	
86 10 73	23 27 16	21 33 22						25.00	
86 10 11	23 38 13							18.00	
86 10 12	23 66 21							25.00	
86 10 53	24 20 13	20 26 22						275.00	
86 12 61	19 67 11							275.00	
86 12 14	20 30 14							275.00	
86 12 53	21 27 21							275.00	
86 12 41	23 30 11							275.00	
86 12 32	23 45 13	24 39 13						275.00	
86 12 33	24 47 13	20 21 13	20 23 14	20 63 21	01 66 11			275.00	
86 12 54	24 57 23							275.00	
86 12 64	24 62 14	20 57 25	21 22 23	20 22 14				275.00	
86 12 73	25 20 12	20 47 23	21 31 24					275.00	
86 14 21								275.00	
86 14 22	21 20 24	23 18 26						275.00	
86 14 53	22 25 13	23 19 21						275.00	
86 14 61	23 28 22	23 38 25	23 06 14	01 66 12	25 33 12			275.00	

Replenishment List

During the 2nd shift (Night), the picking and loading operation, there are a limited number of lift operators for replenishment of pick locations that become empty during the shift. The order picker places the labels for items with empty pick locations in a designated area at the end of the pick line. The lift driver secures the product, replenishes the pick location and takes the product not picked to the jackpot area for scanning onto the load. These are called "shags". When a load is complete, a shag report is printed to determine what product has not been included on the load. Product that has not been scanned is considered a mark out and not included on the invoice.

1.6.3 Damage Process

Product that is damaged in the picking and loading process is purchased by the State and is processed through a reclamation process. Currently, damaged product is accumulated in a damage product area. An inventory of single bottles is accumulated to build out full cases using a voice directed work system that interfaces with MARS. Damaged bottles in cases are replaced from single bottle inventory or "yellow tagged" if only 1 or 2 bottles are missing. The permittees will receive credit from the State for missing bottles.

The selected operator will not use the current damage process detailed above but will be required to credit the MS ABC for each bottle damaged in receiving, put away, warehousing, picking, and loading.

1.6.4 Shipping

The current business hours for 2nd shift (Night), picking, loading, and shipping, are Monday through Thursday, 4pm – 2:30am or until shipping loading is complete. Picking and loading takes place using a pick module conveyor and an automated sortation system. The conveyor system (FKI Logistex Buschman brand conveyor with bar code laser scanners by SICK) was installed in 2003 and has been upgraded several times since installation. The conveyor control system which operates the pick modules and automated sortation system is a Bastian Solutions system.

The number of outbound trucks per week has increased significantly over the past 4 fiscal years from 118 loads per week to greater than 140. With the exception of a brief dip in the last half of FY2020, average cases per load have been steady over the last 4-year period but allocated across less stops as demand increased. Average outbound weekly statistics are shown below.

Fiscal Year	Weekly Cases Shipped	Weekly Outbound Trucks	Weekly Customer Shipments	Average Stops/Truck	Average Cases Load	Average Cases/ Stop
FY19	73,380	118	830	7.0	623.3	88.4
FY20	79,103	143	774	5.4	554.6	102.2
FY21	86,858	143	752	5.3	609.1	115.5
FY22	85,060	142	796	5.6	598.9	106.9

The current outbound process begins with routing all current orders in the MARS system. Daily order cutoff takes place at 11am, Monday through Thursday. Routing includes permittee orders placed between order cutoff for the last shipping cycle until 11am on the current day plus any special orders received into the system during the same window. All permittees are on a fixed delivery route within MARS. Routes are reviewed for feasibility by a load planner. Routing issues such as overloads or low utilization loads that could be consolidated are resolved with the carriers. After resolution, the load planner makes routing

adjustments if required, confirms the route in MARS and then exports the routing to the Bastian system for label printing.

Picking begins at 4pm. Order pickers are assigned to a section of the Warehouse for picking. In the first 1.5 – 2 hours, order pickers fill the pick module conveyor lines with picked product that is conveyed through the Warehouse and merges with other conveyor lines before entering the automated sortation system. After the sawtooth merge prior to the sortation system, the product is automatically scanned, triggering the divert to send the case down the correct lane or after sort to a loading door. There are 6 doors assigned for loading but only 3 loads can be loaded simultaneously.



Product Pick Area

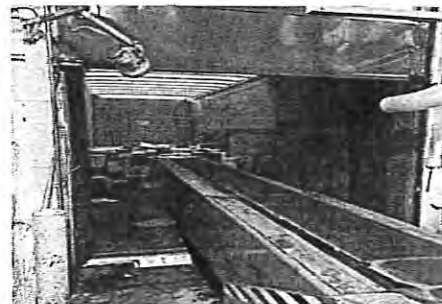


Conveyor Merge Prior to Sortation

Product coming down the line from the divert is floor loaded onto the trailer in reverse delivery stop sequence. The loader's objective is to level the distribution of product throughout the floor of the trailer. If the scheduled load is at or near capacity of the trailer, loaders will stack product to shoulder or head height in the loading process. Product is stacked to a lower level for routes with a lower utilization of capacity.



Aftersort Lanes from Divert to the Loading Door



Trailer Loading

When loading for a route is completed on a trailer, the door is closed, a seal is attached, and the trailer is transported to the yard. Loaders begin working on the next load in an adjacent door. The Warehouse office is notified that the load is complete and then the order is closed. The closing process includes the reconciliation of product on the order that was not loaded prior to dispatch. An invoice is created that includes the product that is scanned (this is accomplished at the end of each after sort lane by Douglas Express Delivery employees using hand-held scanners) into the trailer and the process is complete.

1.6.5 Inventory

Inventory at ABC is classified in 4 categories.

- Bailment – Items that are on hand that are owned by the alcoholic beverage supplier.
- Owned – Items that the State has purchased. This includes special orders, damage and salvage inventory.
- Reserved – Inventory that has been allocated to an order and is ready to ship.
- Available – Inventory that has not been allocated and has not been reserved for retail orders.

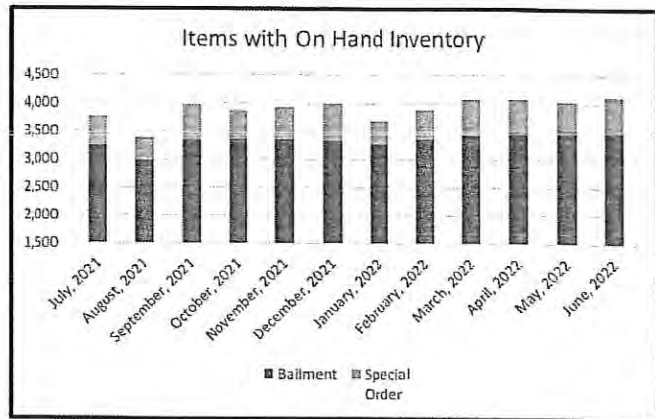
In FY2022, there were 4.42M cases shipped. There were 42.2K deliveries that contained 12,211 different SKU's. The top 1,400 items represented 80% of case volume shipped. There were 5,092 items that shipped 10 cases or less, 7,575 items that shipped 50 cases or less.

The following charts show average on hand inventory by month, active items classified by bailment and special order:

Month	Bailment	Special Order	Total Inventory
July, 2021	435,264	2,176	437,440
August, 2021	461,433	3,455	464,888
September, 2021	442,699	2,353	445,052
October, 2021	363,166	1,653	364,819
November, 2021	358,002	2,267	360,269
December, 2021	384,637	2,069	386,706
January, 2022	372,340	1,338	373,678
February, 2022	380,489	2,146	382,635
March, 2022	436,713	2,140	438,853
April, 2022	472,954	1,733	474,687
May, 2022	492,635	1,572	494,207
June, 2022	439,159	1,602	440,761



Items with On Hand Inventory by Month			
Month	Bailment	Special Order	Total Inventory
July, 2021	3,256	506	3,762
August, 2021	2,982	397	3,379
September, 2021	3,353	624	3,977
October, 2021	3,361	518	3,879
November, 2021	3,361	572	3,933
December, 2021	3,330	662	3,992
January, 2022	3,280	399	3,679
February, 2022	3,356	528	3,884
March, 2022	3,430	653	4,083
April, 2022	3,512	571	4,083
May, 2022	3,543	505	4,048
June, 2022	3,527	603	4,130



In the Warehouse, there are a total of 5,556 pick locations, 4,716 locations for listed items and 840 locations for special orders. There are 4,470 pick locations for listed items, 3,308 pick locations (3,062 case pick, 246 full pallet pick) in the non-climate-controlled area, 1,408 pick locations in the climate-controlled area. All pick locations in the climate-controlled area are case pick except for 4 full pallet pick locations. There are 6,868 storage locations in the building, 5,996 storage locations (3,126 in storage rack, 2,870 floor storage) in the non-climate-controlled area, 872 storage locations in the climate-controlled area and 451 bulk floor locations.

Location Type	Non Conditioned Area	Conditioned Area
Pick Locations		
Listed Items		
Case Pick	3062	1408
Pallet Pick	246	
Special Order Items		
Case Pick	840	
Storage Locations (Pallets)		
Rack Storage	3126	872
Bulk Floor Storage	2870	

1.6.6 Pallet and Cardboard Recycling

As noted above, a high percentage (99%) of inbound shipments are received on pallets. There are no pallets utilized in outbound picking and loading. As pallets are emptied, they are placed on a pallet trailer in the receiving area and sold by MS ABC for recycling revenue. Cardboard that is received as slip sheets or damaged boxes are baled and recycled as well by MS ABC for recycling revenue. This practice would continue with the operator responsible for loading the empty pallets into trailers and baling the cardboard with the above revenue continuing to be realized by MS ABC.

SECTION 2 – OVERVIEW AND PROCESS

2.1 Purpose and Goals

The Department of Revenue (referred to as “DOR” or “Department”) hereby solicits written proposals to provide a **3rd Party Warehouse Operator** for the Alcoholic Beverage Control Division (“Department” “State” or “ABC”) located at 1286 Gluckstadt Road, Madison County, Mississippi, during the term of the proposed contract, in accordance with the requirements of this proposal and any resulting contracts. The selected Offeror will provide the requested services for which the Offeror has the technical capacity to render. The services include, but are not limited to, information technology services for order management, route planning and invoicing licensees, administrative management of the warehouse, order processing, truck loading and maintaining a staff of employees sufficient to carry out these responsibilities.

Offerors must have the proven ability to perform all services requested in this RFP. A more detailed list of services is contained in **RFP Section 4, Specifications**. Senate Bill 2844, Section 3.3(a) requires that DOR seek to enter into a cost-plus at a set dollar amount per case type contract for these services for a four-year term with an option of 2 four-year renewals. However, in accordance with Senate Bill No. 2844 Section 3(4) the initial contract will terminate on the earlier of 4 years from the contract commencement date or the last day of use of the warehouse that is in service on July 1, 2022. The vendor may submit a request for a price increase at the time of any future renewal. Such price increase shall be based on an increase in actual costs to the vendor, and vendor must submit documentation of such increase to the Department prior to any such increase in price.

2.2 Procurement Timeline

Procurement Timeline	Date/Time (Central Time)
Request for Proposal Issue Date:	10/11/2022
First Publication:	10/11/2022
Second Publication:	10/18/2022
Mandatory Pre-proposal Conference/Location and Address: 1286 Gluckstadt Rd (ABC Division) Madison, MS 39110	10/25/2022; 10:00 am
Mandatory Site Visit Location and Address: 1286 Gluckstadt Rd (ABC Division) Madison, MS 39110	10/25/2022; 2:00 pm
Deadline for Submission of Questions:	10/28/2022; 5:00 pm
Last Day Answers Posted to Website (no questions accepted, or responses provided after this date):	11/04/2022 5:00 pm
Proposal Packet Submission Deadline:	11/22/2022; 12:00 pm
Proposal Opening (not open to the public):	11/22/2022; 2:00 pm
Evaluations:	12/2-7/2022
Award Notification:	12/09/2022
Debriefing Request Date:	12/14/2022
Protest Deadline:	12/16/2022; 12:00 pm
Submission to PPRB Deadline:	01/04/2023
PPRB Meeting Date	02/01/2023
Projected Contract Date:	02/07/2023

* It is our intent to follow the schedule above in the execution of this request for proposal; however, DOR reserves the right to amend and/or change the above schedule of events, as it deems necessary.

