

**STATE OF MAINE
DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES
BUREAU OF ALCOHOLIC BEVERAGES AND LOTTERY OPERATIONS**

RFP #: 201309606

**Maine Wholesale Spirits Business
Request for Proposals**

RFP Coordinator: Timothy Poulin
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From the time this RFP is issued until award notification is made, all contact with the State regarding this RFP must be made through the aforementioned RFP Coordinator. Only those answers issued in writing by the RFP Coordinator will be considered binding.

Bidders' Conference: Wednesday, October 16, 2013
1:00pm to 3:00 p.m.
Fort Western Room
Augusta Civic Center
Civic Center Drive
Augusta, ME 04330

Deadline for Submitted Questions: Friday, October 18, 2013, 5:00 p.m. local time

Proposals Due: Thursday, November 14, 2013, not later than 2:00 p.m. local time

Submit to:

**Division of Purchases
Burton M. Cross Building, 111 Sewall Street, 4th Floor
9 State House Station, Augusta ME 04333-0009**

Public Notice

**State of Maine
Department of Administrative and Financial Services
Bureau of Alcoholic Beverages and Lottery Operations
Public Notice for RFP # 201309606
Maine Wholesale Spirits Business**

The State of Maine Department of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations (BABLO) has a requirement for wholesale spirits business activities in two areas: (1) Spirits Administration that includes general management, financial management, administration, logistics (warehousing and distribution) and information technology; and (2) Spirits Trade Marketing that includes general management, financial and business analysis, category management, marketing and field agency liquor store support. In accordance with State procurement practices, the Department is hereby announcing the publication of a Request for Proposals (RFP) #: 201309606 for the purchase of the aforementioned services.

A copy of the RFP can be obtained by contacting the Department’s RFP Coordinator for this project: Timothy Poulin, Deputy Director of BABLO. The RFP Coordinator can be reached at the following email address: Tim.Poulin@Maine.gov or mailing address: 8 State House Station, Augusta, ME 04333-0008. The Department encourages all interested vendors to obtain a copy of the RFP and submit a competitive proposal.

A Bidders’ Conference will be held on Wednesday, October 16, 2013 from 1:00pm to 3:00pm in the Fort Western Room at the Augusta Civic Center, Civic Center Drive, Augusta, Maine 04330.

Proposals must be submitted to the State of Maine, Division of Purchases, located at the Burton M. Cross Office Building, 111 Sewall Street, 4th Floor, 9 State House Station, Augusta, Maine, 04333-0009. Proposals must be submitted by 2:00 pm, local time, on Thursday, November 14, 2013, when they will be opened at the Division of Purchases’ aforementioned address. Proposals not received at the Division of Purchases’ aforementioned address by the deadline indicated in this notice will not be considered for contract award.

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PART 1 – RFP CONTENT

1.0 Introduction

The Department of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations (“BABLO”) is issuing this Request for Proposals (“RFP”) to invite interested Bidders to submit Proposals to contract separately for spirits administration which includes warehousing and distribution and a contract for spirits trade marketing, each for a term of 10 years. Each contract must be awarded pursuant to a competitive bid process in a manner similar to the process described in Title 5, chapter 155, subchapter 1-A. BABLO is prohibited from contracting with a bidder who also holds a license in this State or another state to distill, bottle or manufacture spirits.

The services under Part A of this RFP include, but are not limited to:

- Spirits administration, including but not limited to financial and performance management; profitable and responsible growth management; management of contracts; management of agency liquor store matters and orders; personnel management; monitoring and reporting of spirits inventory; management of bailment records and billing; management of accounts receivables, accounts payable and tax collection and reporting; sales and profit reporting; database administration for agency liquor store accounts, orders; inventory management, Product management, pricing and reporting related to these data elements; management of spirit supplier matters and orders;
- Warehousing and distribution of spirits to agency liquor stores; and
- Bottle redemption services for spirits products.

The services under Part B of this RFP include, but are not limited to:

- Spirits trade marketing, including but not limited to agency liquor store category management, analysis and recommendations; agency liquor store shelf reset recommendations; agency liquor store displays, advertising, point of sale material and event marketing recommendations; development, production and distribution of sales, marketing and informational publications; consultation and coordination with suppliers and broker on matters affecting their brands; and development, production and distribution of social responsibility initiatives and compliance;

In the both Part A and Part B of this RFP, BABLO has defined a series of objectives, requirements, and a proposal evaluation approach that will represent its best interests in conformance with Maine law.

The Successful Bidder of Part A will be acting in the capacity of an agent of the State with respect to collection of and the payment of certain amounts when due. In all other respects relating to the

services under Part A, the Successful Bidder of Part A will act as an independent contractor. With respect to Part B, the Successful Bidder of Part B will act as an independent contractor.

The Successful Bidder of Parts A and B of this RFP is expected to enter into a written agreement (“Contract”) with BABLO within thirty (30) business days after notice of award identifying it as the Successful Bidders of both Parts A and B of this RFP, for Part A only of this RFP or Part B only of this RFP. The Contract for each Part will be for ten (10) years.

The Successful Bidder of Parts A and B of this RFP must be capable of supporting the current network of agency liquor stores, suppliers, brokers and BABLO. Additionally, the Successful Bidder of Parts A and B of this RFP must be able to support the growth of agency liquor stores and the spirits business, generally, during the life of the Contract.

A Bidder must acknowledge and affirm that it recognizes that it has an obligation, as the Successful Bidder of Parts A and B of this RFP selected to manage and operate the State's Wholesale Liquor Business (“the Business”), to manage and operate the business in a manner consistent with applicable law, including regulations adopted by BABLO and other State agencies regarding advertising, marketing, pricing, and distribution of spirits. The Successful Bidder of Parts A and B of this RFP further recognizes that the State, acting through the Bureau, has an obligation, and is committed to assuring that the interests of suppliers, agency liquor stores, spirits industry stakeholders and the people of the State of Maine are protected against unlawful dealing by the Successful Bidder of Parts A and B in its management and operation of the Business and the Successful Bidder of Parts A and B shall act in a responsible manner in its operation of the Business.

Bidders for both Parts A and/or B must describe in their proposals what internal policies they will create to promote fairness and high quality in its delivery of services under Parts A and B of this RFP that must not conflict with its obligations under this RFP and the operation of the Business. Within thirty (30) days after the Contract is executed, the Successful Bidder of Parts A and B must present the internal policies as required by this section to the Bureau for approval.

1.1 BABLO Objectives

BABLO has the following objectives for issuing this RFP and entering into a contract for the implementation and operation of the spirits administration including warehousing and distribution of spirits to agency liquor stores and spirits trade marketing.

- Obtain services for spirits administration including warehousing and distribution of spirits to agency liquor stores;
- Obtain services for bottle redemption of spirit beverage containers;
- Obtain a system that is sufficiently flexible to meet the evolving requirements of the spirits industry in Maine;

- Implement all proposed systems and services by the agreed-upon date;
- Obtain services for spirits trade marketing;
- Ensure that all services required under the RFP are delivered in a timely manner;
- Maximize net proceeds from the sale of spirits for the State of Maine; and
- Manage effectively the beverage alcohol industry relating to spirits to ensure responsible business practices and create a favorable economic climate while prohibiting sales to minors.

1.1.1 Explanation of Future Sales and Profit Forecasts

Appendix XIV is a ten-year forecast for the spirits business in Maine which is the basis for this RFP and represents our financial bottom-line profit targets for the ten-year contract period. Bidders for both Part A and B should consider this forecast above the gross profit line as directional-only, because these figures will be periodically adjusted to reflect current experience and new business plans. In other words, bidders should view these figures as planning guidelines, in developing their RFP cost submissions.

Bidders are strongly encouraged to submit as part of their proposals ideas to achieve superior business results. BABLO intends to use plans submitted by the Successful Bidders of Parts A and B partners to improve business performance and continuously update the forecast. Appendix XIV is not a guarantee of future performance.

Within Appendix XIV, the Gross sales line is net of all price discounts which are assumed here to be consistent with recent history. Cost of goods sold is also assumed to be consistent with recent history. Figures shown for price reduction, agent discount and sales/cases recovered are estimates and are subject to later revision based upon discussions between BABLO and the Successful Bidders of Parts A and B.

While not directly affecting this RFP, bidders are hereby informed that BABLO intends to implement a “pricing formula” in the next 6 – 12 months to simplify and make its pricing administration more transparent. This will also better align Maine practices with other control states.

1.2 Overview of the RFP

This Request for Proposals (RFP) will provide the information necessary to submit Proposals. **Part One** provides background and Proposal preparation information and applies to bidder for both Parts A and B. **Part A** contains business specifications for spirits administration including warehousing and distribution to agency liquor stores and bottle redemption services. **Part B** contains business specifications for spirits trade marketing. **Part Two** defines how bids must be submitted for Parts A and B. **Part Three** describes evaluation criteria, how Proposals will be evaluated, and the proceedings leading to execution of a contract with the Successful Bidder of

Parts A and B. Appendix II defines terms and conditions that will apply to the Contract for both Parts A and B unless otherwise noted.

1.3 RFP Coordinator

The RFP Coordinator, acting on BABLO's behalf, is the sole point of contact with regard to all procurement matters relating to the RFP, from the date of release of this RFP until BABLO's notice of contract award. All communications concerning this procurement must be addressed in writing to the RFP Coordinator:

Timothy R. Poulin
Deputy Director
Bureau of Alcoholic Beverages and Lottery Operations
8 State House Station
Augusta, Maine 04333-0008
Telephone: (207) 287-6750
Facsimile: (207) 287-6769
Email: Tim.Poulin@Maine.gov

1.4 Restrictions on Communication with BABLO

Other than to the RFP Coordinator, neither the Bidders nor their representatives shall make any contact with Department staff, RFP Review Team members or members of the State Liquor and Lottery Commission regarding this RFP. Prior to signing a contract, Bidders shall not represent themselves as having the endorsement of BABLO relative to this procurement. For Bidders currently doing business with BABLO, any communication regarding this RFP is prohibited except as provided for in this RFP. Any Bidder causing or attempting to cause a violation or circumvention of this restriction may, in the sole discretion of BABLO, be disqualified from further consideration.

1.5 Schedule

The following dates are established for informational and planning purposes. BABLO reserves the right to change any of the dates.

<u>Event</u>	<u>Time</u>	<u>Date</u>
RFP issued		October 3, 2013
Bidders' Conference	1:00 to 3:00pm	October 16, 2013
Bidders submit written questions	4:00 pm	October 18, 2013
Proposal Due Date (All Parts and Volumes)	2:00 pm	November 14, 2013

1.6 Bidder Questions and Clarification of RFP

Questions relevant to this RFP and/or requests for changes to the RFP must be mailed, faxed, or e-mailed to the RFP Coordinator at the location set forth in Section 1.3. Bidders must observe the time schedule for submitting questions. This schedule will ensure that BABLO has adequate time

to respond to all questions and that the responses will be provided to Bidders in time to be incorporated into their Proposals.

Bidders are cautioned that RFP questions should be written in generic terms and not contain cost information, as the questions will be published for all Bidders to view.

A copy of all pertinent questions, BABLO's responses, and any changes in the RFP resulting from inquiries or protests will be documented in published addenda communicated to the Bidders directly by e-mail

Responses to all substantive and relevant questions will be compiled in writing and distributed to all registered, interested persons by e-mail no later than seven (7) calendar days prior to the proposal due date. Only those answers issued in writing by the RFP Coordinator will be considered binding.

1.7 Bidder Conference

BABLO will sponsor a Bidders' Conference concerning this RFP beginning at the date and time shown in the schedule in Section 1.5 of this RFP. The Bidders' Conference will be held on Wednesday, October 16, 2013 from 1:00pm to 3:00pm in the Fort Western Room at the Augusta Civic Center, Civic Center Drive, Augusta, Maine 04330. Bidders are requested to bring to the Bidders' Conference any questions in writing to be submitted to BABLO.

The purpose of the Bidders' Conference is to answer and/or field questions, clarify for potential Bidders any aspect of the RFP requirements that may be necessary and provide supplemental information to assist potential Bidders in submitting responses to the RFP. Although attendance at the Bidders' Conference is not mandatory, it is **strongly encouraged** that interested Bidders attend.

1.8 Proposal Delivery and Receipt

Proposals must be received no later than **2:00 p.m. local time**, on the date listed in the schedule in Section 1.5 of this RFP, at which point they will be opened. Proposals received after the 2:00 p.m. deadline will be rejected without exception.

Bidders choosing to hand-deliver their Proposal must take into consideration that the Division of Purchases is in a secure facility and the Bidder must arrive early enough to comply with reasonable security procedures that may be in force before being admitted. The date and time stamp of the Division of Purchases is the official time of the proposal receipt.

For purposes of proposal delivery, Bidders should note that the office hours of the Division of Purchases are 8:00 a.m. to 4:00 p.m. Monday through Friday, excluding State holidays.

Proposals will be treated as confidential from the time of receipt until Notice of Award.

1.8.1 Mailing/Delivery Instructions

PLEASE NOTE: The proposals are not to be submitted to the RFP Coordinator at the requesting Department. The official delivery site is the Maine Bureau of General Services, Division of Purchases (address shown below).

Only proposals received at the official delivery site prior to the stated deadline will be considered. Bidders submitting proposals are responsible for allowing adequate time for delivery. **Proposals received after the 2:00 p.m. deadline will be rejected without exception.** Postmarks do not count and fax or electronic mail transmissions of proposals are not permitted unless expressly stated in this RFP. Any method of hardcopy delivery is acceptable, such as US Mail, in-person delivery by Bidder, or use of private courier services.

The Bidder must send its proposal in a sealed package including one (1) **original and six (6) copies** of the complete proposal. Please clearly label the original. One electronic copy of the proposal must also be provided on a USB flash drive with the complete narrative and attachments in MS Word or Adobe PDF format.

Address each package as follows (and be sure to include the Bidder's full business name and address as well as the RFP number and title) and deliver to:

Bidder Name/Return Address

Division of Purchases
Burton M. Cross Building, 4th Floor
111 Sewall Street
9 State House Station
Augusta ME 04333-0009

Re: RFP #: 201309606

1.9 Proposal Format

The Proposals for Part A and/or B of this RFP must be submitted in two (2) separate volumes and received by Division of Purchases no later than the date and time provided in Section 1.5. Bidders' response to Part A or Part B of this RFP must not be more than 200 pages respectively and proposals should be single-spaced with 1" margins on white 8 ½" x 11" paper using a font no smaller than 12 point Times New Roman or similar.

All pages should be numbered consecutively beginning with number 1 on the first page of the narrative (this does not include the cover page or table of contents pages) through to the end, including all forms and attachments. For clarity, the Bidder's name should appear on every page, including Attachments. Each Attachment must reference the section or subsection number to which it corresponds.

1.9.1 VOLUME I – Proposal of Services (Non-Cost)

The Proposal of Services shall include descriptive and technical matter only and must be appropriately labeled on the outside of the enclosure with the Bidder's name and address. **No cost figures shall be contained in the Proposal of Services.**

The original plus six (6) copies of the Proposal of Services for Parts A and B must be provided. In addition, the Proposal of Services for Parts A and B must be submitted electronically on USB flash drive using a Microsoft Word or Adobe PDF file.

The contents of the Proposal of Services (non-cost) volume must follow this outline, employing divider pages with tabs to separate the response sections:

- A. Transmittal Letter. The transmittal letter shall contain names, addresses, and telephone numbers of individuals who are authorized by the Bidder to address matters related to the Proposal including, but not limited to, contractual, technical, site visit, and background investigation issues;
- B. Formal Representation by the Bidder to comply with all Terms and Conditions (Appendix II) with any exceptions noted;
- C. Proposal Bond and Security (see Part 1, Sections 1.22 and 1.23);
- D. Disclosure of Litigation and Other Information (see Part 1, Section 1.25);
- E. Response to Specifications for Part A and/or B in identical order to Part A and/or B subsections. ~~An original and two (2) copies of the required financial information should be filed with the original Proposal, and not with all copies;~~ and
- F. Bidder-selected technical documentation as appendices.

1.9.2 Volume II – Cost Proposal

The cost for the services to be provided must be so identified on a separate enclosure. The Cost Proposal shall be signed in ink by an individual authorized to legally bind the Bidder. **The original plus one (1) copy of the Cost Proposal must be provided for both Parts A and B.**

The contents of the Cost Proposal must follow the following outline, employing divider pages with tabs to separate these response sections:

- A. Transmittal Letter; and
- B. Cost for the services outlined in Part A and B must be submitted separately. All cost proposals will remain sealed and not be available to the Review Team.

The response must employ the format designated in Part 2.

1.10 Withdrawal of Proposals

The withdrawal of the Bidder's Proposal(s) may be requested by written notice sent to the Bureau of General Services, Division of Purchases, if such notice is received prior to the established submission time and date.

1.11 Modification of Proposals

Proposals may be modified by the Bidder if such modification is received by the Bureau of General Services, Division of Purchases prior to the exact hour and date specified for submission of proposals.

1.12 Late Proposals

Proposals submitted pursuant to this RFP must be received no later than the date and time shown in the Section 1.5. Failure of a Bidder to submit a Proposal by the specified time will result in rejection of the Proposal. Proposals rejected for lateness will be returned unopened to the Bidder.

1.13 Proposal Clarification Process

BABLO may request clarifications from Bidders for the purpose of resolving ambiguities or questioning information presented in the Proposals. Clarifications may occur throughout the evaluation process. Clarification responses shall be in writing and shall address only the information requested. Responses shall be submitted to BABLO within the time stipulated at the time of the request.

