

STATE OF OHIO
DEPARTMENT OF ADMINISTRATIVE SERVICES
GENERAL SERVICES DIVISION
OFFICE OF PROCUREMENT SERVICES
4200 SURFACE ROAD, COLUMBUS, OH 43228-1395

MANDATORY USE CONTRACT FOR: To Provide Administrative Accounting, Inventory Control, Warehouse Handling and Storage Services for the Ohio Department of Commerce, Division of Liquor Control in Southeast Ohio.

CONTRACT No.: OT902912

EFFECTIVE DATES: 03/01/12 to 02/28/18

The Department of Administrative Services has accepted bids submitted in response to Invitation to Bid No. OT902912 that opened on 11/28/11. The evaluation of the bid response(s) has been completed. The bidder(s) listed herein have been determined to be the lowest responsive and responsible bidder(s) and have been awarded a contract for the items(s) listed. The respective bid response, including the [Terms and Conditions for Bidding, Standard Contract Terms and Conditions, and Supplemental Contract Terms and Conditions](#), special contract terms & conditions, any bid addenda, specifications, pricing schedules and any attachments incorporated by reference and accepted by DAS become a part of this Requirements Contract.

This Requirements Contract is effective beginning and ending on the dates noted above unless, prior to the expiration date, the Contract is renewed, terminated or cancelled in accordance with the Contract Terms and Conditions.

This Requirements Contract is available to Ohio Department of Commerce, Division of Liquor Control, 6606 Tussing Road, Reynoldsburg, Ohio 43068-9005, as applicable.

Agencies are eligible to make purchases of the listed supplies and/or services in any amount and at any time as determined by the agency. The State makes no representation or guarantee that agencies will purchase the volume of supplies and/or services as advertised in the Invitation to Bid.

SPECIAL NOTE: State agencies may make purchases under this Requirements Contract up to \$2500.00 using the state of Ohio payment card. Any purchase that exceeds \$2500.00 will be made using the official state of Ohio purchase order (ADM-0523). Any non-state agency, institution of higher education or Cooperative Purchasing member will use forms applicable to their respective agency.

Questions regarding this and/or the Requirements Contract may be directed to:

Rob Rounds
rob.rounds@das.state.oh.us

This Requirements Contract and any Amendments thereto are available from the DAS Web site at the following address:

<http://www.ohio.gov/procure>

Signed: _____
Robert Blair, Director Date

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SPECIAL TERMS AND CONDITIONS

WHERE APPLICABLE, THE FOLLOWING TERMS AND CONDITIONS SUPERSEDE ANY STANDARD TERMS AND CONDITIONS SHOWN IN THIS BID.

MANDATORY BIDDERS' CONFERENCE: On November 10, 2011 at 10:00 a.m. at the Office of State Purchasing, 4200 Surface Road, Columbus, Ohio, in the Willow/Walnut Conference Room, there will be a mandatory bidders conference to discuss the requirements of the bid. Attendance will be taken. The conference will commence at 10:00 a.m. sharp and the doors will be closed. Bidders arriving late will not be permitted to enter the conference room. Only bids submitted by those attending the bidders' conference and listed on the sign-in sheet will be considered for any award of the ensuing contract.

DELIVERY AND ACCEPTANCE: Services will be performed as set forth in the contract and in accordance with paragraphs S-8, S-9, and S-10 of the SUPPLEMENTAL CONTRACT TERMS AND CONDITIONS. The location of performance will be noted on the purchase order issued by the participating agency. Payment for services rendered will occur upon the inspection and written confirmation by the ordering agency that the services provided conform to the requirements set forth in the contract. Unless otherwise provided in the contract, payment shall be conclusive except as regards to latent defects, fraud, or such gross mistakes as amount to fraud.

AMENDMENTS TO CONTRACT TERMS AND CONDITIONS: The following Amendments to the Contract Terms and Conditions do hereby become a part hereof. In the event that an amendment conflicts with the Contract Terms and Conditions, the Amendment will prevail.

SUBMISSION OF INVOICES: Separate invoices shall be required as follows:

- a. Invoice liquor vendor(s) for all handling and storage services actually performed, if the merchandise is in Bailment, Special Order or liquor vendor stock.
- b. Invoice Division of Liquor Control, 6606 Tussing Road, Reynoldsburg, OH 43068-9005 for all handling and storage charges for services actually performed for merchandise that is State stock.
- c. Invoices for paragraph "a" and "b" above shall be rendered on a calendar month basis and shall be due and payable thirty (30) days after such billing.
- d. Please indicate your Tax Identification Number on all statements and invoices.