2.3 Proposal Submission Requirements

Proposals must be typed on 8.5" x 11" paper, single-sided and submitted via the address below or electronically via the Mississippi Accountability System Government Information and Collaboration (MAGIC) system. Registering as a supplier with the State of Mississippi allows businesses to register for upcoming RFx opportunity notifications by the products or services they supply, search the system for upcoming RFxs, respond to RFxs electronically, and receive purchase orders by email. In order to register, please go to the following website: <https://www.dfa.ms.gov/supplier-self-service>. Electronic proposals submitted through MAGIC shall follow the same format as specified within this section.

To prevent opening by unauthorized individuals, all proposal submissions must be sealed in an envelope or package and marked, "**SEALED PROPOSAL – DO NOT OPEN**". The sealed envelope or package shall be marked with the proposal opening time and date, and the number of the RFP.

Sealed proposals should be hand delivered or mailed to the address below and labeled as follows:

Mississippi Department of Revenue
Attention: Erica Green-Greenwood
Proposal #**3120002542**
Opening Date and Time: November 22, 2022, 2:00 CST
500 Clinton Center Dr
Clinton, MS 39056
SEALED PROPOSAL – DO NOT OPEN

The parties submitting proposals are responsible for ensuring they are delivered by the required time assuming all risk of delivery. DOR will not be responsible for mail delays or lost mail. Delays due to system down time or weather will be reviewed on a case-by-case basis and the proposer should notify the DOR Proposal Coordinator of such occurrences. Proposals and modifications or corrections thereof received after the closing time specified will not be considered. Any proposals or responses received subsequent to the specified closing date and time shall remain sealed and be maintained as part of the procurement file.

In preparing a proposal response, all narrative portions should be straightforward, detailed, and precise.

2.4 Proposal Submission Format

If submitting in paper format, the original written proposal, along with one (1) copy shall be signed and submitted in a three-ring binder. The proposal shall consist of four (4) separate tabs: attachments, technical, management, and cost. Pursuant to Mississippi Code Annotated §§ 27-104-7 and 31-7-401 through 31-7-423, the State of Mississippi requires a **blind evaluation** of certain factors not requiring knowledge of the name of an offeror or information that could reveal the identity of the offeror.

The Department will redact any identifying information from the documents provided by vendors within the technical and cost tabs. Identifying information includes, but is not limited to, any prior, current and future names, phone numbers, or addresses of the offeror, any names of incumbent or former staff, any prior, current and future webpage information, company logos, watermarks, and company colors, any information, which identifies the offeror as an incumbent, and any other information which would affect the blind evaluation of technical factors. **The Technical and Cost tabs shall have no identifying information ("Blind")**; while the Management tab will be allowed to have identifying information. If a

proposal does not follow these requirements, DOR will redact as necessary to fulfill its obligations for blind evaluation. However, if the required redactions result in an inability to properly evaluate the proposal, this could result in rejection of the proposal as non-responsive.

The four tabs of the proposal shall be comprised as listed below. It is the Vendor's responsibility to organize and separate the information into the sections and tabs accordingly.

Tab 1

Attachments A-J

Attachment A - Proposal Cover Sheet

Attachment B - Certification to Sign on Behalf of the Company

Attachment C - Supplier Registration

Attachment D - Proposal Form # 1 – 3rd Party Warehouse Operations

Attachment E - References

Attachment F - Reference Score Sheet # 1

Attachment G - Reference Score Sheet # 2

Attachment H - Signed Acknowledgement of Amendments, including DOR's responses to questions

Attachment I - Secretary of State Acknowledgment

Attachment J - Conflict of Interest Disclosure Statement

Tab 2

Technical Proposal - Blind Submission (Please review "Blind" requirements listed in 2.4 above)

Warehouse Operations (See Section 4.1 of this RFP)

Information Technology Requirements

Order Fulfillment Requirements

Administrative Requirements

Warehouse Operations Requirements

Tab 3 - Project Management Factor (Not a Blind Submission)

Letter of Introduction

Executive Summary

Business and Directory Information

Personnel – Resumes for Key Staff

Financial Capacity Information

Experience Providing the Required Services

Tab 4

Cost Factor- Blind Submission (Please review “Blind” requirements listed in 2.4 above)

The price submitted shall reflect the price per case fee.

Per Senate Bill 2844, Section 3(3)(a) provides that the department shall pay the operator cost-plus on these operations at a set dollar amount per case of alcoholic beverages sold. “Cost-plus” should be considered to be the amount set by the vendor that covers all costs associated with providing services under this RFP, including any fixed costs, as well as any profit. All of this should be considered by the vendor when submitting its per case fee.

A case is considered sold when it is shipped. The following estimated cases to be shipped will be used to determine the total cost of the initial term of the contract:

Year 1 – 4,423,127
Year 2 – 4,555,821
Year 3 – 4,692,495
Year 4 – 4,833,270

These figures represent an estimation based on past performance. This should not be construed as a guarantee that this number of cases will be shipped each year.

The vendor should submit a fee based on a per case basis. If the vendor wishes to include a yearly change in price over the course of the agreement, the vendor may either list the per case fee by year or provide a set percentage rate at which the per case fee will increase on an annual basis. All costs will be added together to determine the total cost of the proposal.

Attachment D

2.5 RFP Contact, Vendor Questions and Requests for Clarification and Acknowledgement of Amendments

Prospective offerors must carefully review this Request for Proposal, the contracts and any accompanying attachments. After review, if any proposer shall have a question or need clarification in order to submit the best proposal possible, the proposer must submit questions and requests for clarification by the date and time reflected in the RFP Cover Sheet and Section 2.2. Questions received after this date and time will not be considered.

All questions and request for clarification must be emailed to:

Erica Green-Greenwood, Procurement Officer II
Email: bidquestions@dor.ms.gov

Proposers should include “**RFP Number 3120002542 – Questions**” as the subject for this email. Submitted questions should include a reference to the applicable RFP section and be submitted in the format as shown below:

	RFP, Section, Page Number	Vendor Question/Request for Clarification
1.		

All questions and answers will be treated as amendments to this RFP and shall be issued to each vendor that received the RFP. Additionally, all questions and answers will be published to the Mississippi Contract Procurement Opportunity Search Portal website at https://www.ms.gov/dfa/contract_bid_search and the DOR website at <https://www.dor.ms.gov/procurement> as an amendment to the RFP by the date and time reflected in RFP Cover Sheet and Section 2.2.

All vendor communications regarding this RFP must be directed to the Proposal Coordinator. Unauthorized contact regarding the RFP with other employees of the DOR may result in the vendor being disqualified, and the vendor may also be suspended, disbarred, or removed from consideration for award of contracts with the State of Mississippi for a period of two (2) years. At no time shall any vendor or its personnel contact, or attempt to contact, any DOR staff regarding this RFP except the contact person as set forth and, in the manner, prescribed herein.

Each offeror shall acknowledge receipt of amendments by completing and signing the Acknowledgement of Amendment form(s) included in **Attachment H** and include it as part of its proposal packet along with each Notice of Amendment.

DOR will not be bound by any verbal or written information that is not contained within this RFP unless formally noticed and issued by:

Erica Green-Greenwood, Procurement Officer II
Email: erica.green@dor.ms.gov

2.6 Opening Procedures

Proposals will not be opened publicly. Proposals will be made available for inspection only after award of contract subject to Mississippi Public Records laws.

2.7 Incurring Costs

Actions taken by or expenses incurred by the proposers in responding to this RFP, before the receipt of the official notification of award or in anticipation of a contract will be at the proposer's own risk, and DOR will not assume any liability for any such actions.

2.8 Independent Price Determination

By submitting a proposal, the proposer certifies that the prices submitted in response to the solicitation have been arrived at independently and without, for the purpose of restricting competition, any consultation, communication, or agreement with any other proposer or competitor relating to those prices, the intention to submit a proposal, or the methods or factors used to calculate the proposal. The prices quoted shall be

inclusive of, but not limited to the following: all required equipment/material; all required insurance; all required overhead; all required profit; and, all required licenses, certifications, fees or permits. **2.9**

2.9 Modification, Withdrawal, or Rejection of a Proposal

No proposals shall be modified after the specified time for the opening. If a proposal is withdrawn after opening, the proposer will be removed from the list of eligibles for a period of six (6) months.

A proposer may withdraw a proposal prior to the time set for the opening by submitting a signed written notification by mail or email to the proposal coordinator; no explanation is required. No partial withdrawals are permitted after the time and date set for the opening; only complete withdrawals are permitted. No late proposals, modifications or withdrawals will be considered unless receipt would have been timely but for the action or inaction of DOR personnel directly involved with the procurement activity. Late proposals shall not be considered for award and shall remain sealed and be maintained as part of the procurement file.

A proposal that does not meet the minimum qualifications of the RFP and/or includes terms and conditions that do not conform to the terms and conditions in the RFP document is subject to rejection as non-responsive. Further, submission of a proposal that is not complete and/or signed is subject to rejection as non-responsive.

2.10 Right to Reject, Cancel and/or Issue Another RFP

DOR specifically reserves the right to reject any or all proposals received in response to the RFP, cancel the RFP in its entirety, or issue another RFP.

2.11 Debarment

By submitting a proposal, the Offeror certifies that it is not currently debarred from submitting proposals for contracts issued by any political subdivision or agency of the state of Mississippi or Federal government and that it is not an agent of a person or entity that is currently debarred from submitting proposals for contracts issued by any political subdivision or agency of the state of Mississippi.

2.12 Registration with Mississippi Secretary of State

By submitting a proposal, the proposer certifies that it is registered to do business in the State of Mississippi as prescribed by Mississippi law and the Mississippi Secretary of State or, if not already registered, that it will do so within seven (7) business days of being notified by MDOR of award. Please complete the Secretary of State Acknowledgement, included on Attachment I.

2.13 Insurance

Prior to the start of the contract period the awarded vendor must provide the DOR Proposal Coordinator certificates from its insurer(s) certifying they have appropriate comprehensive insurance covering incident(s) and/or damages arising from the provider's provision of services arising from this contract. Additionally, DOR shall be named as an additional insured on such required coverage. Such insurance must include the following:

- A. Adequate fire and casualty insurance to at least cover loss of inventory and equipment.
- B. No less than \$10,000,000 per occurrence Comprehensive General Liability. The DOR shall be named as an additional insured on the policy.

- C. The provider shall maintain in effect throughout the contract period workers' compensation insurance sufficient to meet or exceed the statutory minimum requirements of the State of Mississippi covering all persons performing work under this contract. The provider shall be prepared to provide evidence of required workers' compensation insurance upon request by DOR at any time during the contract period.

All required insurance will be endorsed to provide DOR with 30 days advance notice of cancellation or material change. Each provider must include an insurance certificate showing this coverage with its proposal material or provide proof from its insurance provider that such coverage will be available if the provider is awarded the contract. The insurance company must be authorized to do business in Mississippi.