Clarifications are for the purpose of resolving ambiguities and improving the understanding of BABLO regarding a Proposal. In no case does the clarification or any other process permit revision or supplementation of the Proposal offerings after submission. Clarifications are an opportunity to explain, but not alter or enhance, the Proposal.

1.14 Latitude in Proposal Contents

Each Bidder is expected to provide BABLO with information, evidence, and demonstrations that will make possible a contract award that best serves the stated interests of BABLO. Bidders are given wide latitude in the degree of detail they offer or the extent to which they reveal plans, designs, systems, processes, and procedures.

Bidders should prepare their Proposals simply and economically, providing a straightforward and concise description of their ability to satisfy the requirements of this RFP. Proposals that are of excessive length, or contain a preponderance of boilerplate text, are discouraged. Emphasis in each proposal should be on completeness and clarity. Proposals shall track exactly the format of the specifications. For clarity, the proposal should be typed or printed.

Failure of a Bidder to provide the appropriate information in response to each stated requirement may result in lower scores during the evaluation. Responses to complex RFP requirements that are stated in a form semantically equivalent to “Bidder agrees to comply” will be considered non-responsive.

Bidders shall take careful note that in evaluating a proposal submitted in response to this RFP, BABLO will consider materials provided in the proposal, information obtained through interviews/presentations (if any), and internal information available to BABLO of previous contract history with the Bidder (if any). BABLO also reserves the right to consider other reliable references and publicly available information in evaluating a Bidder’s experience and capabilities.

1.15 Disclosure and Ownership of Proposal Contents by BABLO

Following announcement of an award decision, all submissions in response to this RFP will be considered public records available for public inspection pursuant to the State of Maine Freedom of Access Act (FOAA) (1 M.R.S. §§ 401 et seq.). In the event a request is made to produce any proposal, BABLO will notify the bidder that BABLO will produce the proposal unless the bidder takes steps it deems necessary to prohibit production. BABLO will not undertake to determine **whether** any proposal or part of any proposal is confidential or otherwise protected from disclosure.

1.16 Joint Proposals

Two or more businesses may join to submit a Proposal in response to this RFP. If a joint Proposal is submitted, the Proposal shall define the responsibilities that each business is proposing to undertake. Of the businesses submitting a joint Proposal, one must be designated as the primary Bidder. Any contract award issued as a result of this submission will be made exclusively to the primary Bidder. The Proposal should designate a single authorized official from one of the joint businesses to serve as the sole point of contact between BABLO and the joint responding businesses.

1.17 Multiple Proposals from One Bidder Prohibited

A Bidder shall submit a single Proposal only. Within the single Proposal, the Bidder may identify in Volume I, options, services, and features that the Bidder believes may be appealing and useful to BABLO provided the options, services and features are within the base cost.

1.18 Costs Associated with Proposal

Neither BABLO nor the State of Maine in general shall be liable for any of the costs incurred by a Bidder in preparing or submitting a Proposal, including, but not limited to preparation, copying, postage, delivery fees, and expenses associated with any demonstrations or presentations that may be required by the RFP. BABLO shall be responsible for any costs incurred by its own staff or representatives.

1.19 Mandatory

Specifications in the RFP shall be regarded by the Bidder as mandatory, as denoted by terms such as “required,” “must,” “shall,” “should” and “will,” and their semantic equivalents, except where a function, feature, or capability is specifically noted as being an “option.”

1.20 Material Requirements

Material requirements of the RFP are those set forth as mandatory, without which an adequate analysis and ranking of Proposals is impossible, or those that affect the competitiveness of Proposals, or the cost to BABLO.

Proposals that do not meet all material requirements of this RFP or that fail to provide all required and mandatory information, documents, or supporting materials, or include language that is conditional or contrary to terms, conditions, and requirements may be considered non responsive and scored accordingly. BABLO, in its sole discretion, reserves the right to determine whether a Proposal meets the material requirements of the RFP.

BABLO, at its sole discretion, reserves the right to recognize and waive minor informalities and irregularities found in proposals received in response to this RFP.

1.21 Rejection or Selection of Proposals

BABLO reserves the right to reject any or all Proposals, to advertise for new Proposals, to arrange to receive or itself perform and obtain the services and goods to be obtained hereunder, to abandon the need for such goods and services, to award in whole or in part a contract deemed to be in the best interests of BABLO and the State of Maine, or to award multiple contracts.

1.22 Proposal Tenure and Proposal (Bid) Bond

Proposals must remain valid for a period of eighteen (18) months from the proposal submission due date. Proposals remaining valid less than this timeframe may be rejected. Bidders shall be strictly held to the terms contained in their Proposals. The contents of this RFP and the Proposal may be incorporated into the final contract with the Successful Bidder of Parts A and B. Failure of the Successful Bidder of Parts A and B to accept these obligations will result in cancellation of the Contract award.

Each Bidder must submit a Proposal (Bid) Bond with the Proposal. The Proposal (Bid) Bond must be acceptable to BABLO in form and substance, and issued by an approved issuer, in the amount of the bid. This bond will guarantee the availability of the goods and services at the cost(s) quoted in the Proposal.

The Proposal (Bid) Bond of the Successful Bidder of Parts A and B will be retained until the Contract is officially executed and until BABLO is furnished with an acceptable Performance Bond.

Bonds shall be issued by a reliable surety company with a record of successful continuous operation, licensed to do business in the State of Maine. Refer to Appendix II – Terms and Conditions, Section 1.5 for additional qualifications and information.

1.23 Security

Each Bidder for Part A of this RFP must provide, with its proposal, a deposit in the amount of \$500,000.00 for the payment of liquidated monetary damages suffered by the State of Maine, attributable wholly or partially to the actions of any Bidder that result in a delay past July 1, 2014 in the start-up and implementation of operations under a wholesale spirits contract, awarded as a result of this RFP. This deposit must be payable to the Treasurer of the State of Maine and be in the form of EFT or secured check.

In the event that start-up and implementation of operations under the Part A contract occur on July 1, 2014, deposits are refundable to all Bidders.

In the event of any action by one or more Bidders causing the start-up and implementation of operations under Part A to be delayed past July 1, 2014, the Bidder[s] causing this delay will be assessed liquidated damages at the rate of \$68,000.00 per day, ending the day prior to new contract start-up and implementation. Daily liquidated damages shall be drawn from the deposit until exhausted. The Bidder[s] shall be liable for all accrued liquidated damages in excess of the deposit.

For purposes of this section, failure of the State of Maine to award a contract as a result of Part A of this RFP in a timely manner does not constitute a delay.

1.24 Disclosure and Investigations during Proposal Evaluation

Subsequent to Proposal submission, BABLO may initiate investigations into the backgrounds of the Bidder and individuals or entities related to the Bidder, as deemed appropriate. Such background investigations shall require the provision of information by the Bidder and related persons and companies as noted above.

BABLO may reject a Proposal based upon adverse results from these background checks. The Bidder is advised that any person who knowingly provides false or intentionally misleading information in connection with any investigation by BABLO may cause the Proposal to be rejected, or a subsequent contract to be canceled.

If the Bidder or a substantial subcontractor is a subsidiary of a parent entity, BABLO may request the above disclosures from the parent Successful Bidder of Parts A and B as necessary.

1.25 Disclosure of Litigation and Other Information

Since BABLO has a strong interest in the Successful Bidder of Parts A and Bs' continuing ability to produce secure, high quality products and services, BABLO requires that Bidders disclose and summarize pending or threatened litigation, administrative or regulatory proceedings, or similar matters that could materially affect the Bidder. As part of this disclosure requirement, Bidders must also state whether they or any owners, officers, directors, or partners have ever been

convicted of a felony. Failure to disclose such matters may result in rejection of the Proposal or in termination of a contract. Such disclosures must be submitted with the Proposal.

This is a continuing disclosure requirement; any such matter commencing after submission of a Proposal and, with respect to the Successful Bidder of Parts A and B after the execution of the Contract, must be disclosed in a timely manner in a written statement to BABLO.

1.26 Change of Financial Condition

If a Bidder who has submitted a Proposal in response to this RFP experiences a material change in financial condition prior to contract award or during the term of a contract with BABLO, BABLO must be notified in writing at the time the change occurs or is identified. A “material change” in financial condition is defined as any event which, following Generally Accepted Accounting Principles (GAAP), would require a disclosure in the annual report of a publicly traded United States corporation. Failure to notify BABLO of such a change may result in the rejection of a Bidder's Proposal or termination of the Contract. BABLO reserves the right, based on its assessment of a material change in financial condition, to reject the Bidder’s Proposal or terminate the Contract.

1.27 Change of Ownership

If a Bidder who has submitted a Proposal in response to this RFP experiences a material change of ownership prior to contract award or during the term of the Contract, BABLO must be notified in writing at the time the change occurs or is identified. A “material change in ownership” is defined as any merger, acquisition, assignment or change in ownership party who owns greater than five (5) percent of the Bidder or the parent company of the Bidder.

1.28 Independent Cost Determination

By submission of a Proposal, the Bidder certifies that in connection with the Proposal:

- A. The cost in the Proposal have been arrived at independently, without consultation, communication, or agreement for the purpose of restricting competition with any other Bidder or with any competitor;
- B. Unless otherwise required by law, the cost quoted have not been knowingly disclosed by the Bidder and will not knowingly be disclosed by the Bidder prior to contract award directly or indirectly to any other Bidder or to any person not representing the Bidder; and
- C. No attempt has been made or will be made by the Bidder to induce any other person or Successful Bidder of Parts A and B to submit or not submit a Proposal for the purpose of restricting competition.

1.29 Hiring and Other Business Relationships with BABLO

During the period from the RFP issuance until the signing of the Contract, Bidders are prohibited from officially or unofficially making any employment offer or proposing any business arrangement whatsoever to any BABLO employee, representative, or Commission member. A Bidder making such an offer or proposition may be disqualified from further consideration, or the Contract may be terminated.

Furthermore, Bidders, their employees and any representative, designee, or agent of the Bidder shall refrain from providing meals, entertainment, or gifts, or meeting other expenses for BABLO employees and members of the Commission.

1.30 Applicable Laws and Procedures

The RFP, the Bidder Proposals, the Contract and the processes associated with the procurement shall be governed by the laws of the State of Maine, and must comply with any rules or procedures set forth by State of Maine Government. With respect to any and all legal action or proceedings arising under this RFP or the Contract, a Bidder, by submission of a Proposal, consents to the venue and jurisdiction of all state courts of the State of Maine

1.31 Headings

The headings used in this RFP are for convenience only and shall not affect the interpretation of any of the terms and conditions hereof.

1.32 Business Entity Structure

All Bidders must be incorporated or formed in Maine or registered to do business in State of Maine and must be in good standing with the Office of the Secretary of State at all times during the term of any Contract awarded as a result of this RFP. Bidders of Parts A and B must include with their proposal information regarding the structure of the business entity that will be responsible for providing services required under this RFP, including any parent entities and affiliate organizations.

Part A – Specifications of Work to be Performed for Spirits Administration

1.0 Introduction

This section describes the systems and services specifications for spirits administration and the information required by PL 2013, Chapter 269 which includes warehousing and distribution of spirits to agency liquor stores and bottle redemption services for spirit beverage containers. Prior to the detailed responses to Part A, Sections 1.1 to 1.1.10, Bidders must provide the following summary level responses:

1. **Overview.** Present an overview of the systems and services and your experience in the field with them. Bidders must identify any subcontractor it may use to provide any system(s) or services(s) described in this RFP. Bidders must include in their proposals, the following:
 - A. Its financial capacity and access to capital to maintain operations by providing audited financial statements, credit report or evidence of a line of credit from a financial institution;
 - B. Its capabilities to provide adequate transportation and distribution of spirits to agency liquor stores;
 - C. Its warehousing capabilities;
 - D. Its knowledge of the wholesale spirits business, alcoholic beverage industry or a related field;
 - E. Its plan to provide agency liquor stores with up to 2 deliveries per week and as described by Section 1.1.5.12.
 - F. Its methods for processing orders and invoices, including any enhanced minimum ordering requirements, split case restrictions and inventory control plans;
 - G. Its business plan to provide services in a manner that will assist the State in achieving a target growth rate comparable to or exceeding that of other states that control the sale and distribution of alcoholic beverages;
 - H. Its plan for enhancing services to spirits suppliers and agency liquor stores;
 - I. Its positive impact on the economy, employment and state revenues that the bidder's overall proposal will provide; and.
 - J. An affirmative statement that neither it nor any affiliated entity has a financial interest in any business or entity in the State of Maine or any other state that would adversely affect its ability to exercise its full business capabilities and resources to:
 1. Optimize spirits sales;
 2. Achieve a high level of customer service and rapport; and
 3. Maximize responsible growth in revenues and profits for the spirits business in the State of Maine.
2. **State's Gross Profit.** Bidders must review Appendix XIV for a description of the State's requirement for gross revenue profit and acknowledge that they understand this requirement for the term of the Contract as a result of Part A of this RFP.

3. **Violation free.** A Bidder, including any principal officer of the bidder and any named subcontractor, must be of good moral character and has not been found to have violated any state or federal law or rule governing the manufacture, distribution or sale of alcoholic beverages. Bidders must acknowledge that they meet the requirement of this section.
4. **Flexibility of the System.** The System must be flexible, expandable, and customized to suit the business needs and rules of BABLO, agency liquor stores, suppliers and brokers. Flexibility and adaptability are critical as the environment can be expected to evolve over the course of the Contract awarded as a result of Part A of this RFP.
5. **OSHA Standards.** All facilities, and services offered must meet all OSHA safety standards required.

1.1 Spirits Administration

Under Maine law, Spirits Administration is defined as follows:

“Spirits administration, including but not limited to financial and performance management; profitable and responsible growth management; management of contracts; management of agency liquor store matters and orders; personnel management; monitoring and reporting of spirits inventory; management of bailment records and billing; management of accounts receivables, accounts payable and tax collection and reporting; sales and profit reporting; database administration for agency liquor store accounts, orders; inventory management, product management, pricing and reporting related to these data element; management of spirit supplier matters and orders.”

BABLO also includes warehousing and distribution of spirits to agency liquor stores and bottle redemption services to be covered under Spirits Administration.

1.1.1 Spirits Administration Staffing

The Bidder must provide information, as specified below, that documents its organizational structure, the staffing and any subcontractor(s) with which the system and services required under this RFP will be implemented and run. The Bidder must identify substantial subcontractor staff and consultants by name, where such are anticipated to be part of the implementation and on-going operational support efforts. The Proposal must make clear which personnel proposed for the Contract are Bidder employees and which are subcontractors or consultants.

- A. **Implementation and Conversion Staff.** The Bidder shall provide an **organization chart** including names of **management, supervisory, and key technical personnel** who will be active in the implementation and

conversion of the System. There shall be a dedicated technical project manager assigned to the implementation project who would then need to be on-site during acceptance testing and conversion of the data from the existing vendor. Further, the Bidder must indicate what specific Contract function(s) staff will perform and how long it is anticipated they will be engaged. For staff not yet identified, the Proposal shall identify and quantify them by title.

B. On-going Operations Staff. The Bidder shall provide **brief position descriptions and an organization chart including** names of **management, supervisory, and key technical personnel** who are expected to be active in the on-going operation of the System and services required under this RFP. For staff not yet identified, the Proposal shall identify and quantify them by title, role or responsibility.

1. Senior staffing must be included in the Proposal. The following positions must be full-time, solely dedicated to any Contract awarded as a result of this Part and must be located in Maine, and no one individual can be assigned to more than one of these functions:
 - a. General Management;
 - b. Financial Management;
 - c. Administration, which includes but is not limited to the list of responsibilities under Section 1.1 of this Part;
 - d. Logistics, which includes warehousing and distribution; and
 - e. Information Technology.
2. Other support staffing must be included in the Proposal. The following positions must be full-time, solely dedicated to the Contract and must be located in Maine:
 - a. Accounts receivables and payables;
 - b. Customer Service;
 - c. Warehouse staffing for order system management, inventory management, order fulfillment and delivery; and
 - d. Database administration and report creation.
3. Resumes. The Bidder shall provide one-page resumes of **management, supervisory and key technical personnel** planned to be involved in the installation, implementation, and operation of the System, and shall provide for each such person:
 - a. Full name;
 - b. Most recent five (5)-year employment history;
 - c. A specific description of experience that person has in connection with management of a complex business operation; alcoholic beverages, generally or a related field;

- financial management; marketing and advertising; or system design, development and maintenance;
- d. Specific indication of the role the individual will have under the Contract; and
- e. Any additional helpful information to indicate the individual's ability to successfully perform the work required under the Contract.

1.1.1.1 Agency Liquor Store Contact

Bidders must describe and demonstrate a coordinated approach to customer service communication with agency liquor stores of all types and sizes. This communication includes, but is not limited to notification of deliveries, notice of newly listed products, monthly sale pricing, quarterly price changes, stock outages, Product recall, and allocation of Product in short supply.

BABLO's goal is to achieve the highest level of customer service and positive rapport with agency liquor stores in order to optimize spirits sales. BABLO does not employ its own support staff for agency liquor stores. Therefore, it is critical for the Successful Bidder of Part A to develop and foster a strong partnership with agency liquor stores.

The Successful Bidder of Part A must abide by any applicable laws and regulations regarding equitable treatment of agency liquor stores with regard to Product delivery and educational outreach, inventory, marketing, sales promotion, seasonal Product distribution and sales support opportunities.