PERFORMANCE BOND: The Director, Department of Administrative Services may require a performance bond in the amount of two hundred thousand (\$200,000.00) dollars be submitted by the bidder. As part of the evaluation process to determine the lowest responsive and responsible bidder, the bidder will be required to provide the said performance bond within ten (10) business days, after notification, to the Office of State Procurement. Failure to provide the performance bond within the stated time period will result in the bidder being deemed as not-responsive.

The purpose of the bond is to ensure proper performance by the Contractor on any contract awarded pursuant to this bid. A standard bond form from any company authorized to do business within the state of Ohio is acceptable. The bond shall be made payable to the Treasurer, State of Ohio, referencing the applicable bid number.

The bond shall become effective upon written notification by the Director, Department of Administrative Services that the bidder has been determined to be the lowest responsive and responsible bidder and that a contract has been awarded to the bidder, and shall remain in effect for one year. The renewal of the bond beyond one year shall be at the discretion of the Ohio Department of Commerce, Division of Liquor Control.

AWARD: There will be one (1) award for the Southeast district to the lowest responsive and responsible bidder meeting all bid specifications and requirements listed herein.

- a. The award will be based on the cost of six (6) years. Optional years will not be used to determine the low lot cost of the bid. However, a price must be entered in the optional year columns to be considered for the award of this ITB. Failure to enter a cost for the optional years may deem your bid non-responsive with no further consideration for award.
- b. **Facility Acceptance:** The using agency will perform a Site Survey of bidder's facility to determine acceptability.

EVALUATION: It is State Procurement's intent to award a contract to the bidder submitting the lowest responsive and responsible bid meeting specified bid requirements.

Cost evaluation will be determined by using an estimate of cases received annually, based on inventory status shown on Exhibit "B, C or D", extended by the appropriate charges. The total charges will equal the annual cost in the evaluation process. (See formula example on Exhibit "A")

PROPOSAL EVALUATION FORMAT: The main criterion which is to be used in proposal evaluation are:

The award will be based on the cost of six (6) years. Optional years will not be used to determine the low lot cost of the bid. However, a price must be entered in the optional year columns to be considered for the award of this ITB. Failure to enter a cost for the optional years may deem your bid non-responsive with no further consideration for award. Award shall be based on lowest responsive and responsible bid meeting specifications.

PRICES: All prices shall be firm. Check your bid carefully because errors cannot be corrected after bids are opened. This Invitation to Bid and the bid response will become a part of the contract.

State Procurement may accept or reject any or all bids, either in whole or in part (by item). State Procurement may waive minor defects in a bid when no prejudice will result to the rights of any other bidder or to the public.

CERTIFICATION: A certificate attesting to the fact that the bidder has the facility, service personnel and equipment to meet the requirements specified herein must be submitted with this bid. Furthermore, this certificate shall be on business or corporate letterhead paper and signed by an authorized representative submitting the response. If the bidder is a corporation, a corporate resolution authorizing the submission of its bid, shall be submitted and if the bidder is the successful awardee, a corporate resolution authorizing it to enter into the contract. The Contractor must also include that the Contractor is in sound financial condition with no outstanding judgments or liens. Failure to provide this certification letter with the bid will result as being deemed non-responsive with no further consideration given.

OPTIONAL RENEWAL: The State reserves the right to accept or reject the optional renewal year's pricing (prices quoted, pricing schedules) under the terms and conditions stated herein.

CONTRACT RENEWAL: This contract may be renewed for one (1) month, at the state's option. Additionally, this contract may be renewed by agreement any number of times for any period of time under the same prices, terms and conditions stated herein. The cumulative time of all renewals by agreement may not exceed two (2) years.

CONTRACT COMPLIANCE: During the term of this contract, each using agency shall be responsible to monitor the Contractor's performance and compliance with the terms and conditions of the contract. If an agency observes any infraction(s), such shall be documented and conveyed to the Contractor for immediate correction. If the Contractor fails to rectify the problem(s), the agency shall notify the Office of State Procurement to help resolve the incident(s). Continued failures on the Contractor's part to comply with the terms and conditions of the contract may result in the immediate termination of the Contractor from contract by the Director, Department of Administrative Services.