2.14 Negotiation Rights and Competitive Negotiation

The proposal method to be used is that of competitive negotiation from which DOR is seeking the best combination of price, experience and quality of service. Discussions may be conducted with offerors who submit proposals determined to be reasonably susceptible of being selected for award. Likewise, DOR also reserves the right to accept any proposal as submitted for contract award, without substantive negotiation of offered terms, services or prices. For these reasons, all parties are advised to propose their most favorable terms initially.

2.15 Failure to Deliver

The proposer agrees that it will abide by all terms and conditions stated in this request. In the event of failure of the winning proposer to deliver services or products in accordance with the terms of this request, DOR may procure the services from other sources and hold the proposer responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies that DOR may have.

2.16 Conflict of Interest

All proposals must be accompanied by a statement disclosing (1) any involvement, financial or otherwise, that an employee, officer, or agent of DOR may have in the proposing organization, and (2) any involvement, financial or otherwise, that any employee, officer of any other governmental agency may have in the proposing organization. Disclosure statement form included in **Attachment J**.

2.17 Office Closure Statement

If the agency is closed for any reason, including but not limited to: acts of God, strikes, lockouts, riots, acts of war, epidemics, governmental regulations superimposed after the fact, fire, earthquakes, floods, or other natural disasters (the "Force Majeure Events"), which closure prevents the opening of proposals at the advertised date and time, all proposals received shall be opened on the next business day that the agency shall be open and at the previously advertised time. The new date and time of the Proposal opening, as determined in accordance with this paragraph, shall not be advertised, and all proposers, upon submission of a proposal, shall be deemed to have knowledge of and shall have agreed to the provisions of this paragraph. Proposals shall be received by the agency until the new date and time of the Proposal opening as set forth herein. **The agency shall not be held responsible for the receipt of any proposals for which the delivery was attempted and failed due to the closure of the agency as a result of a Force Majeure**

Event. Each proposer shall be required to ensure the delivery and receipt of its Proposal by the agency prior to the new date and time of the Proposal opening

2.18 Proposal Evaluation and Basis for Award

All proposals received in response to this RFP by the stated deadline will receive a comprehensive, fair, and impartial evaluation. Prior to the evaluation committee reviewing responsive proposals, the DOR Procurement Officer and/or designee will review all proposals received for compliance. The Procurement Officer will determine if mandatory RFP requirements have been satisfied, meaning whether a proposal/vendor is responsive, responsible, and/or acceptable. Compliance requirements are not assigned a point percentage or score but are simply recorded as Pass or Fail on the Compliance Phase Checklist included within this RFP. To be considered responsive to the RFP, each proposal must be complete, submitted by the deadline, contain accurate information and contain the minimum expected components described in the RFP, including but not limited to: proposal package with completed attachments, number of references, business longevity and insurance. If the proposal is incomplete, contains inaccurate information, or fails to contain the minimum expected components of the RFP, it may be deemed unresponsive and may not be considered for award.

Identifying information within the following tabs will be redacted prior to being provided to the Evaluation Committee composed of DOR staff:

All information within Tab 2 (*Technical Factors*)
Tab 4 (*Cost Factor*).

Since, identifying information within these tabs will be redacted, it is imperative that offerors draft their proposals in such a way that the Evaluation Committee can properly evaluate its proposal even after redaction occurs.

The evaluation of responsive proposals will be conducted in three (3) phases. The Evaluation Committee will use the following factors (categories) and possible points.

Categories	Possible Points
Warehouse Operations	
Phase 1 – Technical Factor	34
Phase 2 – Project Management Factor	30
Total Non-Cost Points	64
Phase 3 – Cost (36 points, or 36%)	36
<i>(36 points will be awarded to the vendor with the lowest price and a prorated amount to the other offerors)</i>	
Total Cost Points	36
Maximum Possible Points	100

Three (3) Phases of Evaluation:

Analysis of Technical Proposal

In this phase of the evaluation process, the Evaluation Committee will utilize consensus scoring to determine numerical scores for each proposal. The score will be based on a weighted average with 100 possible points. The total score will be determined according to the degree of compliance made in the proposal in meeting each component of the Technical Proposal. The evaluation factors are listed in order of their relative importance and weight:

1. Technical Factor (Weight/Value of 34%/Points) – Technical factors are scored by the evaluation committee without knowledge of the identity of the vendor (blind) and generally aid in determining the vendor's technical ability to perform the service or provide the commodity. Offerors should draft their response in such a way that the Evaluation Committee can properly evaluate its proposal even after redaction occurs. The evaluation committee will provide consensus scores of the quality and completeness of the vendor's solutions and action plans for providing the services identified, demonstrating understanding, responsiveness, effectiveness, efficiency, and value to the Board in proposed approach.

2. Project Management Factor (Weight/Value of 30%/Points) – Management factors are scored with knowledge of the identity of the vendor and generally aid in determining the vendor's past performance of the service or provision of the commodity. The evaluation committee will provide consensus scores of the personnel, equipment, and facilities to provide warehousing services for a plan of comparable size; the ability to technically implement and maintain the structure and resources for providing all services listed in this RFP, demonstrating where applicable the ability to perform the service reflected by technical training, education and general experience of staff and a documented record of past performance of providing services required in this RFP.

3. Cost Factor (Weight/Value of 36%/Points) – Cost is reviewed by the DOR Evaluation Committee as it is objectively scored based on the competitiveness of the proposed fees, rates, price, or cost offered. The lowest cost proposed will receive the maximum 36 points allocated to cost. The point allocations for cost on the other offers will be evaluated according to the following formula:

$X/Y * 36 = Z$ X- Lowest total cost
Y- Offeror's proposed total cost
Z- Assigned points/score

X will be determined as follows:

- (1) multiply each listed yearly per case fee by the corresponding estimated case count listed in the Section 2.4 of this RFP;
- (2) add the costs of all years together;

Y will be determined in the same manner.

For example, Vendor X submits a fee of \$1 per case with an annual 4% increase in the per case fee. Vendor Y submits a per case fee of \$1 plus an annual increase of \$1 per case. This means that Vendor X's total cost would be \$19,642,337.84. Vendor Y's final cost would be \$46,945,334.00. Vendor X would receive 36 points. Vendor Y would receive 15 points.

Upon completion of the Analysis Phase, the evaluation committee reviews and compares the numerical scores from among the vendors to determine the winning offeror. The award will be made to the responsible offeror whose proposal is determined to be the most advantageous to the State, taking into consideration price and the evaluation factors listed in the Technical Proposal. The name of the proposer that is recommended for funding will be forwarded to the Commissioner of the Mississippi Department of Revenue or his designee for award subject to final approval by the Public Procurement Review Board (PPRB).

The awards, if made, will be by DOR's evaluation committee within forty-five (45) days after the proposal opening. After DOR makes the awards, official notification will be sent to all participating vendors along with an accompanying analysis describing why the contract was awarded to the particular vendor. Notice of award shall be made available to the public via the Mississippi Contract/Procurement Opportunity Search Portal as well as DOR's Agency Website. DOR will not respond to telephone calls requesting the information. All awards shall be subject to final approval by the Public Procurement Review Board (PPRB).

2.19 Post-Award Vendor Debriefing

A vendor, successful or unsuccessful, may request a post-award debriefing, in writing, by email at erica.green@dor.ms.gov. Vendors should enter "**RFP RFx Number 3120002542 – Debriefings**" as the subject for the email. The written request must be received by the Proposal Coordinator of DOR within three (3) business days of notification of the contract awards. A post-award debriefing is a meeting and not a hearing; therefore, legal representation is not required. A debriefing typically occurs within three (3) business days of receipt of the request. If a vendor prefers to have legal representation present, the vendor must notify the Proposal Coordinator of the MDOR in writing and identify its attorney by name, address and telephone number.

For additional information regarding Post-Award Debriefing, as well as the information that may be provided and excluded, please see Section 7-114 through 7-114.07, Post-Award Debriefing, of the *Public Procurement Review Board Office of Personal Service Contract Review's Rules and Regulations*.

2.20 Protest of Award

Any actual or prospective proposer or contractor who is aggrieved in connection with the solicitation or award of a contract may file a protest with Erica Green-Greenwood, MDOR Procurement Officer II. The protest shall be submitted in writing within seven (7) calendar days after notification of contract award or on or **before 5:00 PM CST, December 16, 2022**, in writing after such aggrieved person or entity knows or should have known of the facts giving rise thereto. The written protest letter shall contain an explanation of the basis of the protest. All protests must be in writing, dated, signed by the vendor or an individual authorized to sign contracts on behalf of the protesting vendor, and contain a statement of the reason(s) for protest, citing the law(s), rule(s) and regulation(s) or procedure(s) on which the protest is based. The protesting vendor must provide facts and evidence to support the protest. A protest is considered submitted when received by the Proposal Coordinator, via U.S. mail, or personal delivery. To expedite the handling of the protest, the envelope should be labeled "Protest". Protests filed **after 5:00 PM CST, December 16, 2022**, will not be considered.

SECTION 3 MINIMUM VENDOR REQUIREMENTS TO BE DEEMED RESPONSIBLE

The Offeror (prospective operator) shall review each minimum requirement below and indicate whether or not they comply with the requirements by selecting either “yes” or “no” to each requirement on **Attachment A**. Offerors must comply with all requirements to be deemed responsible.

- 3.1 Each proposer must have been in business a minimum of ten (10) years prior to submission of its proposal providing similar services as those outlined in this RFP.
- 3.2 Each proposer must have the qualifications, experience and management personnel necessary to carry out the terms of the contract.
- 3.3 Each proposer must be legally eligible to execute a contract with the Mississippi Department of Revenue, ABC Division.
- 3.4 Each proposer must certify it is registered to do business with the State of Mississippi through the Secretary of State or, if not already registered, that it will do so within seven (7) business days of being notified by DOR that it has been awarded the contract. Please complete the Secretary of State Acknowledgement form included in **Attachment I**.
- 3.5 Each proposer must agree to provide and maintain, throughout the term of the contract, insurance that complies with Section 2.13 stated herein.
- 3.6 **The proposer must have the ability, capacity, skill and financial resources** to perform the work or provide the service required.
- 3.7 As part of its proposal, each proposer must furnish contact information of at least four current references on **Attachment E**. The reference information should include the client’s name, contact name and title, phone number, email address, type of work provided and the effective dates for each contract with their largest clients of similar size and scope of services, as specified in this RFP. The Offeror must document, through their references, they have the experience required to meet the minimum vendor requirements. These minimum qualifications are in addition to a minimum score of six (6) on Reference Score Sheet (**Attachment F & G**) from reference interviews by MDOR with two proposer references (for a total minimum passing score of twelve (12), as well as other requirements of this RFP.

SECTION 4 SPECIFICATIONS (Scope of Work)

The successful warehouse operator shall provide the services to the State of Mississippi in accordance with the specifications as provided in this Section and according to all requirements contained within SB2844. The Offeror (prospective operator) shall address each specification in this Section within their proposal.

All items listed in this section are Mandatory Specifications. Offerors must indicate either “yes” or “no” to each requirement in their Proposals and provide a response as to how the specification is met. By indicating “yes” an Offeror agrees that it shall comply with that specification throughout the full term of the Contract if the Offeror is successful. Merely repeating the specifications or requirements may be considered non-responsive and may disqualify the Offeror. In addition, if specified by the requirements or if the context otherwise requires, the Offeror shall provide references and/or supportive materials to verify the Offeror’s compliance with the specification. The MS ABC Division shall have the right to determine whether the supportive information and materials submitted by the Offeror demonstrates that the Offeror will be able to comply with the Mandatory Specifications. If the MS ABC Division determines that the responses and supportive materials do not demonstrate the Offeror will be able to comply with the Mandatory Specifications, the MS ABC Division may reject the Proposal.

In preparing proposal responses, all responses should be straightforward, detailed and precise.