Bidders must propose an agency liquor store telephone "hotline" and other electronic methods, including but not limited to email to be used to contact the Successful Bidder of Part A regarding:

- A. Concerns, questions or problems regarding spirits generally,
- B. Pricing;
- C. Orders and warehouse inventory; and
- D. Questions relating to Maine law, BABLO's rules, policies or procedures relating to the sale and distribution of spirits;

This "hotline" must be responded to in a professional and timely manner. Under ordinary operational circumstances, ninety percent (90%) of agency liquor store calls must be answered in three (3) minutes. The Successful Bidder of Part A must provide a system to track hotline calls. Bidders must propose a system to report information, responses and outcomes of hotline calls.

Bidders may propose additional services in this area.

See Appendix XV for the list of current agency liquor stores.

1.1.1.2 Supplier or Supplier's Representative Contact

The Successful Bidder of Part A must provide equitable treatment to the suppliers and suppliers' representatives regarding the receipt, storage, storage space and ancillary services for Product stored at the warehouse of the Successful Bidder of Part A.

Bidders must describe the method or methods it will employ to communicate with suppliers and suppliers' representatives as well as describe how they will provide equitable treatment under this section. .

The Successful Bidder of Part A must abide by any applicable laws and regulations regarding equitable treatment of suppliers and suppliers' representatives.

1.1.1.3 Successful Bidder of Part B Contact

The Successful Bidder of Part A of this RFP must work closely and in collaboration with the Successful Bidder of Part B of this RFP. The Successful Bidder of Part A and Part B must jointly establish a meeting schedule with BABLO to review all aspects of the Spirits business.

1.1.2 Facilities

Bidders must propose and must have a business office and warehouse in Maine. The business office must be within ten (10) miles of BABLO. This location must accommodate required local staff as identified in Section 1.1.1. The warehouse need not be in Augusta, but its location(s) must be approved by BABLO. See Section 1.1.5 of this RFP for more information on the warehousing requirements.

The Review Team will conduct site visits of the proposed locations for warehouse space. The RFP Coordinator will work with the Bidders to determine the time of such site visits during the proposal review period.

1.1.3 Spirits Business System

Bidders must propose and must provide a real time; permissions based system (System) for BABLO, brokers, suppliers, agency liquor stores and the Successful Bidder of Part B to support the spirits business in Maine. The System must be accessible via a secure web-based platform or in a manner approved by BABLO. BABLO shall work with the Successful Bidder of Part A to define user level permissions.

The System must have a real time reporting tool that allows all users to access information from the System, based on their permission level, to meet their needs. BABLO shall work with the Successful Bidder of Part A to define all standard reports within the System and the frequency of the reporting. The reporting tool feature of the System must be user friendly and adaptable to meet the needs of the industry.

All proposed system components provided by the Successful Bidder of Part A must have been delivered, installed, implemented, through BABLO acceptance testing, and be ready to be operational by the agreed-upon schedule, but no later than the date that services under this RFP will commence. In addition, communications and networking capabilities must be operational at the time services under this RFP will commence.

The Successful Bidder of Part A must provide and implement a quality assurance test plan that must meet the review and sign off of the BABLO or an independent assessment from an independent third party of the BABLO's choosing.

1.1.3.1 Spirits Business System Requirements

The System provided by the Successful Bidder of Part A must include, but is not limited to:

Response Note: This Section describes the System that Bidders must propose. The part of the system to list, change or delist any Product must be available at the time of implementation or if approved by BABLO at a time as negotiated at the time of the Contract. The System must be able to accommodate and manage Product changes as described under paragraph E under this section. For example, if a code change occurs, the System must prompt users to select the new code for the same product so to avoid the appearance of an out of stock. Bidders should provide a detailed description of the proposed System. Bidders can propose additional features, and these additional features should be noted as such in the proposal. The System must, at a minimum meet these requirements as follows:

A. System Permissions

1. BABLO;
2. Successful Bidder of Part A;
3. Successful Bidder of Part B;
4. Brokers;
 - a. By Supplier; and
 - b. By Product
5. Supplier; and
6. Agency Liquor Store.

B. Agency Liquor Store Accounts;

1. New;
2. Changes;
3. Closures;
4. Standard Gross profit/Incentive programs for individual agents; and
5. Invoicing.

C. Agent Ordering;

1. Method(s) of ordering;
2. Order status;

3. Product allocation;
4. Out of stock notification;
5. Out of stock ordering alternative; and
6. Notification of out of stock replenishment.

D. Inventory management;

1. Product status:
 - a. From supplier to warehouse;
 - b. In warehouse;
 - c. From warehouse to agency liquor store;
 - d. Ordered but out of stock; and
 - e. Out of stock.
2. Inventory forecasting together with brokers/suppliers to prevent out of stocks.

E. Product management;

1. Listing/Delisting;
2. Maintenance; and
3. Changes;
 - a. Code changes;
 - b. Pack changes;
 - c. UPC changes; and
 - d. Any changes made on standard quote sheet.

F. Pricing Management

1. New Product listing which includes initial total invoice cost, retail cost, agent cost, and calculated premium tax;
2. Quarterly price changes to include total invoice cost, retail cost and agent cost;
3. Monthly special pricing to include supplier offers, state matching offers, retail and agent sale price amounts;
4. Product changes that impact the premium tax calculation throughout the life of each SKU; and
5. Any other changes that impact Product pricing.

G. Agent Charges; and

1. Agent cost calculation;
 - a. New;
 - b. Quarterly retail price changes; and
 - c. Monthly retail price specials.

H. Standard Reporting

Response Note: All reports may be required to be presented in actual cases, converted to 9 liter cases and/or wholesale revenue. The Successful Bidder of Part A will be required to be proficient in the use of the NABCA reporting system. Ad hoc reporting on all data elements must be available and described.

1. Product information (data from quote sheets, etc.);
2. Sales;
3. Sales by trademark;
4. Sales by SKU;

5. Sales by category;
6. Sale trends;
7. Sales by Agent;
8. Sales comparisons by date, range of date, SKU or trademark;
9. Quarterly comparisons to other control jurisdictions for pricing and COGS;
10. Standard Gross profit/Incentive programs for individual agents;
11. Product distributed from warehouse by supplier;
12. Order fill rate;
13. Financial reports provided monthly, quarterly, annually or as needed by BABLO that include:
 - a. Profit and Loss statements;
 - b. Cost of goods sold with details of all elements of this cost;
 - c. Reconciliation report for sales, accounts receivables and accounts payable from the previous month on the first business day on each month after the start of the Contract awarded as a result of this Part;
 - d. A detailed, subsidiary listing of accounts receivable and related aging report monthly;
 - e. Sales before any discounts;
 - f. Sales after discounts with details showing supplier depletions offers and state matching offers;
 - g. Premium tax collection and distribution;
 - h. Gross profit to the State;
 - i. Bailment; and
 - i. By total bailment costs charged to suppliers; and
 - ii. By supplier including the cost of each bailment service.
 - h. Bottle redemption.
14. Inventory; and
 - a. In transit from supplier;
 - b. In warehouse;
 - c. Orders committed;
 - d. In transit to agents;
 - e. Forecasting of inventory for brokers/suppliers;
 - f. Out of stock by SKU;
 - g. Out of stock trends; and
 - h. Daily warehouse activity reports to NABCA.

1.1.3.2 Product Pricing Management; Responsibility of Successful Bidder of Part A

BABLO has the statutory authority through rule-making to set the everyday retail price for all Products listed by the State Liquor and Lottery Commission (“Commission”). BABLO also has the statutory authority through rule-making to create special retail pricing on Products listed by the Commission.

BABLO reviews new Products for monthly listing by the Commission; reviews monthly requests from suppliers to adjust price for special pricing; reviews requests from suppliers on quarterly price changes; and may review and make changes to retail pricing on all Products quarterly or as allowed under rules promulgated by BABLO.

Unless authorized in writing by BABLO, the Successful Bidder of Part A is not authorized to communicate with suppliers on pricing matters.

The Successful Bidder of Part A has no authority to alter the pricing set by BABLO and the Commission. BABLO and the Successful Bidder of Part A will establish protocols for sharing information about new Products; monthly special pricing and quarterly price changes. The Successful Bidder of Part A will track all Products and price changes through the Spirits Business System as described in Section 1.1.3 of this Part.

The Successful Bidder of Part A must provide to Industry the list of prices of all Products and update the list on a quarterly basis or as requested by BABLO, and identify all Products that are being offered at a special price each month. To meet this requirement, the Bidders must propose a process to:

- A. Provide electronically and in printed form, the current Price list of all Products listed by the Commission. The Price list must include the name of the supplier, state code, description, size, pack size, retail price and agent price;
- B. Work with the Successful Bidder of Part B to post for agency liquor stores; suppliers and suppliers’ representative, the Price list on a website accessible to these constituents;
- C. Provide electronically and in printed form, the monthly special retail pricing list. The monthly special retail pricing list must include the UPC, state code, description, size, pack size, regular retail price, special retail price for the given month and agent cost;
- D. Work with the Successful Bidder of Part B to post for agency liquor stores, suppliers, suppliers’ representative and consumers, the monthly special retail pricing list on a website accessible to these constituents; and
- E. Price lists for all constituents except retail consumers must be readily available in a format that is downloadable to other databases.

1.1.3.3 Operations Services

Bidders must provide operations services for the System. These duties shall include start-up and shutdown tasks, system recovery, monitoring, System access, report generation, file backups, and various operational procedures to enable the correct operation of the System. Bidders must describe services under this section.

1.1.3.4 Training Programs, Initial and On-Going

Bidders must propose and describe how they will provide training for Industry in the use of the System, both for start-up and for the term of the Contract awarded as a result of this Part.

- A. **Agency Liquor Stores.** To support System start-up, the Successful Bidder of Part A must provide initial hands-on group instruction at locations convenient to agency liquor stores and approved by BABLO. The Successful Bidder of Part A shall continue to supply agency liquor store training for the term of the Contract as needed or requested by BABLO. On-going training must be at locations defined by the Successful Bidder of Part A and approved by BABLO. The Successful Bidder of Part A is required to use trained facilitators to conduct both the initial and on-going training services.
- B. **Suppliers and Suppliers' Representatives.** To support the System start-up, the Successful Bidder of Part A must provide hands-on group instruction at a convenient location in Augusta, Maine, or as approved by BABLO. The Successful Bidder of Part A must provide up to 3 training dates for initial training for Suppliers and Suppliers' Representatives and on-going as needed to provide instruction on changes to the System.
- C. **BABLO.** The Successful Bidder of Part A must provide training for BABLO, at BABLO's office, or appropriate venues as approved by BABLO. Training for BABLO must include all aspects of System usage.

Response Note: Bidders shall describe the proposed training program in terms of materials, facilities, staff qualifications, sessions, and schedule. The program description must address the Bidder's capability of providing for the specific training needs of top corporate accounts.

1.1.3.5 System User Documentation

- A. Quick reference guide on the correct use of System is required specific to the user group such as BABLO, suppliers/suppliers' representatives and agency liquor stores. The guide must contain, at a minimum, information and instructions specific to the user group,

including but not limited to, managing user account; managing orders; managing inventory; managing products and pricing.

- B. The Successful Bidder of Part A shall update the training materials and any user documentation with each change in the System or procedural change. The format must be approved by BABLO. Copies shall be supplied to all impacted users one (1) week prior to the System or procedural change.
- C. Web-based Documentation and Training. The Successful Bidder of Part A must provide supplementary video or graphical training and documentation directly through the System internet based interface.

1.1.3.6 Other Host and Network Equipment Maintenance

The application will be remotely hosted by the Successful Bidder of Part A or a certified partner thereof, and consumed as a service by Industry.

The following three (3) I.T. policies will apply to the application:

- A. Deployment Certification. Please see the State of Maine website at <http://maine.gov/oit/policies/Application-Deployment-Certification.htm>;
 - 1. Performance. The expectation is that, under Ethernet connection, the System response will be less than 4 seconds for inquiry/lookup and less than 7 seconds for data modification transactions.
 - 2. Recovery. The expectation is that there will be a full recovery exercise with a completely independent infrastructure stack. Further, this must be repeated once every year, and signed off by BABLO.
- B. Remote Hosting Please see the State of Maine website at <http://maine.gov/oit/policies/Remote-Hosting-Policy.htm>; and
- C. Security. Please see the State of Maine website at <http://maine.gov/oit/policies/SecurityPolicy.htm>.

1.1.3.7 Technical Support Services

Timely and committed fulfillment of BABLO requests for System support and changes is a requirement. The Bidder's Proposal must identify how systems and software engineering support services for System management, System error

correction, changes to Maine law and BABLO's rules and requirements will be implemented by responding to the following:

- A. Software Support. The Successful Bidder of Part A must provide software and systems engineering support for System changes. The Successful Bidder of Part A must supply upgrades on at least a semi-annual basis or as needed to comply with a specific request by BABLO and the periodic releases must be capable of including multiple administrative improvements to the System.
- B. Quality Assurance and Acceptance Testing. The Successful Bidder of Part A must provide a Quality Assurance capability and support for the BABLO's internal acceptance testing.
- C. Shared Records for Change Management for the System. In fulfillment of joint responsibilities between the Successful Bidder of Part A and BABLO to make System changes in a timely and correct manner, the Successful Bidder of Part A must provide shared access to change requests and change tracking.

1.1.3.8 Operations Security Plan

BABLO expects its System and operations to be of the highest security and integrity. This requires both BABLO and the Successful Bidder of Part A to maintain a high-level security environment. Staff must be organized, assigned, and operate under procedures and with System controls that mitigate security issues.

Response Note: As part of the Proposal, Bidders must submit an outline for an Operations Security Plan.

1.1.3.9 Electronic Media, Computer Room Supplies

The Successful Bidder of Part A shall supply all magnetic tapes, cartridges, disk packs, diskettes, and other media items, printer paper, toner cartridges, pre-printed forms and supplies needed to operate the System, at all sites of the Successful Bidder of Part A.

1.1.4 Financial Administration

The Successful Bidder of Part A will be responsible for all financial aspects of the spirits business. The Successful Bidder of Part A's financial management system (and ordering system if separate from the financial management system) must operate based on generally accepted accounting principles. The Successful Bidder of Part A must make available, for inspection by BABLO or its representatives, the systems and all financial and accounting records pertinent to the operation of the spirits business under this RFP.

Bidders must propose and describe in detail a financial management system that includes but is not limited to:

- A. Accounts receivable and payable for agency liquor stores, including but not limited to:
 - 1. Purchases at everyday wholesale prices;
 - 2. Purchases at monthly special wholesale prices;
 - 3. Bottle redemption;
 - 4. Coupon redemption for instant redeemable coupons provided to consumers by supplier with agreed processing procedure and fees including payment to agency liquor stores and payments from coupon provider;
 - 5. Errors;
 - 6. Credits for recalled products;
 - 7. Credits for damaged product in shipping from warehouse; and
 - 8. Any incentive program approved by BABLO.
- B. Accounts receivable and payable for suppliers, including but not limited to:
 - 1. Sales at regular FOB;
 - 2. Net sales after supplier discounts;
 - 3. Coupon redemption for instant redeemable coupons redeemed by consumers at the point of sale;
 - 4. Errors;
 - 5. Charges for recalled products including any costs associated with picking up recalled products at retail, destruction of product and credit given to agency liquor stores;
 - 6. Charges for damaged products delivered to the warehouse;
 - 7. Charges for transfer of products from the warehouse;
 - 8. Charges for destruction of products;
 - 9. Charges for warehouse charges, other than bailment;
 - 10. Charges for out of stock fines as may be assessed on suppliers by BABLO;
 - 11. Credits, generally; and
 - 12. Bailment charges.
- C. Accounts receivable and payable for bottle redemption services; and
- D. Accounts receivable and payable for premium taxes collection.

The financial accounting and ordering system of the Successful Bidder of Part A will be subject to audit by the State or contracted audit firms on behalf of the State.

1.1.4.1 Flow of Accounts Receivables and Account Payables

The Successful Bidder of Part A must maintain records of all deposits and payments. The Department will establish a Net Receipts Clearing Account for depositing all accounts receivable and distributing funds for accounts payable. All Bidders must acknowledge that they understand and will comply with all of the following which are part of Maine Liquor Operation Agreement (Administration Agreement) between the Department and the Maine Municipal Bond Bank (Bank) (See Appendix IV for a full copy):

1. All receivables from the warehousing, distribution and sale of spirits will be funds or property of the State. Funds collected must be deposited in the Net Receipts Clearing Account;
2. The Successful Bidder of Part A, in its accounts receivable/accounts payable capacity, shall be acting solely as agent of the State, and not in its individual capacity;
3. The Successful Bidder of Part A shall be prohibited from commingling funds and financial activity as agent of the State pursuant to the Administration Agreement with any other funds and financial activity of the Successful Bidder of Part A in its individual or other capacity;
4. The Successful Bidder of Part A shall have no rights of offset or other pecuniary interest in the Net Receipts Clearing Account or the receipts collected for deposit therein;
5. Payments received in connection with liquor sales may be wired by the payor (agency liquor store) directly into the Net Receipts Clearing Account, and checks from payors (agency liquor stores) for such sales delivered into the possession of the Successful Bidder of Part A will be deposited directly into the Net Receipts Clearing Account. Deposits into the Net Receipts Clearing Account shall be required to be made by the Successful Bidder of Part A within one business day following receipt;
6. The Successful Bidder of Part A, under the Administration Agreement, may have the right, acting as agent of the State, to direct the custodian of the Net Receipts Clearing Account to make payments to suppliers to whom payments are due. The Successful Bidder of Part A shall not have access to funds in the Net Receipts Clearing Account for compensation to which it is entitled under the Administration Agreement, or for making direct payment of invoices payable from receipts of the liquor operations. The Successful Bidder of Part A may directly pay invoices payable from receipts of the liquor operations with its own funds, in which case it may submit an invoice to the Department for reimbursement from the Net Receipts Clearing Account.
7. The Successful Bidder of Part A and BABLO shall each be entitled to receive reports of all deposits to and payments from the Net Receipts Clearing Account.
8. The Department shall pay to the Successful Bidder of Part A, the amounts to which the Successful Bidder of Part A is entitled to as a result of the Contract awarded as a result of Part A of this RFP (including reimbursement for payments made from the own funds of the Successful Bidder of Part A), from the Net Receipts Clearing Account.
9. The Department and the Maine Municipal Bond Bank will have the right to audit the Net Receipts Clearing Account.