TERMINATION: The contract shall be subject to the following termination provisions:

- a. Immediate termination by the Department of Administrative Services, at the request of the Division of Liquor Control for cause upon the failure of the Contractor to comply with the terms and conditions of the contract. Termination will begin twenty-four (24) hours following notice to the Contractor for failure to comply with these terms and conditions. Termination for cause, shall create a liability upon the Contractor to pay reasonable termination costs and perform reasonable termination services. Termination will be determined by the Department of Administrative Services, including, but not limited to, the items listed below.
- b. Upon filing of a petition in bankruptcy or insolvency by or against the Contractor, the Department of Administrative Services may deem the contract terminated. Such termination shall not be a waiver of the Department's right to file claims against and receive payment for any and all damages it incurs as a result of such termination.
- c. The contract shall terminate February 29, 2018 unless otherwise extended in accordance with the optional renewal clause as listed above.

- d. Upon termination of the contract, it will be the Contractor's responsibility to assist the Division of Liquor Control in the orderly removal of all stored items from the Contractor's facilities. Such assistance will include the necessary labor and equipment to move said items from storage areas to the appropriate shipping dock for shipment by rail or truck as directed by the Department.
- e. Upon any request for assignment of this contract, DAS and the Division of Liquor Control are to review the request and will make a determination whether to approve the request for assignment. Upon any assignment of this contract without the approval of both DAS and the Division of Liquor Control, DAS may terminate the contract.

DEPARTMENT'S OPTIONS: The Division of Liquor Control reserves the right to change, or enlarge the warehouse district or consolidate any one or more of its warehouse districts.

CONTRACTOR'S AGREEMENT: The successful Contractor agrees that it will make available any and all documents, books of accounts, corporate records, stockholders' ledgers, etc. at all times for inspection by the authorized employees of the State, by the officers or employees of the Auditor of State or any other governmental agency. Contractor and the state of Ohio recognize that in actual economic practice, overcharges resulting from anti-trust violations are usually borne by the state of Ohio. As consideration for the award of this contract, and intending to be legally bound, Contractor assigns to the state of Ohio all right, title and interest to all claims and causes of action the Contractor now has or may acquire under state or federal antitrust laws provided that the claims or causes of action relate to the goods or services that are the subject of this contract, and except as to any claims or causes of action which result from antitrust violations that occur after the price is established under this contract and that are not passed on to the state of Ohio. Additionally, the Contractor warrants that each of its first tier suppliers and subcontractors will assign all such claims and causes of action to the state of Ohio, subject to the aforementioned provision and exception.

USAGE REPORTS: Every six (6) months the Contractor must submit a report (written or on disk) indicating sales generated by this contract. The report shall list usage by customer, by line item, showing the quantities/dollars generated by this contract. The report shall be forwarded to the Office of State Procurement, 4200 Surface Road, Columbus, Ohio 43228-1395, Attn: Robert Rounds.

NOTICE ON THE USE OF SOCIAL SECURITY NUMBERS AS FEDERAL TAX IDENTIFICATION NUMBERS:

The Department of Administrative Services (Department) requires vendors and contractors wishing to do business with the State to provide their Federal Taxpayer Identification Number to the Department. The Department does this so that it can perform statutorily required "responsibility" analyses on those vendors and contractors doing business with the State and, under limited circumstances, for tax reporting purposes. If you are a vendor or contractor using your Social Security Number as your Federal Taxpayer Identification Number, please be aware that the information you submit is a public record, and the Department may be compelled by Ohio law to release Federal Taxpayer Identification Numbers as a public record. If you do not want to have your Social Security Number potentially disclosed as a Federal Taxpayer Identification Number, the Department encourages you to use a separate Employer Identification Number (EIN) obtained from the United States Internal Revenue Service's to serve as your Federal Taxpayer Identification Number.

SPECIFICATIONS TO PROVIDE ADMINISTRATIVE ACCOUNTING,
INVENTORY CONTROL, WAREHOUSE HANDLING AND STORAGE SERVICES.