4.1 Warehouse Operations

This section documents the MS ABC requirements for data flow, order fulfillment, and general administrative tasks associated with warehousing and order processing.

4.1.1 Information Technology Requirements (Data Flow)

MARS will continue to be the platform for order management, route planning and invoicing the permittees. While operating within the current facility, the Offeror can utilize the existing Warehouse Management System (WMS) capability within MARS or provide a robust WMS capable of integration with the MARS and Bastian systems. If Offeror intends to provide a WMS (to replace the MARS WMS functions), they will be responsible for the interface programming, the performance of the interface, and the cost of interfacing to MARS and Bastian Systems. When moving to the new facility, the Offeror will be responsible for providing a robust WMS capable of integration with MARS and any new material handling equipment (MHE) warehouse controls system (WCS). Offeror needs to define requirements for connectivity within the existing warehouse for computers, printers and all peripherals that will be implemented for systems intended to operate warehouse. This includes internet connectivity and network connectivity requirements.

If the Offeror intends to provide a WMS, the Offeror’s WMS must have the following capability:

- 4.1.1.1** Interfaces with the MARS for route planning and invoicing.
- 4.1.1.2** In the current facility, integrate with the automated sortation system (Bastian Solutions conveyor controls system) for label printing.
- 4.1.1.3** Maintains near-real time inventory visibility from receipt of goods to shipment of goods from the MS ABC Division warehouse and tracks out of stocks, and under/overstocks.
- 4.1.1.4** Has the ability to track length of time product has been in the Distribution Center and flag once it has reached a specific amount of days

- 4.1.1.5 Contains System Access/Security protocols to comply with MS ABC Information Technology policies and procedures.
- 4.1.1.6 Provides systems/procedures to ensure data integrity and recovery. Data should be backed-up nightly in the event of data loss, data corruption, etc. Built in system/data redundancy should also be provided in the event of a catastrophic event to limit downtime to no greater than 24 hours. If system is down for greater than a 24-hour period, vendor will be out of compliance with contract.
- 4.1.1.7 Ability to transmit completed order and route information to MS ABC, licensees and delivery partners.

4.1.2 Order Fulfillment Requirements

The Operator must be responsible for the following order fulfillment requirements:

4.1.2.1 Inventory Management

Prompt receiving and put away of inbound shipments (within same shift) – approximately 81,000 cases per average week in FY2022 growing to approximately 98,000 cases per average week in FY2027, and peak weeks that are approximately 25%-30% higher than average week volumes.

- Bar coded reserve and picking locations
- Cycle counting on a fixed schedule
- Inventory adjustments
- Annual audit
- Process all store returns on a timely basis, returning to inventory or processing as damage.

4.1.2.2 Order Processing

- Pick orders, ensuring that all case picks and special-order picks are completed for each order – approximately 85,000 cases per average week in FY2022 growing to approximately 103,000 cases per average week in FY2027, and peak weeks that are approximately 25%-30% higher than average week volumes.
- Label each case with pick label which contains the pick location, description barcode, route number and delivery stop number – approximately 140-150 loads per average week with 700-800 stops.
- Load all outbound order cases onto delivery trailers and ensure all routes are complete and loaded in reverse stop sequence.
- Stabilize and secure all outbound loads
- Process orders within a one-day window (orders are placed one day, picked that night and delivered the following day)

4.1.3 Administrative Requirements

The Operator must be responsible for the following warehousing administrative management requirements:

4.1.3.1 Warehouse Associate Management

- Recruiting, qualification and hiring of warehouse associates and administration
- Orientation and training - Associates utilized in the operation must be trained in MS ABC processes and procedures

4.1.3.2 Warehouse Facility Management

- Maintain a clean and dry facility.
- Adequately secure the facility to prevent pilferage, theft, break-in or damage.
- Provide security 24-hours per day, seven days per week.
- Offeror must indicate whether they intend to continue using the material handling equipment (MHE) systems conveyor and automated sortation system currently in place in the MS ABC warehouse OR if not, what alternative MHE systems and methods will be implemented to accomplish the requirements.
- Provide the required lift truck equipment and mobile equipment for warehouse operations.

4.1.3.3 Reporting - Performance Metrics Reporting

The contracted warehouse operator ("operator") will be measured by key performance indicators ("KPIs") for service, cost, and exceptions. On a weekly basis, the supplier will supply MS ABC with results from the prior week. Recommended KPIs include:

- Cost metric – provide cost metrics - cost/case, cost/order, etc.
- Productivity metric – receiving rate per hour, pick rate per hour measured against established goals and mis-picks.
- Inventory Count Accuracy by Location on a weekly basis – performed utilizing cycle counts,
 - Fill rate for licensee orders measured against an established metric:
 - % of orders that are shipped complete, with no item exceptions.
 - % of deliveries that are shipped with no exceptions.
- Warehouse exceptions
 - Shortages measured by cases short on a delivery.
 - Overages measured by cases over on a delivery.
 - Breakage/Damage measured by product value in dollars. Note: Operator will be required to reimburse MS ABC Division for breakage/damage within the Warehouse Operations.

On a monthly basis, the operator will meet with the MS ABC Division to review the performance metrics listed above, the results, and have a general discussion of the operation. The monthly review should be utilized for a general evaluation of the operator performance, issue resolution and vetting of improvement opportunities. At each monthly review, there will be discussions of the KPIs listed above, with improvement plans for performance below acceptable levels and recognition noted for exceeding requirements.

4.1.3.4 Financial & Other Reporting

Operator is to maintain and produce reports to the MS ABC Division on request at no additional fee to include but not limited to the following, including all documentation required by federal and state laws:

- Annual Financial Audit including Management Letter.
- Annual Inventory Reports.

- Stock status – Out of Stock/Low stock reports, Over Stock/Under Stock reports.
- Cases shipped/extra loads reports.
- Monthly shipments and comparison reports.

4.1.3.5 Warehouse Operations Requirements - Implementation Plan

- Offeror is to describe recommended implementation strategy including on-site coordination and support services, best practice consulting options and professional services. Please provide an implementation schedule, based on weekly milestones (not dates).
- Offeror is to identify any third-party Offerors involved in Offeror's implementation strategy and describe these relationships.
- Offeror is to describe the skills and time required by Mississippi DOR and ABC personnel for initial installation and implementation of any proposed systems.
- Offeror is to provide an estimate of Mississippi DOR and ABC staff time required to complete the installation. Describe the documentation provided for implementation.
- Describe experience in implementing a warehouse operation plan similar in size.

4.1.3.6 Warehouse Operations Requirements - Ongoing Operations Plan

- Describe recommended warehouse operations plan for ongoing operations after implementation is complete.
- Provide detailed information regarding the facility management and operation plan, as it relates to this RFP. At a minimum, warehouse operations plan must address the following:

Staffing and Management

- Staffing
- Personnel
- Employee Training
- Employee Services
- Employee Conduct
- Contingency Plans for staff turnover

Operations

- Receiving
- Picking
- Facility – hours of operations, seasonal changes for days and hours, cleaning, and maintenance
- Equipment and supplies
- Communication systems
- Use reports
- Garbage and waste management
- Site Hazards – signage
- Improvements

- Other services
- Special Conditions

Insurance

4.1.3.7 Warehouse Operations Requirements - Business Continuity Plan

- Offeror is to develop and detail a business continuity plan for warehouse operations for disaster recovery and other potential business interruption situations. This plan should be strategic in nature with tactical details supplied to address above business interruption situations and is not intended for dealing with ordinary daily distribution and fulfillment challenges, such as staffing and/or other ordinary warehouse operating activities.
- Offeror must provide a contingency plan as well as their commitment to assist MS ABC in re-assuming warehouse operations in the event of operator contract failure or default.

Appendix A - Proposal Package

3rd Party Warehouse Operator

Be sure to answer and complete each question as requested. All responses must follow the instructions provided.

ATTACHMENT A - Proposal Cover Sheet

The Department of Revenue (referred to as "DOR" or "Department") hereby solicits written proposals to provide a **3rd Party Warehouse Operator** for the Alcoholic Beverage Control Division ("Department" "State" or "ABC") located at 1286 Gluckstadt Road, Madison County, Mississippi during the term of the proposed contract, in accordance with the requirements of this proposal and any resulting contracts.

Proposals are to be submitted as listed below, on or before 12:00 p.m. CST on November 22, 2022.

PLEASE MARK YOUR ENVELOPE:

Mississippi Department of Revenue
 Attention: Erica Green-Greenwood
 Proposal #: 3120002542
 Opening Date and Time: November 22, 2022, 2:00 P.M. CST
 500 Clinton Center Drive
 Clinton, MS 39056
SEALED PROPOSAL – DO NOT OPEN

NAME OF COMPANY _____

QUOTED BY _____ SIGNATURE _____

ADDRESS _____ CITY/STATE/ZIP _____

PHONE: _____ EMAIL _____ FEIN # or SS #: _____

NAME AND PHONE NUMBER OF COMPANY REPRESENTATIVE IF DIFFERENT FROM ABOVE

NAME: _____ PHONE NUMBER: _____

Please answer the following questions regarding your company:

How many years of experience do you have in the service listed within this RFP? _____

Do you have the qualifications, experience and management personnel to carry out the terms of the contract?

☐ Yes ☐ No

Are you legally eligible to execute a contract with MDOR/ABC?

☐ Yes ☐ No

Do you certify that you are registered or will register to do business the State of Mississippi within seven (7) business days of being awarded the contract?

☐ Yes ☐ No

Do you agree to provide adequate fire and casualty insurance as well as provide at least \$10,000,000 of liability insurance and list the MDOR as an additional insured?

☐ Yes ☐ No

Does your company have the ability, capacity, skill and financial resources to perform the work as well as provide the service required?

☐ Yes ☐ No

ATTACHMENT B – Certification

By signing below, the company representative certifies that he/she has authority to bind the company, and further acknowledges and certifies on behalf of the company:

1. That he/she has thoroughly read and understands the terms and conditions, instructions and specifications for **RFP # 3120002542** and Attachments.
2. The company meets all requirements and acknowledges all certifications contained in **RFP # 3120002542** and Attachments.
3. The company agrees to all provisions of **RFP # 3120002542** and Attachments.
4. The company will perform the services required at the prices quoted on the proposal form.
5. The company represents that it has not retained a person to solicit or secure a State contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except as disclosed in the contractor's proposal.

Please sign and return with Proposal Materials.

Company: _____ Signature: _____

Date: _____ Title: _____

Printed Name: _____

ATTACHMENT C – Supplier Registration

The State of Mississippi utilizes the Mississippi Accountability System for Government Information and Collaboration (MAGIC) system to manage contracts. In order to do business with the State of Mississippi, all Suppliers must be registered with both systems. Additionally, electronic payments are issued through an electronic portal called Pay Mode.

Are you currently registered as a Supplier in MAGIC? ____ YES ____ NO

If not, in order to register, please go to the following website:

<http://www.dfa.ms.gov/dfaoffices/mmrs/mississippi-suppliers-vendors/supplier-self-service/>

If known, what is your supplier number? _____

Are you currently registered with Pay Mode? ____ YES ____ NO

If not, in order to register, please go to the following website:

<https://www.dfa.ms.gov/applications/paymode/paymode-electronic-payment-and-remittance/>

Please sign and return with Proposal Materials.

Company: _____ Signature: _____

Date: _____ Title: _____

Printed Name: _____

ATTACHMENT D – Proposal Form

3rd Party Warehouse Operator

Proposal Number: 3120002542

Gentlemen:

Pursuant to the advertisement for proposals to be received, I/We _____
_____ located at _____

do submit our proposal form for **Proposal # 3120002542**. This proposal is made without collusion
on the part of any person, firm or corporation.

The pricing must include ALL associated costs with no additional or hidden fees.