The Successful Bidder of Part A must invoice or make payment as follows:

1.1.4.1.1 Payments to Suppliers for Product

- A. By the tenth (10th) of each month, the Successful Bidder of Part A must provide each supplier with a purchase order that shows product distributed from the warehouse. The purchase order must include:
 - 1. An itemized list by SKU of each of the supplier's product(s) that were distributed from the warehouse during the previous month; and
 - 2. The FOB price and any and all discounts offered by the supplier to BABLO for each SKU on the itemized list described in this section;
- B. Upon receipt of the purchase order as described in paragraph A, the supplier must invoice the Successful Bidder of Part A; and
- C. Upon receipt of the invoice from the supplier, the Successful Bidder of Part A must pay any invoices based on terms agreed upon between the Successful Bidder of Part A and suppliers.

The Successful Bidder of Part A is solely responsible for payments to suppliers.

1.1.4.1.2 Payments from Agency Liquor Stores

Agency liquor stores must be invoiced by the Successful Bidder of Part A no sooner than the day of order delivery and no later than three (3) business days after delivery or as otherwise provided under Section 1.1.5.13 of this RFP. Agency liquor stores must pay the Successful Bidder of Part A for product as required by law which is currently within three (3) business days of receipt of product and receipt of valid invoice.

Bidders must propose and describe a process to implement the provisions PL 2013, Chapter 359 for payment and billing to certain small distilleries that have an off-premise retail license. (Please see Appendix V for a copy of this law).

The Successful Bidder of Part A will be responsible for all collection and risk associated with payments from agency liquor stores. The Successful Bidder of Part A must closely monitor all accounts for delinquencies and comply with all statutory requirements for the indebtedness of any person for liquor. The Successful Bidder of Part A must report quarterly or as necessary as determined by BABLO on its activities related to delinquencies of accounts.

All payments received by the Successful Bidder of Part A from agency liquor stores under this section must be deposited into the Net Receipts

Clearing Account established by the Department as required by Section 1.1.4.1 of this Part.

Currently, payments received from Agency Liquor Stores are received by:

- A. ACH – 25%
- B. Credit card – 25%
- C. Check – 50%

The Successful Bidder of Part A must propose a process to automatically sweep agency liquor store accounts for payment of Product.

Response Note: Maine law permits electronic payments by agency liquor stores. BABLO intends to require all agency liquor stores to pay electronically. Starting with new agency liquor stores licensed during the last quarter of 2013, BABLO will require an electronic payment process to be established. BABLO will work with the existing agency liquor stores to convert them to electronic payments.

1.1.4.1.3 Payment of Contract Costs

Starting on August 1, 2014 (or on the first business day at the close of the first month of business under this Part whichever comes first) and on the first business day of each month thereafter for the term of the Contract awarded as a result of this Part, the Successful Bidder of Part A must submit an electronic reconciliation report of the month's sales, accounts receivable and accounts payable to the Department for review. Once the Department has completed its review and determines the reconciliation report to be correct, the Department will initiate payment under the terms of the Contract awarded as a result of this Part within 10 days to the account established by the Successful Bidder of Part A to receive such payment.

1.1.4.1.4 Payment of Out of Stock Charges Assessed on Suppliers

Bidders must propose an out of stock charge assessment program and fee schedule for suppliers to minimize the occurrence of out of stock problems for Product. The Successful Bidder of Part A will be responsible for billing, collecting and subsequently crediting to BABLO, any out of stock charges assessed by BABLO on suppliers for out of stock situations.

1.1.4.2 Payment of Taxes to BABLO

The Successful Bidder of Part A will be responsible for calculating and paying any and all taxes imposed on Product sold to agency liquor stores as required by law. At the time of the release of this RFP, the only tax currently applicable to the sale of Product under this RFP is the premium tax imposed by 28-A MRSA § 1703 (3) (D).

The Successful Bidder of Part A must pay premium taxes to BABLO on Product sold to agency liquor stores during the previous month on the tenth (10th) business day of the following month. The Successful Bidder of Part A agrees to calculate premium taxes daily on all Products shipped and delivered and to carry out the calculations and obligations of this section of this RFP.

The Successful Bidder of Part A must monitor, calculate and apply as appropriate, premium tax amounts per SKU based on Product received in the Successful Bidder of Part A's warehouse.

1.1.5 Warehousing and Distribution

Bidders must describe their plan to provide warehouse space and staff to maintain sufficient product inventory and to prepare and process orders. Bidders must describe its plan for transportation, delivery and staff to deliver product and provide services to service agency liquor stores as defined in this section.

This plan must include a detailed floor plan identifying locations for Product, bottle pick, shipping capacity and receiving capacity and other key locations within the facility. For shipping and receiving capacity, bidders must provide detailed description of this function to ensure that Product can be shipped to agency liquor stores and inventory can be received from suppliers so that backlogs in either delivery or receiving do not occur at the shipping and receiving location(s).

Appendix VI describes the case volume of Product by SKU sold annually and Appendix VII describes the sales by each agency liquor store. The existing warehouse occupies 1.5 million cubic feet within a 70,000 square feet area and includes nine (9) shipping and receiving bays. To better define the warehouse space needed, Bidders should use as a guide the current volume of actual cases sold (see Appendix VIII for sales by cases and revenue for the last 5 years) plus a growth factor of a minimum of 2% per year to determine needed capacity for the term of the Contract. The Bidders must define its expectations for staffing, mitigating out of stock situations, all security measures to be employed, and its plan for operation including days, hours, fire and other natural disaster protection, and management approach.

The Bidder must define at least one (1) warehouse that must be within the State of Maine and approved by BABLO. BABLO reserves the right to inspect the Successful Bidder of Part A's facility or facilities with reasonable notice throughout the life of the Contract.

1.1.5.1 Warehouse General Requirements

All activities and facilities on the Successful Bidder of Part A's warehouse premises must comply with relevant federal, state and local regulations.

The Successful Bidder of Part A's warehouse facilities must at all times be kept at a temperature range suitable for the long-term storage of alcoholic beverage, without spoilage. Generally, the minimum temperature of any Product shall be 45 degrees Fahrenheit and the maximum temperature of any Product 85 degrees Fahrenheit. BABLO and/or the Supplier may require a different storage temperature range for any specific Product. Product awaiting delivery, i.e. Product under the control of the Successful Bidder of Part A must not be stored in unhused trailers for a period sufficient to allow an unsuitable storage temperature to develop.

Except when directed to the contrary by a Supplier, Product must be distributed on a "First in/First out" basis to prevent improper aging.

To ensure security and minimize freezing during the winter, the Successful Bidder of Part A must at all times have sufficient shipping, receiving, docking and storage capacities to promptly unload incoming road traffic typically within two (2) hours after physical arrival on the Warehouse premises during normal business hours.

The Successful Bidder of Part A must effectively handle Product arriving in industry-standard packaging.

BABLO will provide a yearly timetable of holidays, but may require the Successful Bidder of Part A to provide warehouse-services outside the usual warehouse hours. Bidders are encouraged to propose alternatives, such as night picking, that will reduce the time necessary to fill an order once it has been received. The Successful Bidder of Part A must submit a schedule listing hours of operation. During peak periods, the Successful Bidder of Part A must agree to a reasonable expansion of hours, at the discretion of BABLO.

1.1.5.2 Access

The majority of Product movement will be by tractor-trailer, but a wide variety of vehicles ranging from fixed-bed trucks to vans, and even private automobiles, need to be adequately accommodated to support the business.

The Bidders must demonstrate the ability to accommodate a substantial traffic flow to and from the warehouse facility. The warehouse facility distance from primary roads and ease of access to and from the premises is of major concern to BABLO and will be scored accordingly.

Access to all loading/unloading bays or truck docks shall be on a paved surface such as tar or an equivalent approved material of adequate load capacity, and in good repair. At no time, including the processes of docking and turning must it be necessary for incoming or outgoing vehicles to leave the paved area.

All access roads to the proposed warehouse are required to be paved and approved by local authorities to handle the volume and nature of anticipated traffic to and from the warehouse.

1.1.5.3 Dock and Approach

It is anticipated, based on current experience, that the volume of deliveries (to and from the docks) by trailer will necessitate warehousing facilities having at least nine (9) docks, half of which should be roofed loading/unloading docks, with locking external doors so that an open trailer can be safely left at the dock during non-business hours. It is suggested that each of these docks must be raised with an adjustable height feature to safely accommodate different sized trailers of up to thirteen foot six inches (13'6") in height, fifty-three (53) feet long', and one-hundred-two inches (102") wide. Each dock should have a "level" floor and "level" approach, where "level" is defined as a gradient no greater than would be necessary for proper drainage. Each dock should have an approach area sufficiently large to allow a vehicle of size equal to the maximum capacity of the dock to maneuver safely and easily even though adjacent docks are in use.

1.1.5.4 Floor Capacity and Storage Strategy

Bidders must provide adequate space and facility, at full capacity, to isolate Product in special statuses, including, but not limited to:

- A. Broken and/or damaged;
- B. Unsalable status (permanent and/or temporary); and
- C. Carrier returns.

The Successful Bidder of Part A will be solely responsible for the management and payment/collection of loss related to items A, B and C above.

Bidders must specify how they intend to receive, process, inventory, store and load the volume of Product expected under the existing volume of sales and into the future.

The Warehouse capacity shall be determined on the basis of providing FIFO (First In/ First Out) distribution. The Warehouse shall have the capability and capacity to distribute Product according to a strategy other than FIFO as required by the BABLO and/or the Supplier. Bidders are encouraged to provide other alternatives to the FIFO method.

1.1.5.5 Floor Movement Capacity

Bidders must include a list of major equipment, ~~which shall be evaluated for adequacy and suitability~~ to sustain current sales and provide for growth for the future.

1.1.5.6 Security

Security of the bailment inventory is of primary concern. It is expected that the Successful Bidder of Part A will have adequate equipment and mechanisms to ensure that all doors and windows and other potential means of access to the warehouse; its contents, records of transactions between the Successful Bidder of Part A and Suppliers, and administrative control areas are secure and connected to an adequate alarm system. Motion detectors and/or photo-electric beams and/or, cameras and/or other acceptable mechanisms are expected to protect against intruders entering by other means.

Secure access and egress to/from the warehouse must be maintained and monitored by a competent authority at all times. Secure access is having control over the building relative to access to Product where stored to ensure unauthorized access to that area does not occur. At all times, the Successful Bidder of Part A must use a security system, electronic or otherwise, to ensure building is secure.

The warehouse of the Successful Bidder of Part A must be solely dedicated to the spirits business in Maine or Product must be sufficiently segregated and secured from other products not related to the spirits business.

Bidders must propose and describe how they will meet the requirements under this Section.

1.1.5.7 Fire

Bidders must propose all facilities that are in full compliance with all State and local fire codes, including obtaining all applicable State and Local permits for the operation of the spirits business.

1.1.5.8 Product Ownership

Product delivered to and stored at the Successful Bidder of Part A's warehouse will remain the property of the supplier until an order is shipped from the Successful Bidder of Part A's warehouse. The Product shall become the property of the State of Maine at the point of shipment and shall become the property of the agency liquor store licensee upon acceptance of delivery. The Successful Bidder of Part A must provide sufficient property insurance to cover inventory at all times to protect the interests of the suppliers and the State. The Successful Bidder of Part A shall at no time take legal title to the Product.

1.1.5.9 Suppliers' Product

The Successful Bidder of Part A must receive Product from each authorized supplier in sufficient quantity and frequency to fill agency liquor store orders. A list of current authorized Products by supplier is attached as Appendix IX.

1.1.5.10 Inventory Control; System Requirements; Allocation

As described in Section 1.1.3.1 of this RFP, the Successful Bidder of Part A must have a System to control inventory. The System must be designed to permit review of inventory levels by suppliers, BABLO, and agency liquor stores on a real time basis. The system must include a mechanism for notification to suppliers and BABLO when reorder points are reached. The current reorder point is six (6) weeks. BABLO shall have the right to audit the system and to designate other State entities or non-state auditors to conduct audits of the system. The Successful Bidder of Part A shall actively work with suppliers to maintain an adequate and balanced inventory for all Products consistent with Successful Bidder of Part A's inventory management plans and anticipated sales needs. The Successful Bidder of Part A must work to ensure that suppliers deliver Product in sufficient quantity to enable the Successful Bidder of Part A to fill agency liquor store orders. The Successful Bidder of Part A may adopt a policy for the removal of any Product de-listed by BABLO and may charge suppliers a fee for the removal of such Product. The policy and fee are subject to prior approval by BABLO.

The System established and maintained by the Successful Bidder of Part A must be designed to enable the Successful Bidder of Part A to notify suppliers/suppliers' representatives and agency liquor stores when any Product is in short supply and

to allocate Product fairly among agency liquor stores. The Successful Bidder of Part A must make its best effort to minimize out of stock issues especially during peak selling periods.

1.1.5.11 Ordering Deadline Requirements

The Successful Bidder of Part A must provide multiple options for agency liquor stores to submit orders for Product. These options include first-class mail orders, telephone orders, facsimile orders, electronic and internet-based orders. The current breakdown of how orders received are as follows:

Web-based:	53%
Fax:	20%
EDI:	20%
Telephone:	3%
Email:	2%
MSI:	2%

For clarification purposes for the bidder, EDI and MSI definitions are provided here.

- EDI is short for Electronic Data Interchange. Agency liquor stores that use this technology produce and transmit an electronic file that is then converted by the existing vendor to produce the order file into its system. Agency liquor stores that use this technology require that their order invoice be transmitted electronically in the EDI format so that their system can read it.
- MSI is a hand held electronic scanning ordering device. Agency liquor stores that use this ordering system scan a shelf label or UPC code and key in the quantity for the scanned items needed to be ordered. Once completed, the device is then connected to a computer or a phone line and transmits the order.

Bidders are encouraged to provide options for agency liquor store ordering, however, Bidders should consider the most effective and efficient methods that meets the needs of all sizes and geographical locations of the agency liquor store network. Bidders will need to provide specific details of the ordering methodologies it will employ during the term of the contract.

Any web-based ordering system of the Successful Bidder of Part A must be available on a 24/7 and 365 day basis, excluding any reasonably necessary system downtime.

The Successful Bidder of Part A must allow agency liquor stores to place orders until 9:00 P.M. two (2) business days before the agency liquor store's designated delivery day.

Bidders may propose less restrictive ordering requirements.

1.1.5.12 Minimum Order Size and Delivery

Notwithstanding Section 1.1.5.16 of this RFP for Warehouse Pickup, the Successful Bidder of Part A must make available up to two (2) deliveries of Product per week for each agency liquor store. Each agency liquor store must order a minimum order size for the first delivery in any week of (10) cases ("Minimum First Delivery"). In addition, for any agency liquor store that has ordered a Minimum First Delivery, a second delivery can be made as long as the second delivery is for an order for a minimum of ten (10) cases.

To the extent permitted by applicable law, the Successful Bidder of Part A must, if requested by agency liquor stores, deliver to a designated agency liquor store a Minimum First Delivery that is comprised of Product ordered by more than one (1) agency liquor store ("Aggregate Delivery"). The Successful Bidder of Part A must provide separate invoices for each agency liquor store included in the Aggregate Delivery. The Successful Bidder of Part A shall be deemed to have met the Minimum First Delivery requirement under this section for the purpose of receiving one delivery per week by providing aggregate delivery for more than one (1) agency liquor store.

The Bidder must stipulate in its proposal that it agrees that each agency liquor store shall have a designated delivery day or days and a stated expected period of day for delivery and that delivery will be made on the day and during the timeframe designated, provided that the agency liquor store meets its designated order deadline as agreed to by the Successful Bidder of Part A and the agency liquor store.

Notwithstanding the minimum order requirements in this section, the maximum time period for order delivery must be no greater than seven (7) calendar days from receipt of order. Each agency liquor store must be eligible to receive at least two (2) deliveries per week. Bidders may propose a delivery commitment of more often than two (2) times per week for some or all agency liquor stores based on reasonable parameters.

Bidders must propose an optional delivery service to deliver items out of stock at the time an order was placed when inventory becomes available and also for emergency orders.

Bidder must propose a delivery schedule that maximizes the fulfillment of orders during holiday seasons.

The current delivery schedule for agency liquor stores is attached as Appendix X.

1.1.5.13 Order Fill Rate and Correction; Credit

The Successful Bidder of Part A must establish and maintain an order control system that minimizes the risk of order errors and provides for a timely and simple method for reporting order errors.

Bidders must propose a system to manage, track, credit and return Product to inventory for order errors.

The Successful Bidder of Part A is required to achieve and maintain a minimum order fill rate of 92%. Bidders are encouraged to propose a higher order fill rate. The Successful Bidder must report order fill rate quarterly to BABLO.