I. SCOPE

These specifications shall cover the administrative accounting, inventory control, warehouse handling and storage services for spirituous liquor for the Ohio Department of Commerce, Division of Liquor Control in Southeast Ohio.

II. RESPONSIBILITY REQUIREMENTS

- A. No bidder directly or indirectly, through or by its directors, officers, principal stockholders (minimum of five percent ownership), partners, employees, members, agents, or otherwise shall have any interest in any distillery, rectifier, importer, or retailer of spirituous liquor. In addition, none of the above named classes of persons shall have, directly or indirectly, any interest in the business of any bidder submitting a bid for this contract. Nor shall any director, officer, principal stockholder (minimum of five percent ownership), member, partner, employee, or agent of a bidder have been convicted of any crime which, in the sole discretion of the Superintendent of the Division, is reasonably related to such person's fitness to conduct the business described in this Invitation to Bid. The bidder agrees to authorize the Division to accomplish criminal background checks, as determined to be appropriate by the Superintendent of the Division, on all persons referenced herein prior to the award of any contract pursuant to this Invitation to Bid. The criminal background checks must be conducted in accordance with the procedures required by the Division of Liquor Control.
- B. Each bidder must submit the fire insurance rating for each building described as part of this bid. If the Division of Liquor Control, (hereafter DOLC), any liquor vendor, or anyone authorized by DOLC to warehouse merchandise in that warehouse incurs a rate increase in its fire insurance (for merchandise stored at a warehouse) due to dangerous materials being stored at the warehouse, DOLC, any liquor vendor, or anyone authorized by the DOLC to warehouse merchandise in that warehouse may deduct the amount of the increase from payments to the Contractor until the situation has been corrected and the rate increase is reduced.
- C. Bidding entity must have been in the warehousing business for a minimum of two (2) year prior to the date of bid opening.
- D. An authorized representative of the bidder, which will include principles, owners, and/or management, must have a minimum of five (5) years experience in the warehousing business.

The bidder shall immediately notify the Department of Administrative Services (DAS), office of State Procurement and the Division of Liquor Control, of any changes to the management personnel of anyone responsible for handling this account (DOLC) for the successful bidder, and all new management personnel must have a minimum of five (5) years experience in the warehousing business.

III. WAREHOUSING SPECIFICATIONS

The space and services proposed must conform to the following conditions in the warehouse(s):

- A. The successful bidder must be deemed an independent contractor, and not an agent of the Division of Liquor Control. The term "independent contractor" means: one who exercises an independent employment and who has the right to employ and direct the action of the workers, independent of the Division of Liquor Control.
- B. The building for the Southeast Ohio must be located in Franklin County (see attached map - Exhibit C).

Any facility to be used for this contract must meet all requirements within thirty (30) days of the award. The evaluation committee will decide if in their opinion, the facility can meet the state requirements within the thirty (30) days.

SPECIFICATIONS TO PROVIDE ADMINISTRATIVE ACCOUNTING,
INVENTORY CONTROL, WAREHOUSE HANDLING AND STORAGE SERVICES Cont'd.

Bidder must provide to the Division of Liquor Control a complete brand slot location diagram within fourteen (14) days prior to the date Bidder is to receive the inventories of spirituous liquor. Annually, it is Contractor's responsibility to provide the Division of Liquor Control with an updated slot location report.

Bidder must complete the physical painting of the slot locations at least seven (7) days prior to the date the Bidder is to receive the inventories of spirituous liquor.