Per Senate Bill 2844, Section 3(3)(a) provides that the department shall pay the operator cost-plus on these operations at a set dollar amount per case of alcoholic beverages sold. A case is considered sold when it is shipped. The following estimated cases to be shipped will be used to determine the per case fee charged by the vendor during the initial term of the contract. These figures represent estimates. The Department does not guarantee that this number of cases will be shipped during these years.

Year 1 – 4,423,127

Year 2 – 4,555,821

Year 3 – 4,692,495

Year 4 – 4,833,270

3rd Party Operator's price per case fee _____

The price submitted shall reflect the price per case fee.

If the vendor wishes to include a yearly change in price over the course of the agreement, the vendor may either list the per case fee by year or provide a set percentage rate at which the per case fee will increase on an annual basis:

Year 2: _____

Year 3: _____

Year 4: _____

OR

Annual percentage increase: _____

The vendor may submit a request for a price increase at the time of any future renewal. Such price increase shall be based on an increase in actual costs to the vendor, and vendor must submit documentation of such increase to the Department prior to any such increase in price. The Department will review the documentation and determine whether an increase is justified at its sole discretion.

Exceptions and/or Deviations? Yes___ No___

Please list and describe exceptions if applicable:

Company: _____

Signature: _____

Address: _____

Printed name: _____

Title: _____

Phone: _____

Date: _____

E-mail Address: _____

ATTACHMENT E - References

Client Name	
Reference Name and Title	
Contact Address	
Contact Telephone Number	
Email Address	
Type of service provided	
Effective dates of service	

Client Name	
Reference Name and Title	
Contact Address	
Contact Telephone Number	
Email Address	
Type of service provided	
Effective dates of service	

Client Name	
Reference Name and Title	
Contact Address	
Contact Telephone Number	
Email Address	
Type of service provided	
Effective dates of service	

**Please submit additional references on a separate sheet.*

ATTACHMENT H - Acknowledgement of Amendments

Please sign and print at the appropriate statement.

I acknowledge receipt of all amendments associated with **PROPOSAL # 3120002542**.

They are as follows:

1. _____
2. _____
3. _____
4. _____
5. _____

Printed Name **Company Name**

Signature

There were no amendments associated with **PROPOSAL # 3120002542**.

Printed Name **Company Name**

Signature

ATTACHMENT I - Secretary of State Acknowledgement

_____, acknowledges that we
(Vendor Name)

_____ are registered with the Secretary of State's Office
(attach proof)

_____ are not registered with the Secretary of State's Office

We, _____
(Vendor Name)

_____ will register before the start of the contract and provide proof

_____ will not register

Signature

Date

Printed Name

ATTACHMENT J - Conflict of Interest, Disclosure Statement

Conflict of Interest – Involvement, financial or otherwise, that an employee, officer, or agent of DOR may have in the bidding organization; and any involvement, financial or otherwise, that any employee, officer of any other governmental agency may have in the bidding organization.

_____, acknowledges that we
(Vendor Name)

_____ do not have a conflicting interest to report.

_____ do have a conflicting interest (please disclose below).

Describe the Nature of the Conflicting Interest:

Signature

Date

Printed Name

Appendix B

The following documents and responses must be tabbed in the order as stated in Section 2.4 Proposal Submission Format.

Responses to the following sections should also be drafted in such a way that the evaluation committee can properly evaluate the proposal. The following sections will be redacted prior to being provided to the evaluation committee composed of DOR staff:

Section 1.0 Warehouse Operations;

Section 2.0 Order Fulfillment Requirements;

Section 3.0 Administrative Requirements;

Section 4.0 Warehouse Operations Requirements- Implementation Plan

Section 5.0 Warehouse Operations Requirements- Ongoing Operations Plan

Section 6.0 Warehouse Operations Requirements- Business Continuity Plan

Section 8.0 Cost Factor

Since, these tabs will be redacted, it is imperative that offerors draft their proposals in such a way that the evaluation committee can properly evaluate its proposal.

Technical Proposal

Technical Factors (34 points, or 34%)

Warehouse Operations

1.0 Information Technology Requirements

As stated in **Section 4.1.1** of the Specifications, the Offeror can utilize the existing Warehouse Management System (WMS) or provide a robust WMS capable of integration with the MARS and Bastian systems. Do you plan to utilize the existing WMS system? Or do you plan to provide a WMS? If so, please provide a detailed plan of work for interface programming, the performance of the interface and the cost of interfacing with the MARS and Bastian systems, including, interfacing with the MARS for route planning and invoicing, integrating with the automated sortation system (Bastian Solutions conveyor controls system) for label printing, maintaining near-real time inventory visibility from receipt of goods to shipment of goods from the MS ABC Division warehouse, tracking out of stock/low stock, and under/overstocks, tracking length of time product has been in the Distribution Center and flagging it once it has reached a specific amount of days, system access/security protocols to comply with MS ABC Information technology policies and procedures, systems/procedures to ensure data integrity and recovery, backing up data nightly in the event of data loss, data corruption, etc., building in system/data redundancy in the event of a catastrophic event to limit downtime to no greater than 24 hours, transmitting completed orders and route information to MS ABC, licensees and delivery partners. If the system is down for greater than a 24-hour period, the vendor will be out of compliance with the contract.

2.0 Order Fulfillment Requirements

2.1 Inventory Management

Describe your capabilities in inventory management, including promptly receiving and storing inbound shipment, barcoded reserve and pick locations, cycle counting on a fixed schedule, inventory adjustments, annual audits, processing store returns, inventory returns and processing damages.

2.2 Order Processing

Discuss your plan for daily order processing, including, pick orders, labeling cases, loading and securing outbound orders and processing orders within a one-day window.

3.0 Administrative Requirements

3.1 Warehouse Facility Management

Describe in detail your plan for warehouse facility management, including maintaining a clean facility, securing the warehouse and providing 24/7 security.

Discuss your plan for the material handling equipment (MHE) systems. Do you plan to continue using the sorter and extend conveyor systems or if not, what alternative systems and methods will be implemented?

Describe your plan for providing the required lift truck equipment for warehouse operations.

3.2 Performance Metrics Reporting

On a monthly basis, the supplier will supply MS ABC with key performance indicator (kpi) results from the prior week. The warehouse operator will be measured by cost metrics – cost/case, cost/order, etc., productivity metric – receiving rate per hour, pick rate per hours measured against established goals and mis-picks, inventory accuracy by location on a weekly basis – performed using cycle counts, % of orders that are shipped complete with no item exceptions and % of deliveries that are shipped with no exceptions and warehouse exceptions – shortages measured by cases short on a delivery, overages measured by cases over on a delivery and breakages/damages measured by product value in dollars. Describe your experience with performance metrics reporting as well as your plan to minimize performance issues.

3.3 Financial & Other Reporting

Describe your experience with financial reporting required by federal and state laws such as: annual financial audit including management letter, annual inventory reports, stock status – out of stock/ low stock, overstock/understock, cases shipped, extra load reports and monthly shipments and comparison reports.

4.0 Warehouse Operations Requirements- Implementation Plan

4.1 Describe recommended implementation strategy including on-site coordination and support

services, best practice consulting options and professional services. Vendor should provide a detailed implementation strategy for this project as stated in this RFP, including an implementation schedule, based on weekly milestones (not dates).

- 4.2 Identify any third-party offerors involved in offerors implementation strategy and describe these relationships.
- 4.3 Describe the skills and time required by Mississippi DOR and ABC personnel for initial installation and implementation of any proposed systems.
- 4.4 Describe your experience in installing and implementing warehouse operations plan similar in size.

5.0 Warehouse Operations Requirements- Ongoing Operations Plan

- 5.1 Describe recommended warehouse operations plan for ongoing operations after implementation is complete.
- 5.2 Provide detailed plan regarding the facility management and operation plan, as it relates to this RFP. At a minimum, warehouse operations plan must address the following:

5.2.1 Staffing and Management

- 5.2.1.1 Staffing
- 5.2.1.2 Personnel
- 5.2.1.3 Employee Training
- 5.2.1.4 Employee Services
- 5.2.1.5 Employee Conduct
- 5.2.1.6 Contingency Plans for staff turnover

5.2.2 Operations

- 5.2.2.1 Receiving
- 5.2.2.3 Picking
- 5.2.2.3 Loading
- 5.2.2.4 Facility – hours of operations, seasonal changes for days and hours, cleaning, and maintenance
- 5.2.2.5 Equipment and supplies
- 5.2.2.6 Communication systems
- 5.2.2.7 Use reports
- 5.2.2.8 Garbage and Waste Management
- 5.2.2.9 Site Hazards – signage
- 5.2.2.10 Improvements
- 5.2.2.11 Other services
- 5.2.2.12 Special Conditions

5.2.3 Insurance

6.0 Warehouse Operations Requirements – Business Continuity Plan

- 6.1** Offeror is to develop a detailed business continuity plan for warehouse operations for disaster recovery and other potential business interruption situations. This plan should be strategic in nature with tactical details supplied to address above business interruption situations and is not intended for dealing with ordinary daily distribution and fulfillment challenges, such as staffing and/or other ordinary warehouse operating activities.
- 6.2** Offeror must provide a contingency plan for and commitment to assist MS ABC in re-assuming warehouse operations in the event of operator contract failure or default.

Definition of Technical Factors

The overall quality of the proposed plan (the plan should reflect an understanding of the project and its objectives) and the ability to perform the services as reflected by the completion of the technical proposal and submission of redacted resumes of the key personnel. Consideration will be given to the completeness of the responses to the specific requirements of the solicitation.

Project Management Proposal

7.0 Project Management Factor (30 points, or 30%)

7.1 Letter of Introduction: An individual authorized to legally bind the Vendor must submit and sign a Letter of Introduction. The person who signs the letter will be considered the contact person for all matters pertaining to the Offer unless the Vendor designates another person in writing. The letter should include a very brief overview of what your company has to offer and why you think your company should be selected as the Vendor to provide the services relative to the RFP.

7.2 Executive Summary: The Vendor must prepare an Executive Summary to include a more detailed overview of the services of its offering. This will include a general description about the company, including the nature of the business, years in operation, number of employees, types of services offered and any experience in similar situations. The Vendor should include statements that demonstrate the understandings of services required as noted in the Section 2.0 Minimum Qualifications and Section 3.0 Scope of Services/Specifications.

7.3 Business and Directory Information: Vendor must provide the following:

- a. Name of Business (Official Name and D/B/A)
- b. Business Headquarters (include Address, Telephone, and Facsimile)
- c. If a Division or Subsidiary of another organization provide the name and address of the parent
- d. Billing address
- e. Name of Chief Executive Officer
- f. Customer Contact (include name, title, address, telephone, toll-free number, facsimile and e-mail)
- g. Company web site
- h. Type of Organization (i.e., Sole Proprietor, Corporation, Partnership, etc. – should be the same as on the Taxpayer ID Form)

- i. Length of time in business
 - j. Annual Sales (for the two most recently completed Fiscal Years)
 - k. Number of full-time employees (average from the two most recent Fiscal Years)
 - l. Type of and description of business
 - m. State of incorporation, state of formation or state of organization
 - n. Identify and specify the location(s) and telephone numbers of the major offices and other facilities that relate to the Vendor's performance under the terms of the RFP
 - o. Identify the Vendor's accounting firm
 - p. Identify your State vendor number
 - q. Identify your Dunn & Bradstreet Number
- 7.4** Provide the number of years of experience in providing the services within this RFP. Describe your experience with services similar in size.
- 7.5** Describe your experience in recruiting and hiring qualified warehouse associates. Include your experience in orientation, training and management of warehouse associates.
- 7.6** **Personnel:** The Vendor must provide resumes for all key personnel, including the account manager, who will be involved in providing the services contemplated by this RFP. Resumes must include the full name, education background, and years of experience and employment history particularly as it relates to the scope of services specified herein.
- 7.7** **Financial Capacity Information:** Vendor must submit either a comparative audit, which would include data from prior year and the year previous to that, audits for the past two (2) years if a comparative is not available, or end of year financial statements for the last two (2) years if an audit has not occurred. Vendor may also be required to provide additional financial information upon request.