1.1.5.14 Bottle Pick

The Successful Bidder of Part A must pick orders from agency liquor stores based on the following parameters:

- A. 50 milliliters must be ordered by the sleeve or the smallest allowable pack size as determined by BABLO;
- B. 100, 200 and 375 milliliters must be ordered in full cases; and
- C. All other bottle sizes above the 375 milliliters may be individually picked or case picked as ordered by agency liquor stores.

Currently, 64% of orders are bottle picked and 36% are case picked.

Bidders must propose a reward system to encourage agency liquor stores to order Product by the case versus by the bottle. The benefit of the reward system proposed by the Successful Bidder of Part A must be credited to the agency liquor store account monthly. **Response Note:** The reward system described in this section must not be a penalty for bottle pick.

1.1.5.15 Product Delivery

The Successful Bidder of Part A must provide delivery service to agency liquor stores, to assist in the unloading of Product and to provide in-store delivery. The Successful Bidder of Part A must include a packing list identifying the following with each order delivered:

- A. Product in the delivery by code;
- B. Quantity of Product in the delivery by code; and

- C. An indication of whether the delivery includes cases or split cases.

The Successful Bidder of Part A must allow sufficient time at delivery to permit the agency liquor store to verify that the order delivered matches the packing list and the agency liquor store's order confirmation.

Bidders may propose systems or processes to allow verification of case contents by agency liquor stores. Bidders may propose additional services at the time of delivery such as shelf stocking.

1.1.5.16 Warehouse Pick Up

The Successful Bidder of Part A must permit agency liquor stores to pick up orders at its warehouse five (5) days per week during normal business hours upon one day notice to the Successful Bidder of Part A. The minimum order size for a warehouse pick up shall be five (5) cases. The agency liquor stores must identify an order as a pick up order at the time the order is placed.

Bidders are encouraged to propose a warehouse pick up process that is better for agency liquor stores.

1.1.5.17 Bailment Assessment

Bailment collection is the sole responsibility of the Successful Bidder of Part A. The Successful Bidder of Part A must apply bailment charges equally to all suppliers and provide incentive for suppliers to manage inventory efficiently to ensure fresh and correct Product levels. Current bailment charges are listed in Appendix XI. The Successful Bidder of Part A may propose changes to the bailment charges one (1) year after the Contract is executed and effective, if business needs require such change. Any requests for bailment changes must be made in writing to and approved by BABLO. Once approved by BABLO, the Successful Bidder of Part A must notify suppliers 30 days prior to the effective date.

The gross bailment income generated by this program shall be transferred to the BABLO within 45 days after the end of each calendar quarter. The Successful Bidder of Part A will receive compensation for managing bailment separately at the same percentage rate that they earn on net sales, as defined in this RFP Part 2, Cost Proposal, Section 2.3. In other words, bailment revenue and net sales revenue will be treated the same.

Bidders must propose and describe how they will meet the requirements under this Section.

1.1.5.18 Non-Bailment Section of Primary Warehouse

Bidders must propose a non-bailment section of their primary warehouse space that can accommodate up to twenty five thousand (25,000) physical cases of Product that may be used for special pricing promotions. Bidders must describe how they will segregate and distribute Product in this special section of the warehouse.

1.1.6 Bottle Redemption and Deposit Fees

For purposes of this RFP and for the entire duration of any contracts awarded as a result of this RFP, BABLO shall be considered the “Initiator of deposit” for the purpose of initiating the deposit as required by 32 M.R.S. § 1863-A (4). The Successful Bidder of Part A shall act as the “Initiator of deposit” for the purpose of providing or contracting for all transportation and recycling services related to bottle redemption as required by 32 M.R.S. § 1866 (5).

The Successful Bidder of Part A is solely responsible for the collection of bottle deposit fees and for all costs associated with the spirits business in Maine. Bidders must propose and describe how they will provide or arrange to provide through a subcontractor bottle redemption services. The collection services must include the pick-up of empty spirits beverage containers at redemption centers. Bidders must propose and describe how they will arrange for pick up with such frequency as to avoid a backlog of containers at the places of pick up.

Except as may otherwise be provided, the Bidders shall not be responsible for “Labels; stamps; brand names” under 32 MRSA §1865.

The Successful Bidder of Part A must charge agency liquor stores the statutory deposit fee of \$0.15 per bottle as required by 32 M.R.S. § 1863-A (4), as such section may be amended from time to time.

The Successful Bidder of Part A shall be responsible for reimbursement to redemption centers of the deposit fee. In addition, the Successful Bidder of Part A must reimburse redemption centers a ~~\$.04~~ \$.035 handling fee as required by 32 M.R.S. § 1866 (4) (A) and (C), as such section may be amended from time to time. Any costs above the amounts collected by the Successful Bidder of Part A will be considered overhead.

Bidders must propose and describe a process to maintain a separate account to be known as the deposit transaction fund and must keep, maintain and administer that account as required by 32 M.R.S. § 1866-E. The Successful Bidder of Part A must report to BABLO quarterly concerning transactions affecting the deposit transaction fund, such report to be made on the 20th of the month following each quarter. The report must be in a form prescribed by BABLO and must include the information outlined in 32 M.R.S. § 1866-E (2) and such other information as BABLO may require.

The Successful Bidder of Part A must transfer to BABLO quarterly abandoned deposit amounts as determined pursuant to 32 M.R.S. § 1866-E 3.

The Successful Bidder of Part A at the end of any Contract awarded as a result of this RFP must transfer to BABLO any remaining abandoned amounts as determined pursuant to 32 M.R.S. § 1866-E (3).

Bidders additionally must:

- A. Propose a fee to be charged to suppliers and a process for affixing redemption stickers to Products prior to distribution to agency liquor stores in the event that Products arrive at the warehouse of the Successful Bidder of Part A and redemption indicia are not present. Charges under this paragraph must be itemized on a supplier's invoice;
- B. Propose and describe a process for ensuring that empty boxes are provided to agency liquor stores and redemption centers, when available, for collection of empty spirit beverage containers; and
- C. Propose and describe a sorting and other reasonable criteria for picking up empty spirit beverage containers at its discretion.

See Appendix XII for the last 5 years of bottle redemption activities and Appendix XIII for applicable provision of Title 32, chapter 28 relating to bottle redemption.

1.1.7 Start of Contract Conversion

The Successful Bidder of Part A will be solely responsible for working with the existing vendor of the Spirits business in Maine and BABLO to facilitate the conversion of the Spirits business as defined under this RFP including, but not limited to the transfer of Product, data and business knowledge of the Spirits business from the existing vendor and communication with agency liquor stores and suppliers. Bidders must propose and describe in detail their plan to meet this requirement.

1.1.7.1 Transfer of Product

All costs associated with the transfer of Product and control from the existing vendor to the Successful Bidder of Part A, including, but not limited to, shipping, handling and transportation, shall be borne by the Successful Bidder of Part A. In an effort to avoid charging Suppliers duplicate bailment fees, bailment charges for transferred Product shall not accrue until the first day of the month following the transfer.

BABLO, in conjunction with both existing vendor and the Successful Bidder of Part A, shall establish a deadline for the transfer of all Product to warehouse of the Successful Bidder of Part A.

1.1.7.2 Transfer of data

All costs associated with the transfer and control of Spirits business data from the existing vendor to the Successful Bidder of Part A, including, but not limited to, all pricing, sales and related data from July 1, 2004 to June 30, 2014 shall be borne by the Successful Bidder of Part A.

BABLO, in conjunction with both existing vendor and the Successful Bidder of Part A, shall establish a deadline for the transfer of all pricing, sales and related data to the Successful Bidder of Part A.

The Successful Bidder of Part A must establish a process for BABLO to review data conversion prior to start-up of operations.

1.1.7.3 Transfer of Business knowledge

BABLO, in conjunction with both existing vendor and the Successful Bidder of Part A, shall establish a schedule for the transfer of business knowledge of the Maine Spirits business to the Successful Bidder of Part A.

1.1.7.4 Accounts Payable/Receivable

The existing vendor will be responsible for all accounts payable and receivable until June 30, 2014 or until such time that a contract awarded under this Part is executed, effective and in operation. BABLO reserves the right through a negotiated process to require the Successful Bidder of Part A to manage accounts payable/receivable from the existing vendor.

1.1.7.5 Communications with Agency Liquor Stores

Bidders must propose a method to communicate with and describe the content of communication with agency liquor stores about the transition from the existing vendor.

1.1.7.6 Communications with Suppliers and Suppliers' Representatives

Bidders must propose a method to communicate with and describe the content of communication with Suppliers and Suppliers' Representatives about the transition from the existing vendor.

1.1.8 End of Contract Conversion

It is contemplated that BABLO, approximately twelve (12) months prior to the expiration of any Contract awarded as a result of this RFP, will award a new contract for the services provided under Part A of this RFP. The parties understand and agree that BABLO may utilize part of the last year of the Contract resulting from this RFP for conversion to another vendor and System.

The Successful Bidder of Part A, having become the incumbent, shall cooperate fully and in good faith in the conversion whether it is to a new Product of their own, or a System of another Bidder. Cooperation may include, but not be limited to, sharing of data and business knowledge. Failure on the part of the Successful Bidder of Part A to cooperate fully and in good faith may result in the assessment of liquidated damages.

The parties understand and agree that all data related to services required under this Part including but not limited to pricing, sales and related data is the sole property of BABLO.

1.1.9 Economic Impact within the State of Maine

For the purposes of this RFP, the term “economic impact” shall be defined as any activity that is directly performed by or related to a Bidder and has a direct and positive impact on the Maine economy and public revenues within the State of Maine. Examples may include, but are not limited to, employment of Maine residents, subcontracting/partnering with a Maine business, payment of State and Local taxes (such as corporate, sales, or property taxes), and the payment of State licensing fees for the Bidder’s business operations.

Bidders must include no more than one page of typed text, describing the Bidder’s current, recent, or projected economic impact with the State of Maine, as defined above. Bidders may include all details and information that it finds to be most relevant for this section.

1.1.10 Revenue Maximization for the State of Maine

The State of Maine seeks to maximize revenue. Bidders must propose and describe in detail revenue-generating opportunities beyond the requirement for gross revenue profit as described in Appendix XIV. Areas to be considered include, but are not limited to:

- A. Normal bailment income in gross annual dollars; and
- B. Promotional services to be offered to suppliers including an estimate of fee structure and gross annual income. Examples are: assembly of value-added packs, retail store application of bottle neck-hangers, retail store display-building, and field execution of new product tasting events (both off and on-premise).

Part B – Specifications of Work to be Performed for Spirits Trade Marketing

1.0 Introduction

This section describes the services specifications and the information required by PL 2013, Chapter 269 for spirits trade marketing. Prior to the detailed responses to Part B, Sections 1.1 to 1.20, Bidders must provide the following summary level responses:

1. **Overview.** Present an overview of the services and your experience in the field with them. Bidders must identify any subcontractor it may use to provide any services(s) described in Part B of this RFP. Bidders must demonstrate in their proposals the following:
 - A. Its business plan and marketing strategies to encourage responsible growth of the wholesale spirits business;
 - B. Its experience or knowledge, if any, of responsible marketing of alcoholic beverages;
 - C. Its business plan to provide services in a manner that will assist the State in achieving a target growth rate comparable to or exceeding that of other states that control the sale and distribution of alcoholic beverages;
 - D. Its plan for enhancing services to spirits suppliers and agency liquor stores;
 - E. Its positive impact on the economy, employment and state revenues that the bidder's overall proposal will provide; and
 - F. An affirmative statement that neither it nor any affiliated entity has a financial interest in any business or entity in the State of Maine or any other state that would adversely affect its ability to exercise its full business capabilities and resources to:
 1. Optimize spirits sales;
 2. Achieve a high level of customer service and rapport; and
 3. Maximize responsible growth in revenues and profits for the spirits business in the State of Maine.
2. **State's Gross Profit.** Bidders must review Appendix XIV for a description of the State's requirement for gross revenue profit and acknowledge that it understands this requirement for the term of the Contract as a result of Part B of this RFP.
3. **Violation free.** A bidder including any principal officer of the bidder and any named subcontractor, is of good moral character and has not been found to have violated any state or federal law or rule governing the manufacture, distribution or sale of alcoholic beverages.
4. **Flexibility of the Services.** Any services must be flexible, expandable, and customized to suit the business needs and rules of BABLO, agency liquor stores, suppliers and suppliers' representatives. Flexibility and adaptability are critical as the environment can be expected to evolve over the course of the Contract.

5. **OSHA Standards.** All services offered must meet all OSHA safety standards required.

1.1 Spirits Trade Marketing

While trade marketing is commonplace in most states, it may be substantially new in the State of Maine after July 1, 2014. For this reason, Part B of this RFP defines the services, roles and responsibilities for the Successful Bidder of Part B specifically. Under Maine law, Spirits Trade Marketing is defined as follows:

“Spirits trade marketing” or “trade marketing” means oversight and management by the bureau or any person awarded a contract under 28-A MRSA, § 90. “Spirits trade marketing” includes, but is not limited to, agency liquor store category management, analysis and recommendations; agency liquor store shelf reset recommendations; agency liquor store displays, advertising, point-of-sale material and event marketing recommendations; development, production and distribution of sales, marketing and information publications; consultation and coordination with suppliers and suppliers’ representatives on matters affecting their brands; and development, production and distribution of any social responsibility initiatives and compliance related to those initiatives.

1.2 BABLO Vision and Goals for Spirits Trade Marketing

BABLO’s vision for this important area of the spirits business, and therefore for the Successful Bidder of Part B of this RFP is as follows:

1. To be seen by our peers as a superbly managed control state spirits business; and
2. To be a source of pride to the Executive and Legislatives branches of government because we consistently demonstrate socially responsible business practices, deliver superior service to our agency liquor store partners, meet financial targets in a transparent manner, and execute innovative trade marketing programs to achieve responsible growth.

BABLO’s goal is to achieve the highest level of customer service and positive rapport with agency liquor stores in order to optimize spirits sales. BABLO does not employ its own support staff for agency liquor stores. Therefore, it is critical for the Successful Bidder of Part B to develop and foster a strong partnership with agency liquor stores.

1.3 On-going Performance Standard

Bidders must propose and describe their plan to work in partnership with BABLO to achieve the goal of a revenue growth rate comparable to or exceeding the average growth rate of other states that control the sale and distribution of spirits. This performance standard is defined as the greater of 1 or 2:

1. Wholesale revenue for a rolling fifty-two (52) week period plus two percent (2%);
or
2. The Control State Average annual revenue growth rate.

The initial performance standard will be established on July 1, 2014, or whenever a contract is executed between the Successful Bidder of Part B and BABLO if after this date, using the formula above. The performance standard will further be adjusted to reflect the details of BABLO's volume recovery plan from New Hampshire. The performance standard will be reset by BABLO each year for each subsequent year of the life of the Contract. Appendix VIII describes the historical sales by cases and revenue for the last 5 years. The information in Appendix VIII is provided to aid the bidders in their bid preparation. The information in Appendix VIII is not the performance standard. Failure to meet the performance standard for two consecutive years may lead to termination of the contract.

1.4 Role of the Successful Bidder of Part B on Trade Marketing

The Successful Bidder of Part B will initiate and have responsibility for the annual business plan that delivers the annual business objective, all subject to continuous communication with and approval from BABLO.

The role of the Successful Bidder of Part B for Spirits Trade Marketing is influenced by the fact that they do not own nor literally sell the spirit products. However, they are expected to have the commitment and passion of an equity partner (without the legal status) to help execute BABLO's vision and exceed the performance standard.

To reward this commitment, the Successful Bidder of Part B will be compensated relative to revenue generation and will be eligible for incentive compensation defined later in Part B of this RFP.

The following functional areas must be addressed within the bidder's business plan and marketing strategies:

1. Specific sales growth tactical programs which are sustainable and socially responsible. These programs must motivate both consumers and agency liquor stores;
2. Specific social responsibility programs that educate Maine citizens in the areas of illegal or excessive consumption and prohibition of sales to minors. These programs must build and sustain community solutions that responsibly support agency liquor stores and preserve the category. Social responsibility is good business;
3. An internal communication plan and process to ensure seamless coordination with Industry, and the Successful Bidder of Part A of this RFP for Spirits Administration;
4. An external communication plan focused on consumers that drive category and brand visibility, awareness, and purchase consideration. This must include but is

- not limited to off-shelf secondary displays at retail, print media, websites, social media, direct mail and radio; and
5. All of the above requires rigorous financial analysis and justification including clear articulation of funding responsibility (who pays for what and under what circumstances) [I.E., suppliers and BABLO]. The Successful Bidder of Part B for Spirits Trade Marketing will not have authority to commit or dispense funds on behalf of any stakeholders.

Bidders must propose and describe in detail their plan to meet the requirements under this section.

1.5 The Business Plan

The Successful Bidder of Part B for Spirits Trade Marketing will be the author and coordinator of the annual spirits business plan (plan) subject to the approval of BABLO. Bidders must propose and describe in detail their plan to meet the requirements under this section. The plan sections must include but are not limited to the following areas:

- A. Analyzing the Category;
- B. Determine what we sell;
- C. Determine the value maximizing retail price for the State;
- D. Ensure our consumers see the category to fully consider a purchase; and
- E. Social Responsibility Initiatives.

Bidders are encouraged to propose additional or improved services above what is described in this Section. Bidders are encouraged to review current federal and state laws and administrative rules that may impact their response to Part B of this RFP.