1. The building must be fire resistant with an operational fire suppression system or equally effective system of protection as meets the approval of the insurance service office or other recognized inspection services.
2. The building must be supplied with adequate protective service such as alarms, security person service, and other effective protective devices and services. The building must have ingress to and egress from the warehouse proper through paved streets.
3. The building must be able to accommodate truck delivery on an approximately level street or space. Dock space for Southeast, Ohio location must be available for the placement of a minimum of three (3) trucks or over-the-road trailers at one time at the warehouse receiving area and with truck bodies at floor level.
4. The building for the Southeast Ohio location must have a minimum of one hundred twenty thousand (120,000) square feet of storage capacity. The building must be a single level facility with a minimum unobstructed (not to include any items such as sprinkler system, pipes, lighting, etc.) ceiling height of 18 feet in the proposed liquor storage area. (See Exhibit for projected daily inventory and movement quantities).
5. The liquor, paper bags and boxes of paper inventory must be processed on the "first in - first out" method, because of label, vendor, proof, age and other changes that occur and to keep stock up-to-date.
6. The Contractor shall use standard size pallets (48" x 40") in the handling and storage of all liquor and paper bags within the warehouse and the Contractor shall allow the Division of Liquor Control's contract carrier to load outlet deliveries on the contract carrier's vehicles, using the same standard size pallet that the Contractor loaded when the order was pulled.
7. The Division of Liquor Control requires each warehouse to maintain a free pallet exchange program with all liquor vendors as well as each warehouse in the D.O.L.C. system. As long as the pallets received are in serviceable condition and of standard size, the warehouse(s) are required to replace an equal quantity of pallets into the vehicle (including the contract carrier vehicle) from which pallets were unloaded. This exchange is to be noted on the receiving report. If the driver refuses to accept the return pallets, the pallets are to be retained at the warehouse(s) and the refusal noted on the receiving report. Under no condition will the State pay for pallets. At the present time, approximately ninety (90) percent of the trucking loads of spirituous liquor are received on slip sheets and require no pallet exchange.

SPECIFICATIONS TO PROVIDE ADMINISTRATIVE ACCOUNTING,
INVENTORY CONTROL, WAREHOUSE HANDLING AND STORAGE SERVICES Cont'd.

8. Upon unloading of any merchandise from any liquor vendor or another warehouse, the Contractor will be responsible for the good condition of all cases of liquor, bundles of paper bags, and boxes of paper received at their warehouse, whether palletized, slip sheet or floor loaded. If any damage or shortage is detected during unloading, the damage must be set aside and recoopered immediately after unloading is completed. When any loss or damage is discovered, the Contractor must notify the delivering carrier's representative and preserve the unloading record, receiving report and copy of the delivery receipt signed by the driver for each shipment. Also, the delivery receipt must have the amount of damage recorded on it plus the driver's signature. If damage is found in a rail car and no inspection report was made, all damage will be charged to the Contractor. After all inspections have been made and the saleable merchandise recoopered, the remaining damaged bottles are to be destroyed in accordance with all applicable state and federal laws (e.g. hazardous waste). If the merchandise is unsalable (e.g. missing labels) it must be reported as such and segregated from other stock until the Division of Liquor Control can determine what is to be done with the merchandise. After the Division of Liquor Control has made a determination as to the disposition of the bailment, special order and liquor vendor merchandise, the Contractor and the liquor vendor must determine the appropriate method of carrying out this disposition. All Bailment, Special Order and vendor stock breakage occurring in the warehouse (house breakage) will be destroyed on a quarterly basis. Liquor vendors must be notified, in writing, of the merchandise to be destroyed and the scheduled date of destruction at least thirty (30) days in advance and must have the opportunity to inspect the merchandise and witness its destruction. The Contractor is to keep a record of all breakage reports and furnish a copy to the liquor vendor. The Contractor is to unload all shipments from the interior of rail car(s) or truck(s) including containers with due care; to inspect all cases and/or bundles; to determine evidence of tampering; exterior evidence of damage; to inspect all cases or bundles for short weight according to Division of Liquor Control policy. Any palletized or slip-sheet load received must be unloaded as such. The Contractor must not allow the driver to repalletize the load unless the pallets received are not standard size. If any truck or container shipment is floor-loaded and the Contractor has the driver palletize the load, the Contractor is still responsible for the good condition of all merchandise received. Under no condition is the Contractor allowed to refuse delivery of a load of merchandise without approval from the Division of Liquor Control.
9. Bailment and Special Order stock can only be received if the warehouse has a Blanket Consent number of the liquor vendor. Bailment and Special Order merchandise must be unloaded the same as State Stock, except that Bailment and Special Order Stock are still the property of the liquor vendor, and the Contractor's reporting will be directed to the liquor vendor. State stock is any product that the Division of Liquor Control takes ownership of while still in the warehouse. A copy of the non-negotiable receiving report will be sent to the Division of Liquor Control. The audit of these stocks is the responsibility of the Contractor, along with Division of Liquor Control and the stocks will be audited twice a year and adjusted with the applicable liquor vendor by letter.