Definitions of Project Management Factors

The personnel, equipment, facilities and financial resources to perform the services currently available or demonstrated to be made available at the time of contracting as well as a record of past performance of similar work as exhibited by references from other companies serviced within the past two (2) years and other documentation related to vendor's capabilities.

Cost Proposal

8.0 Cost Factor: (36 points, or 36%)

8.1 Price

Per Senate Bill 2844, Section 3(3)(a) provides that the department shall pay the operator cost-plus on these operations at a set dollar amount per case of alcoholic beverages sold.

“Cost-plus” should be considered to be the amount set by the vendor that covers all costs associated with providing services under this RFP, including any fixed costs, as well as any profit. All of this should be considered by the vendor when submitting its per case fee.

A case is considered sold when it is shipped. The following estimated cases to be shipped will be used to determine the total cost of the initial term of the contract.

Year 1 – 4,423,127

Year 2 – 4,555,821

Year 3 – 4,692,495

Year 4 – 4,833,270

Please identify your price per case fee. If you wish to include a yearly change in price over the course of the agreement, you may either list the per case fee by year or provide a set percentage rate at which the per case fee will increase on an annual basis. Additionally, if you wish to charge an additional monthly fee, this must be listed. You must also complete all parts of the cost proposal form, Attachment D, in a clear and accurate manner.

Definition of Cost Factors

The price submitted shall reflect the total cost of providing these services.

APPENDIX C

Terms and Conditions

Acknowledgement of Amendments

Proposers shall acknowledge receipt of any amendment to the solicitation by signing and returning the amendment with the proposal, by identifying the amendment number and date in the space provided for this purpose on the proposal form, or by letter. The acknowledgment must be received by the Department of Revenue by the time and at the place specified for receipt of proposals.

Anti-Assignment/Subcontracting

Contractor acknowledges that it was selected by the State to perform the services required hereunder based, in part, upon Contractor's special skills and expertise. Contractor shall not assign, subcontract, or otherwise transfer this agreement, in whole or in part, without the prior written consent of the State, which the State may, in its sole discretion, approve or deny without reason. Any attempted assignment or transfer of its obligations without such consent shall be null and void. No such approval by the State of any subcontract shall be deemed in any way to provide for the incurrence of any obligation of the State in addition to the total fixed price agreed upon in this agreement. Subcontracts shall be subject to the terms and conditions of this agreement and to any conditions of approval that the State may deem necessary. Subject to the foregoing, this agreement shall be binding upon the respective successors and assigns of the parties.

Applicable Law

The contract shall be governed by and construed in accordance with the laws of the State of Mississippi, excluding its conflicts of law's provisions, and any litigation with respect thereto shall be brought in the courts of the State. Contractor shall comply with applicable federal, state, and local laws and regulations.

Approval

It is understood that if this contract requires approval by the Public Procurement Review Board and/or the Mississippi Department of Finance and Administration Office of Personal Service Contract Review, and this contract is not approved by the PPRB and/or OPSCR, it is void and no payment shall be made hereunder.

Authority to Contract

Contractor warrants: (a) that it is a validly organized business with valid authority to enter into this agreement; (b) that it is qualified to do business and in good standing in the State of Mississippi; (c) that entry into and performance under this agreement is not restricted or prohibited by any loan, security, financing, contractual, or other agreement of any kind; and, (d) notwithstanding any other provision of this agreement to the contrary, that there are no existing legal proceedings or prospective legal proceedings, either voluntary or otherwise, which may adversely affect its ability to perform its obligations under this agreement.

Availability of Funds

It is expressly understood and agreed that the obligation of the Mississippi Department of Revenue to proceed under this agreement is conditioned upon the appropriation of funds by the Mississippi State Legislature and the receipt of state and/or federal funds. If the funds anticipated for the continuing fulfillment of the agreement are, at any time, not forthcoming or insufficient, either through the failure of the federal government to provide funds or of the State of Mississippi to appropriate funds or the discontinuance or material alteration of the program under which funds were provided or if funds are not otherwise available to the Mississippi Department of Revenue, the Mississippi Department of Revenue

shall have the right upon ten (10) working days written notice to Contractor, to terminate this agreement without damage, penalty, cost or expenses to the Mississippi Department of Revenue of any kind whatsoever. The effective date of termination shall be as specified in the notice of termination.

Certification of Independent Price Determination

The proposer certifies that the prices submitted in response to the solicitation have been arrived at independently and without, for the purpose of restricting competition, any consultation, communication, or agreement with any other proposer or competitor relating to those prices, the intention to submit a proposal, or the methods or factors used to calculate the prices proposal.

Change in Scope of Work

The Mississippi Department of Revenue may order changes in the work consisting of additions, deletions, or other revisions within the general scope of the contract. No claims may be made by Contractor that the scope of the project or of Contractor's services has been changed, requiring changes to the amount of compensation to Contractor or other adjustments to the contract, unless such changes or adjustments have been made by written amendment to the contract signed by the Mississippi Department of Revenue and Contractor.

If Contractor believes that any particular work is not within the scope of the project, is a material change, or will otherwise require more compensation to Contractor, Contractor must immediately notify the [agency] in writing of this belief. If the [agency] believes that the particular work is within the scope of the contract as written, Contractor will be ordered to and shall continue with the work as changed and at the cost stated for the work within the contract.

Compliance with Laws

Contractor understands that the Mississippi Department of Revenue is an equal opportunity employer and therefore, maintains a policy which prohibits unlawful discrimination based on race, color, creed, sex, age, national origin, physical handicap, disability, genetic information, or any other consideration made unlawful by federal, state, or local laws. All such discrimination is unlawful and Contractor agrees during the term of the agreement that Contractor will strictly adhere to this policy in its employment practices and provision of services. Contractor shall comply with, and all activities under this agreement shall be subject to, all applicable federal, State of Mississippi, and local laws and regulations, as now existing and as may be amended or modified.

Confidentiality

Notwithstanding any provision to the contrary contained herein, it is recognized that the Mississippi Department of Revenue is a public agency of the State of Mississippi and is subject to the Mississippi Public Records Act. Mississippi Code Annotated §§ 25-61-1 et seq. If a public records request is made for any information provided to the Mississippi Department of Revenue pursuant to the agreement and designated by the Contractor in writing as trade secrets or other proprietary confidential information, the Mississippi Department of Revenue shall follow the provisions of Mississippi Code Annotated §§ 25-61-9 and 79-23-1 before disclosing such information. The Mississippi Department of Revenue shall not be liable to the Contractor for disclosure of information required by court order or required by law.

Contractor Personnel

The Mississippi Department of Revenue shall, throughout the life of the contract, have the right of reasonable rejection and approval of staff or subcontractors assigned to the work by Contractor. If the Mississippi Department of Revenue reasonably rejects staff or subcontractors, Contractor must provide replacement staff or subcontractors satisfactory to the Mississippi Department of Revenue in a timely

manner and at no additional cost to the Mississippi Department of Revenue. The day-to-day supervision and control of Contractor's employees and subcontractors is the sole responsibility of Contractor.

Debarment and Suspension

Contractor certifies to the best of its knowledge and belief, that it:

- (1) is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transaction by any federal department or agency or any political subdivision or agency of the State of Mississippi;
- (2) has not, within a three-year period preceding this proposal, been convicted of or had a civil judgment rendered against it for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction;
- (3) has not, within a three-year period preceding this proposal, been convicted of or had a civil judgment rendered against it for a violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (4) is not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of these offenses enumerated in paragraphs two (2) and (3) of this certification; and,
- (5) has not, within a three-year period preceding this proposal, had one or more public transactions (federal, state, or local) terminated for cause or default.

Disclosure of Confidential Information

In the event that either party to this agreement receives notice that a third-party requests divulgence of confidential or otherwise protected information and/or has served upon it a subpoena or other validly issued administrative or judicial process ordering divulgence of confidential or otherwise protected information that party shall promptly inform the other party and thereafter respond in conformity with such subpoena to the extent mandated by law. This section shall survive the termination or completion of this agreement. The parties agree that this section is subject to and superseded by Mississippi Code Annotated §§ 25-61-1 et seq.

E- Payment

Contractor agrees to accept all payments in United States currency via the State of Mississippi's electronic payment and remittance vehicle. The agency agrees to make payment in accordance with Mississippi law on "Timely Payments for Purchases by Public Bodies," which generally provides for payment of undisputed amounts by the agency within forty-five (45) days of receipt of invoice. Mississippi Code Annotated § 31-7-301 et seq.

E-Verification

If applicable, Contractor represents and warrants that it will ensure its compliance with the Mississippi Employment Protection Act of 2008 and will register and participate in the status verification system for all newly hired employees. Mississippi Code Annotated §§ 71-11-1 et seq. The term "employee" as used herein means any person that is hired to perform work within the State of Mississippi. As used herein, "status verification system" means the Illegal Immigration Reform and Immigration Responsibility Act of 1996 that is operated by the United States Department of Homeland Security, also known as the E-Verify Program, or any other successor electronic verification system replacing the E-Verify Program. Contractor agrees to maintain records of such compliance. Upon request of the State and after approval of the Social Security Administration or Department of Homeland Security when required, Contractor agrees to provide

a copy of each such verification. Contractor further represents and warrants that any person assigned to perform services hereafter meets the employment eligibility requirements of all immigration laws. The breach of this agreement may subject Contractor to the following:

- (1) termination of this contract for services and ineligibility for any state or public contract in Mississippi for up to three (3) years with notice of such cancellation/termination being made public;
- (2) the loss of any license, permit, certification or other document granted to Contractor by an agency, department or governmental entity for the right to do business in Mississippi for up to one (1) year or, both.
- (3) In the event of such cancellations/termination, Contractor would also be liable for any additional costs incurred by the State due to Contract cancellation or loss of license or permit to do business in the State.

Failure to Deliver

In the event of failure of Contractor to deliver services in accordance with the contract terms and conditions, the [agency], after due oral or written notice, may procure the services from other sources and hold Contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies that the [agency] may have.

Failure to Enforce

Failure by the Mississippi Department of Revenue at any time to enforce the provisions of the contract shall not be construed as a waiver of any such provisions. Such failure to enforce shall not affect the validity of the contract or any part thereof or the right of the Mississippi Department of Revenue to enforce any provision at any time in accordance with its terms.

Force Majeure

Each party shall be excused from performance for any period and to the extent that it is prevented from performing any obligation or service, in whole or in part, as a result of causes beyond the reasonable control and without the fault or negligence of such party and/or its subcontractors. Such acts shall include without limitation acts of God, strikes, lockouts, riots, acts of war, epidemics, governmental regulations superimposed after the fact, fire, earthquakes, floods, or other natural disasters ("force majeure events"). When such a cause arises, Contractor shall notify the State immediately in writing of the cause of its inability to perform, how it affects its performance, and the anticipated duration of the inability to perform. Delays in delivery or in meeting completion dates due to force majeure events shall automatically extend such dates for a period equal to the duration of the delay caused by such events, unless the State determines it to be in its best interest to terminate the agreement.