BABLO envisions the plan to include:

1. **On-going Business Intelligence:** The Successful Bidder of Part B for Spirits Trade Marketing must regularly identify and update spirits category sales and profit growth drivers. This is a fact-based discipline which must utilize data from the System maintained by the Successful Bidder of Part A for the Spirits Administration and information maintained by NABCA. Areas to be defined in more detail later in Part B of this RFP include, but are not limited to:
 - A. The retail price relationship between Maine and New Hampshire, as manifested in everyday and monthly special pricing;
 - B. Retail brand assortment/distribution for both off and on-premise and for Product which is both promoted and non-promoted;
 - C. The quality of and investment in brand visibility programs provided by the suppliers, agency liquor stores and BABLO;
 - D. The quality of and investment in brand consideration programs provided by the suppliers, agency liquor stores and BABLO; and

- E. The financial return to the State from all of the above is the priority outcome, all with careful consideration of the law and our social responsibility commitment.

The Successful Bidder of Part B will be required to be proficient in the use of the NABCA reporting system.

2. **Category Management:** The Successful Bidder of Part B for Spirits Trade Marketing must provide agency liquor stores data-driven capability that will assist them to improve their sales, working capital productivity, and return on investment (ROI). This discipline is commonly referred to as Category Management (CATMAN) and it brings state-of-the-art information technology to procurement, sales, and marketing decisions. This resource has often been unavailable to all agency liquor stores. A Bidder must propose and define in detail a CATMAN system that it will employ under this Part to meet the requirement under this Section. Areas to be included but not limited to are:

- A. New item acceptance and delisting criteria for BABLO and the Commission;
- B. Segment/Brand SKU selection by agency liquor store account;
- C. Segment/Brand SKU shelf space allocation by agency liquor store account;
- D. Brand/SKU selection for monthly special pricing;
- E. Brand/SKU selection for agency liquor store off-shelf display or advertising inclusion;
- F. Criteria for agency liquor stores to remove or discount Product from their inventory;
- G. Physical support for agency liquor store spirits section resets; and
- H. Identification of fixture innovations and possible segment “signpost branding” (visibility) opportunities for agency liquor stores.

All of the above in this section 2 is a purely consultative, staff support function requiring intense and frequent liaison with suppliers, suppliers’ representatives, agency liquor stores and BABLO. Bidders must define a process for this planning interaction.

3. **Managing Retail Price:** The Successful Bidder of Part B for Spirits Trade Marketing must provide regular, on-going advice on retail pricing strategy so that BABLO manages the price relationship to competitive states responsibly and in a way that optimizes state gross profit. This pricing strategy input is proprietary and confidential. It needs to be grounded analytically and defined in both every-day and monthly special pricing terms for all brands and pack sizes. Source of funding (Distiller and BABLO) is part of the deliverable in this area. The Successful Bidder of Part B for Spirits Trade Marketing must also manage communications to agency liquor stores of BABLO pricing decisions monthly or as pricing decision are made by BABLO.

4. **Managing Spirits Visibility to Consumers:** The spirits category in Maine suffers from very low consumer visibility relative to the other beverages and entertainment products, and relative to New Hampshire spirits. This low visibility is caused by historically passive trade marketing practices in Maine and low distiller investment. With better distribution, better consumer pricing, and better agency liquor store gross margin, BABLO and the Successful Bidder of Part B for Spirits Trade Marketing have numerous opportunities to create vastly improved category visibility. Areas that must be included in the business plan for this area, must include, but are not limited to:
- A. Creating Point of Sale programs, both permanent and temporary. Bidders must propose program concept(s), a process to manage, and financial mechanisms to motivate participation;
 - B. Creating agency liquor store temporary off-shelf display programs. Bidders must propose program concept(s), a process to manage, and financial mechanisms to motivate participation;
 - C. Creating programs to incorporate spirits into agency liquor store ads, flyers, or circulars. Bidders must propose program concept(s), a process to manage and financial mechanisms to motivate participation;
 - D. Creating and using a state-owned monthly print sale flyer currently exemplified by Mainely Sales/Mainely Spirits publications. The nature of such a tool is open to Bidder creativity in terms of design, content, name, media delivery mechanisms, and incorporation of possible distiller ads or promotions. Bidders must propose program concept(s), a process to manage, and financial mechanisms to pay for such tool(s); and
 - E. Creating and using agency liquor store fixture innovations, permanent secondary display devices, and “signpost branding” defined in Section 1.5, paragraph 2, Category Management. Bidders must propose program concept(s), a process to manage, and financial mechanisms to pay for such fixture(s).

This area is a consultative, staff support function requiring intense and frequent liaison with suppliers, suppliers’ representatives, agency liquor stores, and BABLO. Bidders of Part B must propose a process for this planning interaction.

The Successful Bidder of Part B for Spirits Trade Marketing must propose a plan to take possession of or acquire the existing 300 racks currently owned by Maine Beverage Company that are used for displaying spirits and point of sale material or if these racks are not available, propose an alternative system or program to showcase Product at retail.

5. **Enhancing the Likelihood that Consumers Consider a Purchase:** The sections above with particular focus on correct brand/SKU assortment, everyday retail price, monthly special prices, and consumer visibility programs collectively constitute the responsible growth core of trade marketing. This section represents one more element of the comprehensive annual business plan that Bidders must deliver. The

content here is about consumer consideration (trial or repeat purchase) driven by high visibility value-added incentives other than off-premise retail price. The Successful Bidder of Part B must provide services in this area that include, but not be limited to:

- A. Monthly creative concepts that position Maine spirits marketing in a compelling and memorable fashion. These “themes” can vary by month, be fixed, or a combination of both. These “themes” can be seasonal, contrived, or directly commercial (examples: Father’s Day, Cinco de Mayo, or Spirits of the Month);
- B. Suggest and implement new or improved value-added packs to suppliers or the supplier’s representatives;
- C. Propose and implement tie-in campaigns with other agency liquor store products;
- D. Suggest and implement tie-in programs with Maine State Lottery tickets;
- E. Suggest and implement charity partnerships; and
- F. Suggest, design and implement social responsibility campaigns.

This area is a consultative, staff support function requiring intense and frequent liaison with suppliers, suppliers’ representatives, agency liquor stores, and BABLO. This area is also a design and implementation function that must be done with the approval of agency liquor stores, suppliers and with the final approval BABLO or the Commission.

- 6. **Social Responsibility Initiatives:** The Bidders must propose a "social responsibility" initiative that is integrated into marketing and advertising initiatives of the Bidder when appropriate, including a "Responsible Drinking" campaign for selected seasonal or holiday times.

Response Note: Bidders must propose a process for this planning interaction and source of funding of the programs under this section.

1.6 Trade Marketing Staffing

- A. The Bidder must provide information, as specified below, that documents its organizational structure, the staffing and any subcontractor(s) with which the services required under Part B of this RFP will be implemented and run. The Bidder must identify substantial subcontractor staff and consultants by name, where such are anticipated to be part of the implementation and on-going operational support efforts. The Proposal must make clear which personnel proposed for the Contract are Bidder employees and which are subcontractors or consultants.
- B. Bidders must propose required staffing that aligns with the vision and scale of the Bidder’s business plans and the number and location of agency liquor stores including agents licensed to resell for on-premise consumption (bars, restaurants

etc.). Bidders also must understand that their role is consultative because they neither literally own nor sell Product.

- C. The Bidder must provide **brief position descriptions and an organization chart including** names of **management, supervisory, and key personnel** who are expected to be active in the on-going operation of the services required under Part B of this RFP. For staff not yet identified, the Proposal shall identify and quantify them by title, role or responsibility.

- D. Bidders must present their proposed staffing plan defining headcount and required experience. The following functions must be full-time, solely dedicated to the Contract and must be located in Maine, and no one individual can be assigned to more than one of these functions:
 - 1. General management;
 - 2. Finance/business analysis;
 - 3. Category management;
 - 4. Marketing; and
 - 5. Field agency liquor store support.

- E. Bidders shall provide one-page resumes of **management; supervisory and key personnel** planned to be involved in the implementation and operation of the services under Part B of this RFP, and must provide for each such person:
 - 1. Full name;
 - 2. Most recent five (5)-year employment history;
 - 3. A specific description of experience that person has in connection with management of a complex business operation; alcoholic beverages, generally or a related field; and financial management; marketing and advertising;
 - 4. Specific indication of the role the individual will have under the Contract; and
 - 5. Any additional helpful information to indicate the individual's ability to successfully perform the work required under the Contract.

1.7 Agency Liquor Stores Contact

Bidders must propose and describe in detail their plan to meet the requirements under this section.

- 1. The Successful Bidder of Part B for Spirits Trade Marketing will be responsible for responding to agency liquor stores on:
 - A. Concerns, questions or problems regarding spirits generally; and
 - B. Questions relating to Maine law, BABLO's rules, policies or procedures relating to the sale, marketing and distribution of spirits;

2. Using the System provided by the Successful Bidder of Part A, the Successful Bidder of Part B for Spirits Trade Marketing will be responsible for:
 - A. Notifying agency liquor stores of new products listings, price changes, monthly special pricing and promotions;
 - B. Designing, with the approval of BABLO, and providing to each agency liquor store, pricing tags for all listed Product. The shelf tags must include, but not limited to;
 1. The name of the Product item;
 2. The Product code; and
 3. The retail price.
 - C. Providing 2 full sets of shelf pricing tags for everyday retail price of each stock keeping unit (SKU) in inventory at each agency liquor store;
 1. Agency liquor stores can request additional sets as needed, but no more than 2 additional full sets twice a year.
 - D. Providing 2 full sets of shelf pricing tags for each SKU in inventory for monthly special pricing;
 - E. Providing UPC codes to all agency liquor stores as requested; and
 - F. Delivering all point of sale selling, marketing and advertising materials as approved by BABLO or as provided by suppliers or suppliers' representatives.

See Appendix XV for the list of current agency liquor stores.

1.8 Supplier or Supplier's Representative Contact

The Successful Bidder of Part B must abide by any applicable laws and regulations regarding equitable treatment of suppliers. Unless approved by BABLO, the Successful Bidder of Part B must not engage in marketing or promotional activity that results in a preference for a Product based on the identity of the supplier or suppliers' representatives of the Product.

Bidders must describe the method or methods it will employ to communicate with suppliers and suppliers' representatives.

1.9 Consumer Contact

The Successful Bidder of Part B must provide a consumer facing website that provides information about product selection, pricing (regular and special) and information regarding ways to use Product in a fun and responsible manner. The Successful Bidder of Part B must work with the Successful Bidder of Part A to get information from the System to support this website.

Bidders must describe the website and how it intends to use it as a marketing tool for consumers. Bidders must provide access to prices and Product so that it can be searchable by consumer.

Response Note: A website created under this section must meet accessibility requirements as described in the Department’s Office of Information Technology Web Accessibility and Usability Policy, located at www.maine.gov/oit/policies/WebAccessibilityUsabilityPolicy.htm.

1.10 Successful Bidder of Part A Contact

The Successful Bidder of Part B of this RFP must work closely and in collaboration with the Successful Bidder of Part A of this RFP. The Successful Bidders of Part A and Part B must jointly establish a meeting schedule with BABLO to review all aspects of the Spirits business.

1.11 Successful Bidder of Part B Facilities

The Successful Bidder of Part B is required to have a business office. The business office must be within ten (10) miles of BABLO. This location must accommodate required local staff as identified in Section 1.6.

1.12 Financial Incentives

The new business approach in Maine builds in improved financial incentives to reward all partners connected to the Spirits business. These improved financial incentives are summarized as follows:

1. **Agency Liquor Store Discount Increase:** Effective July 1, 2014, agency liquor store discounts change as follows:

Current Discount Rate	New Discount Rate
\$ 0 – 14.99 = 9%	\$0 – 24.99 = 12%
\$15.00 – 24.99 = 10%	\$25.00+ = 14%
\$25.00 + = 12%	

A one-time price protection plan will separately be defined to facilitate a smooth transition on all items whose regular shelf prices are rolled-back commencing July 1, 2014.

2. **Agency Liquor Store Volume Incentive Plan:** BABLO seeks the support of agency liquor stores to achieve its volume recovery/growth objective. This support may take the form of extra shelf space, better assortment, off-shelf display, advertising or other marketing activities. To encourage and reward this support, BABLO will, subject to rule-making approval of the Legislature, provide the following volume incentive plan:

- A. Applies to all agency liquor stores equally;
- B. The reward earned in year one is an increase in the discount rate for the next year. FY15 is year one and performance that year would earn the discount rate increase, if achieved, for FY16;
- C. The discount rate increase would be 0.0075 percentage point for each one hundred thousand (100,000) nine (9) liter (9L) cases of spirits category growth, if achieved;

- D. The base off which the growth achievement is calculated is always two percent (2%) 9L cases over the previous year. Growth of 2% or less over the previous year would not produce an incentive reward;
- E. An incentive can be earned on growth of less than 100,000 cases each year as long as the previous year growth plus two percent (2%) threshold has been met. If the 100,000 case growth target is not achieved, the discount rate incentive would decline proportionally;
- F. In order to achieve the discount rate increase, a minimum of fifty thousand (50,000) 9L cases must be achieved each year;
- G. This incentive would continue each year but would be capped when the total discount rate reaches eighteen percent (18%); and
- H. Once the discount rate is increased, it would not be decreased by BABLO.

The combination of the primary agency liquor store discount increase (12/14%) plus this volume incentive plan is intended to provide continuity of attractive rewards in return for continuity of increased spirits category support.

- 3. **Trade Marketing Partner Incentive:** Bidders must propose their own incentive plan concept, linked to their base price proposal. Such concept must be broadly aligned with the principles defined in Section 1.12, paragraph 2, Agency Liquor Store Volume Incentive. The concept should be:

- A. Based upon business growth over and above the 2% minimum annual growth threshold;
- B. Capped on the upside; and
- C. Support continuity in the strategy outlined in Part B of this RFP.

1.13 Start of Contract Conversion

The Successful Bidder of Part B will be solely responsible for working with the existing vendor of the Spirits business in Maine and BABLO to facilitate the conversion of the Spirits business as defined under Part B of this RFP including, but not limited to the transfer of data and business knowledge of the Spirits business from the existing vendor and communication with agency liquor stores and suppliers.

1.13.1 Transfer of data

All costs associated with the transfer and control of Spirits business data from the existing vendor to the Successful Bidder of Part B, including, but not limited to, all marketing or category management materials or data from July 1, 2004 to June 30, 2014 shall be borne by the Successful Bidder of Part B.

BABLO, in conjunction with both existing vendor and the Successful Bidder of Part B, shall establish a deadline for the transfer of all marketing or category management materials or data to the Successful Bidder of Part B.

1.13.2 Transfer of Business Knowledge

BABLO, in conjunction with both existing vendor and the Successful Bidder of Part B, shall establish a schedule for the transfer of business knowledge of the Maine Spirits business as it pertain to trade marketing to the Successful Bidder of Part B.

1.13.3 Communications with Agency Liquor Stores

Bidders must propose a method to communicate with and describe the content of communication with agency liquor stores about the transition from the existing vendor.

1.13.4 Communications with Suppliers and Suppliers' Representatives

Bidders must propose a method to communicate with and describe the content of communication with Suppliers and Suppliers' Representatives about the transition from the existing vendor.

Bidders must propose and describe in detail their plan to meet the requirements under this section.

1.14 End of Contract Conversion

It is contemplated that BABLO, approximately twelve (12) months prior to the expiration of any Contract awarded as a result of this RFP, will award a new contract for the services provided under Part B of this RFP. The parties understand and agree that BABLO may utilize part of the last year of the Contract resulting from this RFP for conversion to a new trade marketing vendor.

The Successful Bidder of Part B, having become the incumbent, shall cooperate fully and in good faith in the conversion whether it is to a new Product of their own, or a System of another Bidder. Cooperation may include, but not be limited to, sharing of data or materials. Failure on the part of the Successful Bidder of Part B to cooperate fully and in good faith may result in the assessment of liquidated damages.

The parties understand and agree that all data, information, product and services related to trade marketing as described in this Part are the sole property of BABLO.

1.15 Business Plan Presentation

Bidders must present its business plan as described in this Part for Spirits Trade Marketing. Bidders will present its plan to the RFP Review Team at a time and place to be determined by the Review Team. The presentation may not be more than two (2) hours.

1.16 Economic Impact within the State of Maine

For the purposes of this RFP, the term “economic impact” shall be defined as any activity that is directly performed by or related to a Bidder and has a direct and positive impact on the Maine economy and public revenues within the State of Maine. Examples may include, but are not limited to, employment of Maine residents, subcontracting/partnering with a Maine business, payment of State and Local taxes (such as corporate, sales, or property taxes), and the payment of State licensing fees for the Bidder’s business operations.

Bidders must include no more than one page of typed text, describing the Bidder’s current recent, or projected economic impact with the State of Maine, as defined above. Bidders may include all details and information that it finds to be most relevant for this section.

1.17 Technical Support Services

Timely and committed fulfillment of BABLO requests for CATMAN support and changes is a requirement. The Bidder’s Proposal must identify how systems and software engineering support services for CATMAN management, CATMAN error correction, changes to Maine law and BABLO’s rules and requirements will be implemented by responding to the following:

- A. Software Support. The Successful Bidder of Part B must provide software and systems engineering support for CATMAN changes. The Successful Bidder of Part B must supply upgrades on at least a semi-annual basis or as needed to comply with a specific request by BABLO and the periodic releases must be capable of including multiple administrative improvements to CATMAN.
- B. Quality Assurance and Acceptance Testing. The Successful Bidder of Part B must provide a Quality Assurance capability and support for the BABLO’s internal acceptance testing.
- C. Shared Records for Change Management for the System. In fulfillment of joint responsibilities between the Successful Bidder of Part B and BABLO to make CATMAN changes in a timely and correct manner, the Successful Bidder of Part B must provide shared access to change requests and change tracking.