The Contractor will be responsible for audit inventory shortages at the Division of Liquor Control's cost price. Inventory overages will be applied against shortages with the Contractor responsible for the net shortage. In the case of a net inventory overage, the liquor vendor will not be responsible for payment to the Contractor; however, the overage will be applied to the next audit inventory shortage. If the liquor vendor can provide documentation that an inventory overage is the result of an overshipment or failure to report receipt of merchandise properly, then the overage will be deducted from the audit overage. The payment by the Contractor to the vendor of audit inventory shortages is due within thirty (30) days of a liquor vendor's invoice.
10. Unloading of Trucks - The Contractor will be responsible for scheduling of any truck(s) for unloading into its warehouse. Based on the code of federal regulations and/or any applicable state laws or rules in effect at the time on motor vehicles, records must be kept as to the time involved regarding appointments and unloading. The Division of Liquor Control reserves the right to require the Contractor to add additional personnel to accommodate deliveries of spirituous liquor if an appointment cannot be made within five days of a call requesting a delivery appointment.

SPECIFICATIONS TO PROVIDE ADMINISTRATIVE ACCOUNTING,
INVENTORY CONTROL, WAREHOUSE HANDLING AND STORAGE SERVICES Cont'd.

11. The Contractor must make platform delivery in good condition for all authorized merchandise to be released from the warehouse. The Contractor will be responsible for ensuring that the correct brands, container sizes, and case quantities are pulled for each shipment. This will be accomplished through the use of hand-held scanners and appropriate inventory management software to verify accuracy of picked orders and/or identify discrepancies. The cost of a basic scanning program, 3 scanner and printers and personal computer is projected to be approximately \$30,000 to \$40,000. Contractor is to provide personnel to verify all withdrawn merchandise with regard to outlet, brand and quantity prior to the merchandise being released to the contract carrier. Prior to the time the Contractor releases spirituous liquor products to the contract carrier, the Contractor must provide to the contract carrier an electronic record, in a format satisfactory to the Division of Liquor Control, of the spirituous liquor products that the contract carrier is to deliver to each agency store outlet. Each order must be verified by physical count, and must be scanned for accuracy. After both the warehouse Contractor and trucking Contractor are satisfied that the order is accurate (both in brand and quantity), the warehouse Contractor must provide a printed copy of the order authorization to the trucking Contractor. For each short shipment exceeding the rate of 5 per 10,000 cases of inventory pulled for shipment during any given week, the Contractor will be charged a fee of fifty (\$50.00) dollars, to be paid to the Division of Liquor Control within thirty (30) days of invoicing. A 'short shipment' is a pulled order, which contains either an incorrect brand or container size or the incorrect number of cases.

The Contractor must make platform delivery in good condition for all authorized merchandise:

- a. To the Division of Liquor Control's contract carrier's area as early as possible, but the last order must be delivered no later than 3:00 p.m. on the scheduled pull date of each sales outlet in order that the trucks can be loaded and the merchandise delivered on schedule. Failure of the Contractor to supply deliveries by 3:00 p.m. of the scheduled pull date will result in a charge back of overtime incurred as a result by the Division of Liquor Control's contract carrier.
- b. To the liquor vendor's representatives as directed by the Division of Liquor Control.
- c. To sales outlet managers as directed by the Division of Liquor Control.
- d. To any other person authorized to do so by the Division of Liquor Control.

During the first three weeks of the initial warehouse contract, DOLC's contract carrier and the Contractor will coordinate the times that the orders will be furnished to the contract carrier.