Independent Contractor

Contractor shall, at all times, be regarded as and shall be legally considered an independent contractor and shall at no time act as an agent for the State. Nothing contained herein shall be deemed or construed by the State, Contractor, or any third party as creating the relationship of principal and agent, master and servant, partners, joint ventures, employer and employee, or any similar such relationship between the State and Contractor. Neither the method of computation of fees or other charges, nor any other provision contained herein, nor any acts of the State or Contractor hereunder creates or shall be deemed to create a relationship other than the independent relationship of the State and Contractor. Contractor's personnel shall not be deemed in any way, directly or indirectly, expressly or by implication, to be employees of the State. Neither Contractor nor its employees shall, under any circumstances, be considered servants, agents, or employees of the Mississippi Department of Revenue, and the Mississippi Department of Revenue shall be at no time legally responsible for any negligence or other wrongdoing by Contractor, its servants, agents, or

employees. The Mississippi Department of Revenue shall not withhold from the contract payments to Contractor any federal or state unemployment taxes, federal or state income taxes, Social Security tax, or any other amounts for benefits to Contractor. Further, the Mississippi Department of Revenue shall not provide to Contractor any insurance coverage or other benefits, including Worker's Compensation, normally provided by the State for its employees.

Integrated Agreement/Merger

This agreement, including all contract documents, represents the entire and integrated agreement between the parties hereto and supersedes all prior negotiations, representations or agreements, irrespective of whether written or oral. This agreement may be altered, amended, or modified only by a written document executed by the State and Contractor. Contractor acknowledges that it has thoroughly read all contract documents and has had the opportunity to receive competent advice and counsel necessary for it to form a full and complete understanding of all rights and obligations herein. Accordingly, this agreement shall not be construed or interpreted in favor of or against the State or Contractor on the basis of draftsmanship or preparation hereof.

Ownership of Documents and Work Papers

The Mississippi Department of Revenue shall own all documents, files, reports, work papers and working documentation, electronic or otherwise, created in connection with the project, which is the subject of this agreement, except for Contractor's internal administrative and quality assurance files and internal project correspondence. Contractor shall deliver such documents and work papers to the Mississippi Department of Revenue upon termination or completion of the agreement. The foregoing notwithstanding, Contractor shall be entitled to retain a set of such work papers for its files. Contractor shall be entitled to use such work papers only after receiving written permission from the Mississippi Department of Revenue and subject to any copyright protections.

Paymode

Payments by state agencies using the State's accounting system shall be made and remittance information provided electronically as directed by the State. These payments shall be deposited into the bank account of Contractor's choice. The State may, at its sole discretion, require Contractor to electronically submit invoices and supporting documentation at any time during the term of this Agreement. Contractor understands and agrees that the State is exempt from the payment of taxes. All payments shall be in United States currency.

Price Adjustment Clause

I. Price Adjustment Methods. Any adjustments to price, pursuant to a clause in this contract, shall be made in one or more of the following ways:

- a. by agreement on fixed price adjustment before the commencement of the additional performance;
- b. by unit prices specified in the contract;
- c. by the costs attributable to the event or situation covered by the clause, plus appropriate profit or fee, all as specified in the contract; or,
- d. by the price escalation clause.

II. Submission of Cost of Pricing Data. The Contractor shall provide cost or pricing data for any price adjustments subject to the provisions of Section 3-403 (Cost or Pricing Data) of the *Mississippi Public Procurement Review Board Office of Personal Service Contract Review Rules and Regulations*.

Procurement Regulations

The contract shall be governed by the applicable provisions of the Mississippi Public Procurement Review Board Office of Personal Service Contract Review Rules and Regulations, a copy of which is available at

501 North West Street, Suite 701E, Jackson, Mississippi 39201 for inspection, or downloadable at <http://www.DFA.ms.gov>.

Prospective Contractor's Representation Regarding Contingent Fees

The prospective Contractor represents as a part of such Contractor's proposal that such Contractor has not retained any person or agency on a percentage, commission, or other contingent arrangement to secure this contract.

Record Retention and Access to Records

Provided Contractor is given reasonable advance written notice and such inspection is made during normal business hours of Contractor, the State or any duly authorized representatives shall have unimpeded, prompt access to any of Contractor's books, documents, papers, and/or records which are maintained or produced as a result of the project for the purpose of making audits, examinations, excerpts, and transcriptions. All records related to this agreement shall be retained by Contractor for three (3) years after final payment is made under this agreement and all pending matters are closed; however, if any audit, litigation or other action arising out of or related in any way to this project is commenced before the end of the three (3) year period, the records shall be retained for one (1) year after all issues arising out of the action are finally resolved or until the end of the three (3) year period, whichever is later.

Recovery of Money

Whenever, under the contract, any sum of money shall be recoverable from or payable by Contractor to the Mississippi Department of Revenue, the same amount may be deducted from any sum due to Contractor under the contract or under any other contract between Contractor and the Mississippi Department of Revenue. The rights of the Mississippi Department of Revenue are in addition and without prejudice to any other right the Mississippi Department of Revenue may have to claim the amount of any loss or damage suffered by the Mississippi Department of Revenue on account of the acts or omissions of Contractor.

Representation Regarding Contingent Fees

Contractor represents that it has not retained a person to solicit or secure a state contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except as disclosed in Contractor's proposal.

Representation Regarding Gratuities

The proposer, offeror, or Contractor represents that it has not violated, is not violating, and promises that it will not violate the prohibition against gratuities set forth in Section 6-204 (Gratuities) of the Mississippi Public Procurement Review Board Office of Personal Service Contract Review Rules and Regulations.

Severability

If any part of this agreement is declared to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision of the agreement that can be given effect without the invalid or unenforceable provision, and to this end the provisions hereof are severable. In such event, the parties shall amend the agreement as necessary to reflect the original intent of the parties and to bring any invalid or unenforceable provisions in compliance with applicable law.

Stop Work Order

(1) Order to Stop Work: The procurement officer, may, by written order to Contractor at any time, and without notice to any surety, require Contractor to stop all or any part of the work called for by this contract. This order shall be for a specified period not exceeding 90 days after the order is delivered to Contractor unless the parties agree to any further period. Any such order shall be identified specifically as a stop work

order issued pursuant to this clause. Upon receipt of such an order, Contractor shall forthwith comply with its terms and take all reasonable steps to minimize the occurrence of costs allocable to the work covered by the order during the period of work stoppage. Before the stop work order expires, or within any further period to which the parties shall have agreed, the procurement officer shall either:

(a) cancel the stop work order; or,

(b) terminate the work covered by such order as provided in the Termination for Default clause or the Termination for Convenience clause of this contract.

(2) Cancellation or Expiration of the Order: If a stop work order issued under this clause is canceled at any time during the period specified in the order, or if the period of the order or any extension thereof expires, Contractor shall have the right to resume work. An appropriate adjustment shall be made in the delivery schedule or Contractor price, or both, and the contract shall be modified in writing accordingly, if:

(a) the stop work order results in an increase in the time required for, or in Contractor's properly allocable to, the performance of any part of this contract; and,

(b) Contractor asserts a claim for such an adjustment within 30 days after the end of the period of work stoppage; provided that, if the procurement officer decides that the facts justify such action, any such claim asserted may be received and acted upon at any time prior to final payment under this contract.

(3) Termination of Stopped Work: If a stop work order is not canceled and the work covered by such order is terminated for default or convenience, the reasonable costs resulting from the stop work order shall be allowed by adjustment or otherwise.

(4) Adjustments of Price: Any adjustment in contract price made pursuant to this clause shall be determined in accordance with the Price Adjustment clause of this contract.

Termination for Convenience Clause

(1) **Termination.** The Agency Head or designee may, when the interests of the State so require, terminate this contract in whole or in part, for the convenience of the State. The Agency Head or designee shall give written notice of the termination to Contractor specifying the part of the contract terminated and when termination becomes effective.

(2) **Contractor's Obligations.** Contractor shall incur no further obligations in connection with the terminated work and on the date set in the notice of termination Contractor will stop work to the extent specified. Contractor shall also terminate outstanding orders and subcontracts as they relate to the terminated work. Contractor shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated work. The Agency Head or designee may direct Contractor to assign Contractor's right, title, and interest under terminated orders or subcontracts to the State. Contractor must still complete the work not terminated by the notice of termination and may incur obligations as are necessary to do so.

Termination for Default Clause

(1) **Default.** If Contractor refuses or fails to perform any of the provisions of this contract with such diligence as will ensure its completion within the time specified in this contract or any extension thereof, or otherwise fails to timely satisfy the contract provisions, or commits any other substantial breach of this

contract, the Agency Head or designee may notify Contractor in writing of the delay or nonperformance and if not cured in ten (10) days or any longer time specified in writing by the Agency Head or designee, such officer may terminate Contractor's right to proceed with the contract or such part of the contract as to which there has been delay or a failure to properly perform. In the event of termination in whole or in part, the Agency Head or designee may procure similar supplies or services in a manner and upon terms deemed appropriate by the Agency Head or designee. Contractor shall continue performance of the contract to the extent it is not terminated and shall be liable for excess costs incurred in procuring similar goods or services. (2) *Contractor's Duties*. Notwithstanding termination of the contract and subject to any directions from the Chief Procurement Officer, Contractor shall take timely, reasonable, and necessary action to protect and preserve property in the possession of Contractor in which the State has an interest.

(3) *Compensation*. Payment for completed services delivered and accepted by the State shall be at the contract price. The State may withhold from amounts due Contractor such sums as the Agency Head or designee deems to be necessary to protect the State against loss because of outstanding liens or claims of former lien holders and to reimburse the State for the excess costs incurred in procuring similar goods and services.

(4) *Excuse for Nonperformance or Delayed Performance*. Except with respect to defaults of subcontractors, Contractor shall not be in default by reason of any failure in performance of this contract in accordance with its terms (including any failure by Contractor to make progress in the prosecution of the work hereunder which endangers such performance) if Contractor has notified the Agency Head or designee within 15 days after the cause of the delay and the failure arises out of causes such as: acts of God; acts of the public enemy; acts of the State and any other governmental entity in its sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes or other labor disputes; freight embargoes; or unusually severe weather. If the failure to perform is caused by the failure of a subcontractor to perform or to make progress, and if such failure arises out of causes similar to those set forth above, Contractor shall not be deemed to be in default, unless the services to be furnished by the subcontractor were reasonably obtainable from other sources in sufficient time to permit Contractor to meet the contract requirements. Upon request of Contractor, the Agency Head or designee shall ascertain the facts and extent of such failure, and, if such officer determines that any failure to perform was occasioned by any one or more of the excusable causes, and that, but for the excusable cause, Contractor's progress and performance would have met the terms of the contract, the delivery schedule shall be revised accordingly, subject to the rights of the State under the clause entitled "Termination for Convenience."

(5) *Erroneous Termination for Default*. If, after notice of termination of Contractor's right to proceed under the provisions of this clause, it is determined for any reason that the contract was not in default under the provisions of this clause, or that the delay was excusable under the provisions of Paragraph (4) (Excuse for Nonperformance or Delayed Performance) of this clause, the rights and obligations of the parties shall, if the contract contains a clause providing for termination for convenience of the State, be the same as if the notice of termination had been issued pursuant to a termination for convenience.

(6) *Additional Rights and Remedies*. The rights and remedies provided in this clause are in addition to any other rights and remedies provided by law or under this contract.

Termination Upon Bankruptcy

This contract may be terminated in whole or in part by the Mississippi Department of Revenue upon written notice to Contractor, if Contractor should become the subject of bankruptcy or receivership proceedings,

whether voluntary or involuntary, or upon the execution by Contractor of an assignment for the benefit of its creditors. In the event of such termination, Contractor shall be entitled to recover just and equitable compensation for satisfactory work performed under this contract, but in no case shall said compensation exceed the total contract price.

Third Party Action Notification

Contractor shall give the customer prompt notice in writing of any action or suit filed, and prompt notice of any claim made against Contractor by any entity that may result in litigation related in any way to this agreement.