1.18 Operations Security Plan

BABLO expects the CATMAN and associated operations to be of the highest security and integrity. This requires both BABLO and the Successful Bidder of Part B to maintain a high-level security environment. Staff must be organized, assigned, and operate under procedures and with System controls that mitigate security issues.

Response Note: As part of the Proposal, Bidders shall submit an outline for an Operations Security Plan.

1.19 Revenue Maximization for the State of Maine

Bidders are asked to help maximize revenue for the State of Maine. Bidders must propose and describe in detail revenue-generating opportunities beyond the requirement for gross revenue profit as described in Appendix XIV. An area to be considered includes but is not limited to selective, targeted wholesale inventory buy-ins. Bidders must provide a cost proposal to administer such activities with the suppliers and market to agency liquor stores.

1.20 Payment of Contract Costs

The Department will initiate payment under the terms of the Contract awarded as a result of this Part within 10 days beginning in August, 2014 and each month thereafter for the term on the Contract to the account established by the Successful Bidder of Part B to receive such payment.

PART 2 – Cost Proposal

2.0 Introduction

This section describes the manner in which the Bidders must submit a cost proposal for BABLO's consideration.

2.1 Separately-Sealed Cost Proposal

Bidders are required to provide a cost proposal in a separately sealed Volume. The Cost Proposal must be Volume II and include base cost for Volume I. A submittal letter signed by an individual authorized to obligate the company to the Proposal must also be included.

2.2 Duration of the Cost Proposal

The Cost Proposal must be valid for eighteen (18) months.

2.3 Content of the Cost Proposal

The Bidder must submit a cost proposal as a percentage of total net sales and bailment given in the format X.dd where X represents the whole number value and d represents decimal digits.

Example: 1.00 percent yields \$10,000 compensation per one million dollars of net sales.

2.4 Cost and Offered Services

Bidders may offer services in addition to the required services under this RFP; however, the cost of the additional services must be included in the base price.

2.5 Cost Quotation Sheet

- 1. Base Cost:** Bidders are required to quote the following items as a percentage of net sales, carried to two (2) decimal places. The basis is a ten (10) year contract base period.
Response Note: TBD cost is not allowed.

Cost Quoted as a Percentage of Total Net Sales _____%

Part 3 – Proposal Evaluation and Criteria

3.0 Introduction

This section describes the evaluation process that will be used to determine which Proposal provides the greatest overall benefits to BABLO. The ability of BABLO to evaluate a Bidder's Proposal is dependent upon the completeness and proper submission of the Proposal.

3.1 Review Team

BABLO intends to conduct a comprehensive, fair, and impartial evaluation of Proposals received in response to this RFP. In this selection process, BABLO will be represented by a Review Team.

The Review Team will evaluate each Proposal that is properly submitted by a responsible Bidder. The Review Team composed of qualified reviewers will judge the merits of the proposals in accordance with the criteria defined in this RFP.

BABLO shall ensure that the selection process accords equal opportunity and appropriate consideration to all who are capable of meeting the specifications. The goals of the evaluation process are to ensure fairness and objectivity in review of the proposals and to ensure that the contract is awarded to a responsible Bidder whose proposal best satisfies the criteria of the RFP at a reasonable/competitive cost.

BABLO reserves the right to communicate and/or schedule interviews/presentations with Bidders if needed to obtain clarification of information contained in the proposals received, and the Review Team may revise the scores assigned in the initial evaluation to reflect those communications and/or interviews/presentations. Any changes and additions to proposals will not be permitted during any interview/presentation process. Therefore, Bidders should submit proposals that present their costs and other requested information as clearly and completely as possible.

BABLO has obtained the services of an independent consultant, Jerome J. Janicki, Sr. (the consultant), who will be available to the Review Team to answer technical questions. The consultant shall not score the Proposals nor provide an opinion or recommendation as to which Proposal best meets the requirements of the RFP.

3.2 Evaluation Steps

The evaluation and Contract award process will comprise the following steps:

- A. Review of Proposals to assess compliance with Proposal submission requirements, including responsiveness to terms, conditions, and requirements. Proposals determined to be not responsive may not be evaluated further;
- B. Detailed evaluation of proposed functions, features, services, and references, using the requirements and criteria defined in this RFP;
- C. Proposal clarifications, site visits, and demonstrations (as determined necessary by the Review Team);
- D. Scoring of Proposals for Services;

- E. Scoring of Cost Proposals;
- F. Compilation of proposal of services scores and cost scores;
- G. Notification to the Division of Purchases;
- H. Issuance of Notice of Awards; and
- I. Negotiation and signing of the Contracts.

3.3 Information from Other Sources

BABLO reserves the right to conduct reference checks from credible sources other than the Bidder concerning a Bidder, the Bidder's offerings and capabilities, and the Bidder's performance, that BABLO deems pertinent to this RFP and to consider such information in evaluating the Bidder's Proposal.

In addition, the Review Team may check references regarding Bidders past experience, if any. BABLO may contact as many references as necessary to obtain a complete understanding of Bidders' performance and experience as applicable.

3.4 Technical Proposal Scoring

The Review Team will use a consensus approach to evaluate the proposal. Members of the Review Team will not individually score the proposals but, instead as a team, they will arrive at a consensus as to assignment of points on each category of each proposal. The Cost section will be scored according to a mathematical formula described below.

Each of the Proposal of Services (non-cost) factors in this Part will be scored by the Review Team based on its best professional judgment, considering all Proposal text, clarifications, reference checks, and any site visits, interviews, demonstrations, and qualified sources of information. A weighted scoring system will be used.

The weighted scoring system will provide numerical scores that represent the Review Team's assessment of the relative technical merits of the Proposals. The scores will be used to develop a preference ranking of Proposals based on non-cost factors.

3.5 Criteria and Weights (Available Points)

The weights (available points) for each of the evaluation criteria are:

TECHNICAL EVALUATION CRITERIA

Part A – Specifications of Work to be Performed for Spirits Administration

Points Available

Section 1.0:	Overview and Vendor Experience	80
Sections 1.1.1 and 1.1.2:	Spirits Administration Staffing and Facilities	190
Section 1.1.3:	Spirits Business System	175
Section 1.1.4:	Financial Administration	120
Section 1.1.5:	Warehousing and Distribution	275
Section 1.1.6:	Bottle Redemption	30
Sections 1.1.7 and 1.1.8:	Start of Contract Conversion and End of Contract Conversion	30
Section 1.1.9:	Economic Impact	50
Section 1.1.10	Revenue Maximization	50

Total Points Available for Part A – Proposal of Services		1000
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Part B – Specifications of Work to be Performed for Spirits Trade Marketing

Points Available

Section 1.0:	Overview and Vendor Experience	60
Sections 1.1 thru 1.5, 1.15, 1.17 and 1.18:	Trade Marketing, Business Plan and Presentation	340
Sections 1.6 thru 1.11:	Trade Marketing Staffing, Contact and Facilities	150
Section 1.12:	Financial Incentives	55
Sections 1.13 and 1.14	Start of Contract Conversion and End of Contract Conversion	25
Section 1.16:	Economic Impact	35
Section 1.19	Revenue Maximization	35

Total Points Available for Part B – Proposal of Services		700
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Bidders should bear in mind that every criteria reflects requirements that must be met regardless of the available points. Proposals that do not address any of the criteria listed above may not be considered for evaluation, at the discretion of the review team.

3.6 Scoring of Cost Proposals

As indicated below, a Bidder's cost proposal will be evaluated under a formula; reasonably provided, however, the Department reserves the right to reject any proposal if the Department determines that the cost proposal is substantially below the cost that the services offered can reasonably be provided.

Bidders must submit a cost proposal as a percentage of total net sales and bailment given in the format X.dd where X represents the whole number value and dd represents decimal digits.

Example: 1.00 percent yields \$10,000 compensation per one million dollars of net sales.

3.7 Scoring of Options

Bidders are encouraged to propose optional functions, features, services, and solutions. However, only the options included at no additional charge in the quoted baseline cost and noted as such in the Proposal of Services will be scored.

3.8-A Cost Evaluation – Part A

Cost evaluation will occur separately from and after the technical scoring. For each Proposal, the cost evaluation will be based on the Bidder's proposed cost, as described in this Part.

The Review Team will award up to three hundred fifty (350) points for cost based on a ratio of the Proposal being evaluated versus the lowest-cost responsive Proposal. The formula for any particular proposal being evaluated is:

$$\text{COST POINTS} = 350 (\text{LOWEST COST}/\text{PROPOSAL COST})$$

Under this formula, the lowest cost acceptable Proposal receives all three hundred fifty (350) available cost points. A Proposal twice as expensive as the lowest cost compliant/responsive Proposal earns half (1/2) as many, or one hundred seventy-five (175) cost points.

No Best and Final Offers. Except in the case of a tie, as outlined in Section 3.9, BABLO will not seek a best and final offer (BAFO) from any Bidder in this procurement process. All Bidders are expected to provide their best value cost with the submission of their proposal.

3.8-B Cost Evaluation – Part B

Cost evaluation will occur separately from and after the technical scoring. For each Proposal, the cost evaluation will be based on the Bidder's proposed cost, as described in Part 3 of this RFP.

The Review Team will award up to four-hundred (400) points for cost based on a ratio of the Proposal being evaluated versus the lowest-cost responsive Proposal. The formula for any particular proposal being evaluated is:

$$\text{COST POINTS} = 400 (\text{LOWEST COST}/\text{PROPOSAL COST})$$

Under this formula, the lowest cost acceptable Proposal receives all four-hundred (400) available cost points. A Proposal twice as expensive as the lowest cost compliant/responsive Proposal earns half (1/2) as many, or two-hundred (200) cost points.

No Best and Final Offers. Except in the case of a tie, as outlined in Section 3.9, BABLO will not seek a best and final offer (BAFO) from any Bidder in this procurement process. All Bidders are expected to provide their best value cost with the submission of their proposal.

3.9 Proposal for Services Scoring and Cost Proposal Scoring Combined

BABLO will combine the points for Proposal of Services and Cost Proposal for Parts A and B separately to determine the total score for each eligible Proposal for Parts A and B. The Bidder with the highest scored responsive bid for Part A and B respectively will be the Successful Bidder of that Part.

For Part A, the available one thousand (1,000) points for the Proposal of Services and three hundred fifty (350) cost points provide a maximum of one thousand three hundred fifty (1,350) cumulative points for Part A.

For Part B, the available seven hundred (700) points for the Proposal of Services and four hundred (400) cost points provide a maximum of one thousand one hundred (1,100) cumulative points for Part B.

In the unlikely event that one or more responsive bids from responsible Bidders receive identical cumulative points for either Part A or Part B, the respective bid for Part A or Part B shall be awarded to an in-state Bidder pursuant to 5 M.R.S.A §1825-B, sub-§8. If both Bidders are equal in this regard, the tie Bidders shall be asked to resubmit their proposals for either Part A or B with best and final offers with respect to cost only. The resubmitted cost shall be evaluated as described above, and those points shall be combined with the Bidder's technical points to provide a revised cumulative score. The Bidder with the highest revised cumulative score shall be the Successful Bidder for either Part A or Part B. Additional requests for best and final offers shall take place as necessary.

3.10 Notice of Contract Award

1. The results of the evaluation of Parts A and B will then be presented to the Division of Purchases, and after approval by the State Procurement Review Committee, BABLO will issue Notice of Awards and begin Contract negotiations.
2. Notification of Bidder selection or non-selection for both Parts A and B will be made in writing by BABLO.
3. Issuance of this RFP in no way constitutes a commitment by BABLO or the State of Maine to award a contract, to pay costs incurred in the preparation of a response

to this request, or to pay costs incurred in procuring or contracting for services, supplies, physical space, personnel or any other costs incurred by the Bidder.

4. BABLO reserves the right to reject any and all proposals for Parts A or B.

3.11 Contract Negotiations

Contract negotiations shall not address significant changes to terms and conditions, services, products, or cost, but may address options and variations for the benefit of BABLO.

BABLO reserves the right to terminate contract negotiations with a selected Bidder for Parts A or B who submits a proposed contract significantly different from the proposal they submitted in response to the advertised RFP. In the event that an acceptable contract cannot be negotiated with the highest ranked Bidder, BABLO may withdraw its award and negotiate with the next-highest ranked Bidder, and so on, until an acceptable contract has been finalized. Alternatively, BABLO may cancel the RFP, at its sole discretion.

3.12 Appeal of Contract Awards

Any person aggrieved by the award decision that results from this RFP may appeal the decision to the Director of the Bureau of General Services in the manner prescribed in 5 MRSA § 1825-E and 18-554 Code of Maine Rules, Chapter 120. The appeal must be in writing and filed with the Director of the Bureau of General Services, 9 State House Station, Augusta, Maine, 04333-0009 within 15 calendar days of receipt of notification of contract award.

Appendix I – Definitions:

“Automated Systems” mean the System under Part A and the Category Management (CATMAN) system under Part B.

“BABLO” or “Bureau” means the Bureau of Alcoholic Beverages and Lottery Operations within the Department of Administrative and Financial Services. As used in this RFP, BABLO also mean the Department.

“Broker” mean the person who is licensed to be a sale representative for a supplier of spirits in Maine.

“Category Management System” or “CATMAN” means category management system under Part B used to provide data-driven capability Industry to improve sales, working capital productivity, and return on investment for procurement, sales, and marketing decisions.

“Commission” means the State Liquor and Lottery Commission as established in 5 MRSA §283-A.

“Contract” or “Contracts” means the legal agreement between the Successful Bidder of Parts A and B and BABLO resulting from the procurement process for this RFP.

“Department” means the Department of Administrative and Financial Services within Maine State Government.

“Distiller” or “Supplier” means the company or person who provides spirits to the warehouse.

“Gross Receipts” means all receipts derived by the Department pursuant to 28-A MRSA Section 90, with no deduction or offset for Operating Contract Expenses, BABLO Administrative Expenses or Department Administrative Expenses. Gross Receipts include Liquor Excise Taxes.

“Industry” means BABLO, agency liquor stores, suppliers, suppliers’ representatives, and the Successful Bidders of Parts A and B of this RFP.

“Initiator of deposit” or “Initiator” means initiator as defined by 32 MRSA, chapter 28.

“Liquor” as used in this RFP means spirits as defined by 28-A MRSA §2, sub-§31.

“NABCA” means the National Alcohol Beverage Control Association.

“Net Receipts” means Gross Receipts derived by BABLO pursuant to 28-A MRSA §90, less BABLO’s Administrative Expenses, the cost of the services under this RFP, Product and Marketing Expenses and Premium Taxes.

“Net Receipts Clearing Account” means the clearing account established by the Department for the deposit of Gross Receipts, payment of Operating Contract Expenses, payment of Liquor

Product and Marketing Expenses, payment of BABLO Administrative Expenses and transfer of Liquor Excise Taxes.

“Product” or “Products” means spirits as defined by 28-A MRSA §2, sub-§31.

“SKU” means stock keeping unit.

“Spirits” means spirits as defined by 28-A MRSA §2, sub-§31.

“Spirits Business System” or “System” means the administrative management; product processing and management; price processing and management; financial processing, tracking and management; order processing; tracking and management; inventory processing, tracking and management; and reporting system under Part A.

Appendix II – Terms and Conditions

1.0 Introduction

Appendix II applies to both Parts A and B of this RFP, unless specially stated otherwise.

The Successful Bidder of Parts A and B of this RFP will be required to enter into a contract upon the terms and conditions set forth in the State of Maine, Division of Purchases, Agreement to Purchase Services, Form BP54 (attached hereto as Appendix C). By submission of a Proposal, the Bidder agrees to the Terms and Conditions contained therein.

Any Contract awarded as a result of this RFP will include, in addition, the terms and conditions set forth in Appendix II.

1.1 Term of Contract

The term of agreement will be ten years from the date of commencement of services. Other than for emergency purposes as noted in Section 2.2, Maine law does not permit any extension of the services contained under either Part A or Part B of this RFP.

In the event of early termination or a change in the service provider at the end of any contract period, the Successful Bidder of Parts A and B shall work cooperatively with BABLO and its new service provider(s) to provide a smooth transition and uninterrupted services.

The actual commencement of services and transition process will be negotiated with the Successful Bidder of Parts A and B prior to the start date of the Contract. It is anticipated that the start date will be July 1, 2014.

1.2 Emergency Extension

BABLO reserves the right to extend the Contract at the rates and upon the terms and conditions then in effect on thirty (30) days' notice for one (1) or more thirty (30) day periods if BABLO is unable for any reason to secure a new contract for the services to manage the spirits business in Maine. To meet this requirement, the Successful Bidder of Parts A and B for the RFP must maintain the services required by this RFP for the duration of this emergency extension.

Exercising these rights shall not be construed as obligating BABLO to repeat the procurement process for any subsequent contract or conferring any right or expectation for the Successful Bidder of Parts A and B to continue to provide the services required under this RFP after the expiration of any such emergency extension period.

1.3 Covenant Against Contingent Fees

The Bidder warrants that no person or selling agency has been employed or retained to solicit or secure an agreement pursuant to this RFP upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established

commercial or selling agencies retained by the Bidder for the purpose of securing business. For breach or violation of this warranty, BABLO shall have the right to terminate any Contract awarded as a result of this RFP in accordance with the termination clause, and in its sole discretion, to deduct from any Contract awarded as a result of this RFP any cost or consideration or otherwise recover the full amount of any such commission, percentage, brokerage or contingent fee.