12. Upon notification of the availability of transfer inventories (warehouse to warehouse from their stock) or upon immediate receipt of reallocated inventories, the contract carrier, based on priority of movement issued by the Division of Liquor Control, will advise the Contractor of release to the contract carrier's area or assigned common carrier, or anyone so designated by the Division of Liquor Control. The Contractor will cooperate and facilitate such transfer of inventories.
13. The Contractor will designate two persons (primary and secondary) who will have communications responsibility to the Division of Liquor Control and/or liquor vendor regarding the daily operations (inventory shipments and reporting) of the warehouse. The Contractor shall employ one full-time Warehouse Manager who shall not directly perform duties related to filling order and unloading of trucks. The Contractor shall also employ one full-time clerical person, who shall not be directly involved in the unloading of trucks.
14. The Contractor for the Southeast Ohio location must provide 5,000 square feet of space at dock level for Division of Liquor Control's contract carrier. The office area will require a private pedestrian entrance and a security system to allow access by the contract carrier's personnel outside of warehouse working hours. Included in the total square feet for the Southeast Ohio location is 200 square feet needed for offices for the contract carrier and the remaining 4,800 square feet will be required as staging with 8 contiguous dock doors for the location. It is the responsibility of the Contractor to maintain and provide concrete pads sufficient to support all contract carriers' trailers in the loading area. The contract carrier's office space will require sufficient heat, lighting, water, air conditioning, ventilation, and restroom facilities. The contract carrier must pay a fixed monthly rental for this area, which will be agreed upon between the Contractor and the trucking contract carrier, but in no event will such monthly rental exceed \$1,375 for the Southeast Ohio location. The Utilities and security system charges will be the responsibility of the contract carrier. Also included in this monthly rental charge will be the costs of a protected fenced yard, which must be provided by the contractor for the Division of Liquor Control's contract carrier and which will encompass the dock area and be large enough to hold 10 semi trailers for the Southeast Ohio location and be protected by locks and live security or a central station intrusion alarm on the gate. The fence provided by the contractor for the entire protected fenced yard must extend at least one hundred (100) feet from the contract carrier's space and all the loading doors for the warehouse must be located within this fenced area. However, the Division of Liquor Control has the right to alter this requirement to adjust to the physical make-up of the building, if mutually agreed by the Division of Liquor Control and the contractor.

SPECIFICATIONS TO PROVIDE ADMINISTRATIVE ACCOUNTING,
INVENTORY CONTROL, WAREHOUSE HANDLING AND STORAGE SERVICES (Cont'd)

15. It will be the Contractor's responsibility to keep the receiving, shipping, parking and entry areas of the warehouse, and the contract carrier's area clear of ice, snow, water, storm drainage and any other obstruction.
- C. Data Processing equipment and reporting requirements - The warehouse Contractor will provide computer equipment, software and appropriate applications capable of handling the information as explained in Exhibit F attached. Such computer is to be fully programmed and operational within thirty (30) days of award. Regardless of the location of the computer's main frame, (i.e. in the warehouse or at another location), the Contractor will be responsible for the entry and maintenance of data as well as the operation of the system. If any problems arise with the system, the Contractor will be responsible for making the necessary corrections or changes with forty-eight (48) hours, unless the Division of Liquor Control agrees to an extension of time. The estimated start-up computer programming costs to the Contractor are expected to be in the range of \$35,000 to \$50,000 for the Contractor's warehouse facility to become operational. The warehouse inventory management system must be capable of maintaining inventory data by vendor identifier as well as SKU. Inventory must be maintained by both case and bottle counts. The system must compare contractor's inventory to orders submitted by the DOLC and make cuts/scratches to orders accordingly before order pick tickets are created. The system must be capable of database searches and creation of a variety of reporting documents.
- D. All invoices are required for items listed below and are to be rendered on a calendar month basis and to be due and payable thirty (30) days after billing. All handling charges will be the sole responsibility of the liquor vendor if the merchandise is Bailment, Special Order, or Vendor Stock, and all handling charges for merchandise that is State Stock will be the responsibility of the Division of Liquor Control.
- E. Programming Formats can be obtained at the following link on the website of the Division of Liquor Control:
<http://com.state.oh.us/liqr/docs/WarehouseDocumentation.pdf>.
1. Handling in, handling out and storage charges for liquor and paper bags will require a per case bid; as set forth in the attached Price Schedule. The following is pertinent information regarding the Price Schedule; Four (4) different methods are described below and each must be bid on.
- Handling In and Handling Out - these charges cover the ordinary labor involved in unloading of rail cars and motor vehicles, receiving goods at warehouse door, inspection, placing goods in storage, filling orders from storage and making platform delivery; also loading of any common carrier vehicle for return of vendor merchandise.
 - Case or Bundle - case refers to spirituous liquor and the Division of Liquor Control will specify the number of bottles per case, per code number and size of bottle. From time to time one (1) case could consist of two (2) or more boxes strapped together. Any fraction of a case will be considered as a whole case, for billing purposes only; bundle refers to paper bags or boxes of paper and the Division of Liquor Control will consider any fraction of a bundle as a whole bundle for billing and inventory. A separate rate charge per case (or fraction thereof) for handling in and handling out; with a rate for storage by half month; and a rate for renewal with each succeeding month. Initial charge(s) - flat rates per case (or fraction thereof) for handling in and handling out.
 - Storage - a flat rate per case (or fraction thereof) if received between the 1st and 15th of the month will be a full month's rate. If received between the 16th and last day of the month, the charge will not exceed one-half of the month's rate.
 - Renewal - a flat rate per case (or fraction thereof) for the case inventory on the 1st day of each succeeding month will be charged at the rate established for storage for the 1st through the 15th of the month.