Trade Secrets, Commercial and Financial Information

It is expressly understood that Mississippi law requires that the provisions of this contract which contain the commodities purchased or the personal or professional services provided, the price to be paid, and the term of the contract shall not be deemed to be a trade secret or confidential commercial or financial information and shall be available for examination, copying, or reproduction.

Transparency

This contract, including any accompanying exhibits, attachments, and appendices, is subject to the "Mississippi Public Records Act of 1983," and its exceptions. See Mississippi Code Annotated §§ 25-61-1 et seq., and Mississippi Code Annotated § 79-23-1. In addition, this contract is subject to the provisions of the Mississippi Accountability and Transparency Act of 2008. Mississippi Code Annotated §§ 27-104-151 et seq. Unless exempted from disclosure due to a court-issued protective order, a copy of this executed contract is required to be posted to the Mississippi Department of Finance and Administration's independent agency contract website for public access at <http://www.transparency.mississippi.gov>. Information identified by Contractor as trade secrets, or other proprietary information, including confidential vendor information or any other information which is required confidential by state or federal law or outside the applicable freedom of information statutes, will be redacted.

Unsatisfactory Work

If, at any time during the contract term, the service performed or work done by Contractor is considered by the Mississippi Department of Revenue to create a condition that threatens the health, safety, or welfare of the citizens and/or employees of the State of Mississippi, Contractor shall, on being notified by the Mississippi Department of Revenue, immediately correct such deficient service or work. In the event Contractor fails, after notice, to correct the deficient service or work immediately, the Mississippi Department of Revenue shall have the right to order the correction of the deficiency by separate contract or with its own resources at the expense of Contractor.

Waiver

No delay or omission by either party to this agreement in exercising any right, power, or remedy hereunder or otherwise afforded by contract, at law, or in equity shall constitute an acquiescence therein, impair any other right, power or remedy hereunder or otherwise afforded by any means, or operate as a waiver of such right, power, or remedy. No waiver by either party to this agreement shall be valid unless set forth in writing by the party making said waiver. No waiver of or modification to any term or condition of this agreement will void, waive, or change any other term or condition. No waiver by one party to this agreement of a default by the other party will imply, be construed as or require waiver of future or other defaults.

**AMENDMENT #1 TO
CONTRACT FOR THE OPERATION OF
THE STATE ALCOHOLIC BEVERAGE WAREHOUSE**

This document (hereinafter referred to as "Amendment Number 1") shall serve to amend the original Contract for the Operation of the State Alcoholic Beverage Warehouse executed on February 21, 2023 (hereinafter referred to as "Contract") between the Alcoholic Beverage Control Division of the Mississippi Department of Revenue (hereinafter referred to as the "Department") and Ruan Transport Corporation (hereinafter referred to as "Ruan"). The Department and Ruan are sometimes collectively referred to as the "Parties."

WHEREAS the Parties wish to amend the Contract to change the scope of the work to be performed to include:

1. Implement Pick to Pallet fulfillment of orders no later than December 31, 2025.

WHEREAS, the terms of the Contract, 6. **STANDARD TERMS AND CONDITIONS**, states the following:

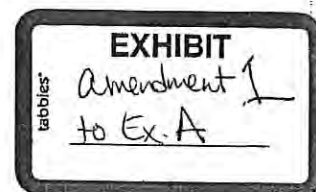
F. Change in Scope of Work

The Mississippi Department of Revenue may order changes in the work consisting of additions, deletions, or other revisions within the general scope of the contract. No claims may be made by Contractor that the scope of the project or of Contractor's services has been changed, requiring changes to the amount of compensation to Contractor or other adjustments to the contract, unless such changes or adjustments have been made by written amendment to the contract signed by the Mississippi Department of Revenue and Contractor. If Contractor believes that any particular work is not within the scope of the project, is a material change, or will otherwise require more compensation to Contractor, Contractor must immediately notify the [agency] in writing of this belief. If the [agency] believes that the particular work is within the scope of the contract as written, Contractor will be ordered to and shall continue with the work as changed and at the cost stated for the work within the contract.

WHEREAS the Parties wish to amend the Contract to change the amount of compensation to be paid to the Contactor.

NOW THEREFORE, the Department and Ruan, by entering into the Amendment Number 1, mutually agree that the following provisions shall modify the aforementioned Contract effective April 1, 2025 ("Amendment 1 Effective Date):

1. Article 2 under "PER CASE FEE AND AVAILABILITY OF FUNDS" the rates for the Third Year and Fourth Year shall be deleted and hereby amended to provide that the per case fee paid to the Operator effective April 1, 2025 shall be \$2.65 and on April 1, 2026 shall be \$2.70.

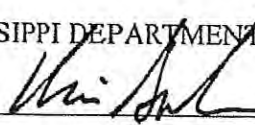


2. Article 4 under "MINIMUM SPECIFICATIONS" shall be and hereby is amended to provide:

Y. The Operator agrees to implement Pick to Pallet fulfillment of orders no later than December 31, 2025.

All other terms and conditions of the Contract executed on February 21, 2023, shall remain unchanged and in full force and effect.

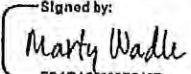
MISSISSIPPI DEPARTMENT OF REVENUE

By: 

Title: 

Date: 03/17/2025

RUAN TRANSPORT COMPANY

Signed by:
By: 
F31BA95395F0487...

Title: Chief Commercial Officer

Date: 3/6/2025

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

Oak Cask, LLC d/b/a Cork & Barrel, individually and on behalf of others similarly situated

(b) County of Residence of First Listed Plaintiff DeSoto
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

Timothy W. Porter, Porter & Malouf, P.A. PO Box 12768,
Jackson, MS 39236, Tele: 601-957-1173

DEFENDANTS

Ruan Transport Corporation

County of Residence of First Listed Defendant _____
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff ☐ 3 Federal Question (U.S. Government Not a Party)
- ☐ 2 U.S. Government Defendant ☒ 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | PTF | DEF | | PTF | DEF |
|---|----------------------------|----------------------------|---|---------------------------------------|---------------------------------------|
| Citizen of This State | ☐ 1 | ☐ 1 | Incorporated or Principal Place of Business In This State | ☒ 4 | ☐ 4 |
| Citizen of Another State | ☐ 2 | ☐ 2 | Incorporated and Principal Place of Business In Another State | ☐ 5 | ☒ 5 |
| Citizen or Subject of a Foreign Country | ☐ 3 | ☐ 3 | Foreign Nation | ☐ 6 | ☐ 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Click here for: [Nature of Suit Code Descriptions.](#)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
☐ 110 Insurance ☐ 120 Marine ☐ 130 Miller Act ☐ 140 Negotiable Instrument ☐ 150 Recovery of Overpayment & Enforcement of Judgment ☐ 151 Medicare Act ☐ 152 Recovery of Defaulted Student Loans (Excludes Veterans) ☐ 153 Recovery of Overpayment of Veteran's Benefits ☐ 160 Stockholders' Suits ☒ 190 Other Contract ☐ 195 Contract Product Liability ☐ 196 Franchise	PERSONAL INJURY ☐ 310 Airplane ☐ 315 Airplane Product Liability ☐ 320 Assault, Libel & Slander ☐ 330 Federal Employers' Liability ☐ 340 Marine ☐ 345 Marine Product Liability ☐ 350 Motor Vehicle ☐ 355 Motor Vehicle Product Liability ☐ 360 Other Personal Injury ☐ 362 Personal Injury - Medical Malpractice PERSONAL INJURY ☐ 365 Personal Injury - Product Liability ☐ 367 Health Care/Pharmaceutical Personal Injury Product Liability ☐ 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY ☐ 370 Other Fraud ☐ 371 Truth in Lending ☐ 380 Other Personal Property Damage ☐ 385 Property Damage Product Liability	☐ 625 Drug Related Seizure of Property 21 USC 881 ☐ 690 Other LABOR ☐ 710 Fair Labor Standards Act ☐ 720 Labor/Management Relations ☐ 740 Railway Labor Act ☐ 751 Family and Medical Leave Act ☐ 790 Other Labor Litigation ☐ 791 Employee Retirement Income Security Act IMMIGRATION ☐ 462 Naturalization Application ☐ 465 Other Immigration Actions	☐ 422 Appeal 28 USC 158 ☐ 423 Withdrawal 28 USC 157 INTELLECTUAL PROPERTY RIGHTS ☐ 820 Copyrights ☐ 830 Patent ☐ 835 Patent - Abbreviated New Drug Application ☐ 840 Trademark ☐ 880 Defend Trade Secrets Act of 2016 SOCIAL SECURITY ☐ 861 HIA (1395ff) ☐ 862 Black Lung (923) ☐ 863 DIWC/DIWW (405(g)) ☐ 864 SSID Title XVI ☐ 865 RSI (405(g)) FEDERAL TAX SUITS ☐ 870 Taxes (U.S. Plaintiff or Defendant) ☐ 871 IRS—Third Party 26 USC 7609	☐ 375 False Claims Act ☐ 376 Qui Tam (31 USC 3729(a)) ☐ 400 State Reapportionment ☐ 410 Antitrust ☐ 430 Banks and Banking ☐ 450 Commerce ☐ 460 Deportation ☐ 470 Racketeer Influenced and Corrupt Organizations ☐ 480 Consumer Credit (15 USC 1681 or 1692) ☐ 485 Telephone Consumer Protection Act ☐ 490 Cable/Sat TV ☐ 850 Securities/Commodities/Exchange ☐ 890 Other Statutory Actions ☐ 891 Agricultural Acts ☐ 893 Environmental Matters ☐ 895 Freedom of Information Act ☐ 896 Arbitration ☐ 899 Administrative Procedure Act/Review or Appeal of Agency Decision ☐ 950 Constitutionality of State Statutes
REAL PROPERTY ☐ 210 Land Condemnation ☐ 220 Foreclosure ☐ 230 Rent Lease & Ejectment ☐ 240 Torts to Land ☐ 245 Tort Product Liability ☐ 290 All Other Real Property	CIVIL RIGHTS ☐ 440 Other Civil Rights ☐ 441 Voting ☐ 442 Employment ☐ 443 Housing/Accommodations ☐ 445 Amer. w/Disabilities - Employment ☐ 446 Amer. w/Disabilities - Other ☐ 448 Education PRISONER PETITIONS Habeas Corpus: ☐ 463 Alien Detainee ☐ 510 Motions to Vacate Sentence ☐ 530 General ☐ 535 Death Penalty Other: ☐ 540 Mandamus & Other ☐ 550 Civil Rights ☐ 555 Prison Condition ☐ 560 Civil Detainee - Conditions of Confinement			

V. ORIGIN (Place an "X" in One Box Only)

- ☒ 1 Original Proceeding ☐ 2 Removed from State Court ☐ 3 Remanded from Appellate Court ☐ 4 Reinstated or Reopened ☐ 5 Transferred from Another District (specify) ☐ 6 Multidistrict Litigation - Transfer ☐ 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
28 U.S.C. § 1332 Diversity of Citizenship

Brief description of cause:
Breach of Contract, Unjust Enrichment by Ruan Transport corporation

VII. REQUESTED IN COMPLAINT:

☒ CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. **DEMAND \$** Excess of \$5,000,000 **CHECK YES only if demanded in complaint:**
JURY DEMAND: ☒ Yes ☐ No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE James D. Maxwell, II

DOCKET NUMBER 3:26-cv-00123-JDM-JMY

DATE

09/10/2026

SIGNATURE OF ATTORNEY OF RECORD

/s/ Timothy W. Porter

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____

APPLYING IFP _____

JUDGE Brown

MAG. JUDGE Percy

AMSND-2739277