SPECIFICATIONS TO PROVIDE ADMINISTRATIVE ACCOUNTING,
INVENTORY CONTROL, WAREHOUSE HANDLING AND STORAGE SERVICES (Cont'd)

2. There will be no handling in charge for the initial movement of existent stock into the Contractor's facility, and the initial storage charges will be prorated from date of receipt. No Contractor shall charge any minimum invoice amount at any time.
 3. Rate for recouping a full case (a fraction of a case equal's one case) for liquor only. The Contractor shall recoup special order merchandise as required by the Division of Liquor Control.
- F. The Division of Liquor Control will be responsible for the costs of transferring the existing inventories of spirituous liquor from the previous Contractor's warehouse facility to the new Contractor's warehouse facility.
- G. The new contractor will be required either to provide or purchase at least 3,500 pallets in good condition or to do a pallet exchange from the previous warehouse contractor. In a pallet exchange, the new contractor would retain the pallets from the previous warehouse contractor, but the new contractor would provide to the previous warehouse contractor an equal number of pallets in a similar condition.

YOUR BID:

Bidders shall not insert a unit cost more than 3 digits after the decimal point. Digit(s) beyond 3, after the decimal point, shall be dropped by the Office of State Purchasing and not used in the evaluation and any subsequent award.

PRICE SCHEDULE

Southeast Ohio Warehouse

ITEM NUMBER: 20309

NOTE: Optional years will not be used to determine the low lot cost of the bid. However, a price must be entered in the optional year columns to be considered for the award of this I.T.B. Failure to enter a cost for the optional years may deem your bid non-responsive with no further consideration for award. This Price Schedule is for Southeast Ohio.

ITEM DESCRIPTION	COST PER CASE						COST PER CASE	
	3/01/12 through 2/28/13	3/1/13 through 2/29/14	3/1/14 through 2/28/15	3/1/15 through 2/29/16	3/1/16 through 2/28/17	3/1/17 through 2/29/18	OPTIONAL	YEARS
							3/1/18 through 2/28/19	3/1/19 through 2/29/20
<u>Handling Charge</u> In	\$.05	\$.05	\$.05	\$.05	\$.05	\$.05	\$.06	\$.06
Out	\$.26	\$.22	\$.22	\$.22	\$.22	\$.22	\$.29	\$.30
Storage Charge (1st thru 15th)	\$.12	\$.10	\$.10	\$.10	\$.10	\$.10	\$.14	\$.14
Storage Charge (16th thru end)	\$.06	\$.05	\$.05	\$.05	\$.05	\$.05	\$.07	\$.07
*** Renewal Charge	\$.12	\$.10	\$.10	\$.10	\$.10	\$.10	\$.14	\$.14
*Rate for recouping full case of liquor	\$5.00	\$5.00	\$5.00	\$5.50	\$5.50	\$5.50	\$6.00	\$6.00

*A minimum renewal of \$10.00 will be billed to any vendor that does not maintain a sufficient inventory.

Cost of Performance Bond: \$5,320.00

**Renewal - a flat rate per case (or fraction thereof) for the case inventory on the 1st day of each succeeding month will be charged at the rate established for storage for the 1st through the 15th of the month.

CONTRACTOR INDEX

CONTRACTOR AND TERMS:

BID CONTRACT NO.: OT902912-1 (3/1/12)



VENDOR ID.: 48906
Spartan Warehouse & Distribution Co., Inc.
4140 Lockbourne Rd.
Columbus, OH 43207

TERMS: Net 30 Days

CONTRACTOR'S CONTACT: Steve Harmon

Telephone: (614) 207-4943
FAX: (614) 497-1808

E-MAIL ADDRESS:

Steve@Spartanwarehouse.com