1.4 Audit and Accounting Requirements

The Successful Bidder of Parts A and B must meet specific auditing and accounting obligations:

- A. The Successful Bidder of Parts A and B must submit to BABLO within 120 days of the close of its fiscal year, an annual financial report and audit certified by an independent certified public accountant, who may be an accountant or member of a firm of accountants that regularly audit the books and accounts of the Successful Bidder of Parts A and B. The audit information must include, but is not limited to, the audited financial statements, auditor opinions, reports on internal control, reports on cost of goods sold, findings and recommendations and management letters.
- B. The Successful Bidder of Parts A and B must have a complete corporate financial audit conducted annually, at its own expense. The audit must follow generally accepted auditing standards (GAAS) or the appropriate non-U.S. equivalent. A copy of the Successful Bidder of Parts A and B's audited financial statements shall be provided within one quarter after the close of the Successful Bidder of Parts A and B's fiscal year.
- C. A third-party examination of the Successful Bidder of Part A's Maine operations must be conducted annually. This examination will be a SOC-1 Type-2 Examination conducted in accordance with SSAE 16, at the sole discretion and determination of BABLO, and shall be paid for by the Successful Bidder of Part A. For this examination the Successful Bidder of Part A will suggest, for BABLO's approval, the firm(s) to perform the work. All aspects shall be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Annual examinations shall occur on a July 1 through June 30 basis and will be reported to BABLO not later than forty-five (45) days after the close of the State's fiscal year.
- D. The Successful Bidder of Parts A and B must maintain its books, records and all other material pertaining to the Contract in accordance with generally accepted accounting principles (GAAP) ~~(or the appropriate non-U.S. equivalent) and such other procedures specified by BABLO.~~ These records shall be available to BABLO, its internal auditors, or external auditors (and other designees) at all times during the Contract period and for five (5) years from the Contract expiration date or final payment on the Contract, whichever is later. If any litigation, claim, audit, or other action involving the Contract has started before the expiration of the 5-year period, the records must be retained until completion of the action and resolution

of all issues arising from it or until the end of the regular 5-year period, whichever is later.

1.5 Bonds and Insurance Company Qualifications

All required bonds and insurance must be issued by companies which are “A” or higher rated by A.M. Best & Co., have a record of successful continuous operation, are licensed, admitted, and authorized to do business in the State of Maine, and are approved by BABLO. ~~Required coverage and limits must be put into effect as of the effective date of the Contract and must remain in effect throughout the term of the Contract, as determined by BABLO.~~

1.6 Insurance

The Successful Bidder of Parts A and B shall purchase and maintain insurance to cover all claims, including those set forth below, which may arise out of or result from the Successful Bidder of Parts A and B's operations under the Contract, whether such operations are by the Successful Bidder of Parts A and B or by any subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

- A. Claims under workers' disability compensation, disability benefits, and other similar employee benefits acts.
- B. Claims for damages because of bodily injury, occupational sickness or disease, or death of the Successful Bidder of Parts A and B's employees, or any person other than Successful Bidder of Parts A and B employees.
- C. Claims for damages because of injury to or destruction of tangible property, including any resulting loss of use.
- D. Errors and Omissions Insurance for losses due to harmful acts, errors, or outages due to the System or the Successful Bidder of Parts A and B, its officers, employees, agents, subcontractors or assigns regardless of negligence.

The Successful Bidder of Parts A and B must provide proof of insurance in a form acceptable to BABLO and must maintain bonds as required by the Federal Bureau of Alcohol, Tobacco and Firearms in amounts satisfactory to BABLO.

The Successful Bidder of Part A must provide proof of insurance for general liability, fire and extended coverage, Warehouseman's Legal Liability, Cargo Legal Liability and must maintain bonds as required by the Federal Bureau of Alcohol, Tobacco and Firearms in amounts satisfactory to BABLO.

The Successful Bidder of Parts A and B are at all times responsible for securing and maintaining adequate insurances to protect itself and BABLO. BABLO makes no warranty or representation as to the adequacy or sufficiency of the insurance required or identified in this section.

1.6.1 Insurance Coverage and Limits

~~Specific coverage requirements are listed below. The defined dollar amounts are minimum limits. The Successful Bidder of Parts A and B must provide coverage in these amounts or as otherwise required by Maine law during the course of the Contract. Statement of self-insurance to cover these obligations will be considered nonresponsive.~~

- ~~A. Property Insurance. Insurance on all buildings, fixtures, and equipment provided or used in providing the System or service must be maintained in the amount of actual replacement cost thereof. This policy must insure real and personal property including contents, equipment, and mobile items against fire, collision, flood, etc.~~
- ~~B. General Liability Insurance. Commercial General Liability and Property Damages Insurance with limits not less than \$5,000,000 for any one person and \$10,000,000 for any one occurrence for personal injury, and \$5,000,000 for any one occurrence for property damages.~~
- ~~C. Errors and Omissions Insurance. Amount: \$20,000,000.~~
- ~~D. Automobile Bodily Injury Liability Insurance. Insurance with a combined single limit not less than \$1,000,000.~~
- ~~E. Worker's Compensation Insurance. To cover all of Bidder's employees during the term of the Contract in accordance with Maine Statutes, or other applicable worker's compensation laws.~~
- ~~F. Except for E&O, other insurances covered by this Section must be effective when performance commences under the Contract and continue through the term of the Contract or any extension thereof. BABLO must receive thirty (30) days' advance written notice of cancellation, termination or failure to renew any policy. Errors and Omissions coverage must continue until one (1) year past the term of the Contract or any extension thereof.~~
- ~~G. Liquor Liability if spirits is furnished to anyone for consumption including tasting during the life of the Contract awarded as a result of Part B of this RFP. Limits must match or exceed those of the General Liability Insurance requirement in paragraph B of this section. This requirement applies to the Successful Bidder of Part B only.~~
- ~~H. Professional Liability with limits that match or exceed those of the General Liability Insurance requirement in paragraph B of this section. This requirement applies to the Successful Bidder of Part B only.~~

Specific insurance coverage requirements are listed below. The defined dollar amounts are minimum limits. The Successful Bidder of Parts A and B must provide coverage in these

amounts or in higher amounts as otherwise required by Maine law during the course of the Contract. Statement of self-insurance to cover these obligations will be considered non-responsive.

- A. Property Insurance. Insurance on all buildings, fixtures, and equipment provided or used in providing the System or service, including all real, business personal property and mobile equipment. The insurance shall protect against risks of direct physical loss, including flood and collision. The valuation basis shall be replacement cost. Coverage shall include or be endorsed to include business interruption and extra expense, electronic data processing equipment and data media, accounts receivable and valuable papers. Policy sub-limits must be declared to and approved by BABLO.

- B. General Liability Insurance. Commercial General Liability to cover those sums Successful Bidder of Parts A and B become legally obligated to pay as damages because of bodily injury or property damage. The insurance shall include or be endorsed to include contractual liability, products and completed operations. The limit of liability shall be not less than \$5,000,000 per occurrence and \$10,000,000 aggregate. Liquor Legal Liability insurance in the same amount must be provided if Successful Bidder's activities or proposed activities generate that exposure.

- C. Professional Liability Insurance. Also commonly known as errors and omissions coverage for negligence in the performance of services and for errors and omissions. This coverage must be furnished no later than ten (10) business days prior to production start-up. This coverage must continue until one year past the term of the Contract or any extension so either the time period for reporting claims must be extended or the availability of a tail endorsement must be guaranteed. The limit of liability for Successful Bidder of Part A shall be \$10,000,000 per claim and the limit of liability for Successful Bidder of Part B shall be \$1,000,000 per claim.

- D. Business Auto Liability. Business Auto Liability to cover those sums Successful Bidder of Parts A and B become legally obligated to pay as damages because of bodily injury or property damage caused by an accident and resulting from the ownership, maintenance or use of an auto. Covered Auto Symbol 1 – Any Auto is required as it includes owned, non-owned, hired and mobile equipment subject to motor vehicle law. The limit of liability required is \$1,000,000 per occurrence combined single limit.

- E. Worker's Compensation and Employers' Liability Policy. To cover all of Successful Bidder's employees during the term of the Contract in accordance with Maine Statutes, or other applicable worker's compensation laws. The Employer's Liability portion of the coverage shall be at a \$500,000 limit for each of the three categories.

- F. Warehouse Operators Legal Liability. Successful Bidder of Part A shall provide coverage for the legal liability associated with warehouses that are owned or controlled by it and that contain property belonging to others that is in its care, custody and control. The limit of liability shall be adequate to protect the maximum value of such property warehoused at any one time. This value must be approved by BABLO. This requirement does not apply to Successful Bidder of Part B.

- G. Cargo Legal Liability. Successful Bidder of Part A shall provide coverage for the legal liability associated with loss to freight or cargo during transit. The limit of liability shall be adequate to protect the maximum value of such property transported at any one time. This requirement does not apply to Successful Bidder of Part B.

- H. All insurances covered by this Section, unless stated differently, must be effective when performance commences under the Contract and must continue through the term of the Contract or any extension thereof. The insurance policies must provide thirty (30) days' advance written notice to BABLO of cancellation, termination, or failure to renew any policy. BABLO reserves the right to require complete, certified copies of any required insurance policy or bond at any time.

1.6.2 Certificates of Insurance

Certificates of insurance and any renewals thereof must be furnished to BABLO's Contracting Officer on or before the date of Contract execution, with the exception of the certificate for Errors and Omissions insurance, which must be furnished no later than ten (10) business days prior to production start-up. ~~The insurance policies must provide thirty (30) days' advance written notice to BABLO of cancellation, termination, or failure to renew any policy.~~

1.7 Performance Bond

Upon notification of receiving the Contract award, the Successful Bidder of Parts A and B will be required to obtain an annually renewable Performance Bond or other form of security acceptable to the State of Maine. For the Successful Bidder of Part A, the Performance Bond must be in the amount of five million dollars (\$5,000,000) for every year of the Contract. For the Successful Bidder of Part B, the Performance Bond must be in the amount of one million dollars (\$1,000,000) for every year of the Contract. The Performance Bond may be paid in full or in part to BABLO if the Successful Bidder of Part A or B defaults in the performance of the Contract or has occasioned uncompensated liquidated damages. If the Successful Bidder of Part A or B defaults in the performance of its contractual obligations or breaches its duties, the surety shall have the option to cure the default in a timeframe established by BABLO or tender funds sufficient to pay the cost of completion.

The Performance Bond may be drawn upon if assessed liquidated damages, as described in section 1.9 of this Part, have not been received by BABLO within thirty (30) calendar days of written notice to the Successful Bidder of Part A or B that they have been incurred, provided however if the Successful Bidder of Part A or B notifies BABLO within two (2) business days of receipt of the notice that it disputes the damages, or requests to negotiate a settlement of the damages, then the liquidated damages, if applicable shall be payable by the Successful Bidder of Part A or B within the timeframe established by BABLO after resolution of assessment.

Other forms of comparable security may be acceptable at BABLO's discretion. Failure to post an additional bond or security within seven (7) days after notice that the proposed security is inadequate shall be grounds for immediate termination of the Contract.

1.8 Fidelity Bond

Prior to contract execution, the Successful Bidder of Parts A and B will be required to obtain a Fidelity Bond. For the Successful Bidder of Part A, the Fidelity Bond must be in the amount of five million dollars (\$5,000,000) covering any loss to BABLO due to any fraudulent or dishonest act on the part of the Successful Bidder of Part A, its employees, agents, or subcontractors. For the Successful Bidder of Part B, the Fidelity Bond must be in the amount of one million dollars (\$1,000,000) covering any loss to BABLO due to any fraudulent or dishonest act on the part of the Successful Bidder of Part B, its employees, agents, or subcontractors.

An event due to any fraudulent or dishonest act under this section, in the sole discretion of BABLO, could be grounds for termination of any Contract awarded as a result of this RFP, whether or not the losses arising as a result thereof were paid under an insurance policy. If the insurance policy of the Successful Bidder of Part A or B does not cover their agents or subcontractors, then the Successful Bidder of Part A or B must ensure that these entities have equivalent insurance in their own right.

1.9 Liquidated Damages Provisions

In the below-listed liquidated damages sections, BABLO and the Successful Bidder of Parts A and B as applicable to each Successful Bidder agree that it will be extremely impractical and difficult to determine actual damages sustained by BABLO. The services to be provided under any Contract awarded under this RFP are not readily available on the open market. Further, any breach by the Successful Bidder of Part A or B will delay and disrupt BABLO's operations and will lead to damages. Therefore, the parties agree that the liquidated damages, as specified in all the sections below, are reasonable and are not to be construed as a penalty.

Assessment of liquidated damages shall be in addition to, and not in lieu of, such other remedies as may be available to BABLO.

1.9.1 Notification of Liquidated Damages

Upon determination that liquidated damages are to or may be assessed, BABLO shall notify the Successful Bidder of Part A or B of the assessment in writing. The availability

of any period of cure will depend on the situation and will be in the sole discretion of BABLO.

1.9.2 Conditions for Termination of Liquidated Damages

As determined appropriate by BABLO, the following are the conditions under which the Successful Bidder of Part A or B may obtain relief from the continued assessment of liquidated damages that have been imposed.

- A. Except as waived in writing by BABLO, no liquidated damages imposed shall be terminated or suspended until the Successful Bidder of Part A or B issues a written notice verifying the correction of the condition(s) for which liquidated damages were imposed, and the notice of correction has been verified and accepted by BABLO.
- B. As appropriate, the Successful Bidder of Part A shall conduct system testing of any correction, as BABLO deems necessary. Such testing shall be developed jointly by BABLO and the Successful Bidder of Part A and must be approved by BABLO, including the test script, test environment, and test results. A notice of correction will not be accepted until verification by BABLO.

1.9.3 Severability of Individual Liquidated Damages

If any portion of the liquidated damages provisions is determined to be unenforceable in one or more applications, that portion remains in effect in all applications not determined to be invalid and is severable from the invalid applications. If any portion of the liquidated damages provisions is determined to be unenforceable, the other provision or provisions shall remain in full force and effect.

1.9.4 Waivers of Liquidated Damages

The waiver of any liquidated damages due BABLO shall constitute a waiver only as to such liquidated damages and not a waiver of any future liquidated damages. Failure to assess liquidated damages or to demand payment of liquidated damages within any period of time shall not constitute a waiver of such claim by BABLO.

1.9.5 Payment of Liquidated Damages

All assessed liquidated damages will be deducted from any moneys owed the Successful Bidder of Part A or B by BABLO and, in the event the amount due the Successful Bidder of Part A or B is not sufficient to satisfy the amount of the liquidated damages, the Successful Bidder of Part A or B shall pay the balance to BABLO within thirty (30) calendar days of written notification. If the amount due is not paid in full, the balance will be deducted from subsequent payments to the Successful Bidder of Part A or B. At

BABLO's sole option, BABLO may obtain payment of assessed liquidated damages through claims upon the Performance Bond.

1.9.6 Failure to Report Incidents

Conditions

It will be the responsibility of the Successful Bidder of Parts A and B to immediately report all significant incidents related to the operation of the services under this RFP. The immediate reporting shall be delivered personally, by telephone, or by electronic mail within one (1) hour of the discovery of the incident, followed by a letter addressed to BABLO Director within twenty-four (24) hours of the incident. All written reports and notifications may be sent by courier or electronic mail directly to BABLO's Director or Deputy Director. At a minimum, each of the following types of events is deemed to be significant events and shall require a written report:

- A. Major equipment failures;
- B. Loss or corruption of System or CATMAN data;
- C. Major communications failures;
- D. Significant operator errors;
- E. Emergency software or hardware changes;
- F. Major property/product damage or theft; or
- G. Security violations.

Damages

In the event that the Successful Bidder of Parts A and B fails to report incidents as defined in this Section and required by this RFP, BABLO may impose liquidated damages up to five hundred dollars (\$500) per day until an incident is correctly reported.

1.9.7 Failure to Remedy Audit Recommendations

Condition

If the Successful Bidder of Parts A and B fails to address recommendations made as a result of a System, CATMAN or operational audit by a recognized authority such as the State of Maine or BABLO approved auditors, BABLO may assess liquidated damages.

Damages

In the event that audit recommendations addressing any operational, System or CATMAN activities of the Successful Bidder of Parts A and/or B are not corrected within sixty (60) days of notification, unless specifically exempted by BABLO, the Successful Bidder of Parts A and/or B may be charged liquidated damages of up to five thousand dollars (\$5,000) at the end of the initial 60-day period and up to an additional five thousand dollars (\$5,000) for each subsequent 30-day period or any portion thereof, for which the audit recommendation corrections have not been completed.

1.9.8 Automated Systems

This section refers to the System under Part A and the CATMAN under Part B.

Condition

The Successful Bidder of Parts A and B must complete all installation preparations as required, pass BABLO acceptance testing, comply with all other contractual requirements in effect during the implementation period, and achieve readiness for production operations.

Damages

BABLO may impose liquidated damages for each calendar day of delay in delivering the following benchmarks:

For the System under Part A:

- A. Readiness for Start of BABLO Acceptance Testing. Up to two thousand five hundred dollars (\$2,500) per day, beginning sixty (60) days prior to the agreed-upon production start-up date.
- B. Successful Completion of BABLO Acceptance Testing. Up to five thousand dollars (\$5,000) per day beginning seven (7) days prior to the production start-up date, when such delay is caused by either the Successful Bidder of Part A as a result of unresolved errors and issues encountered in acceptance testing.
- C. Production Operations. Up to twenty-five thousand dollars (\$25,000) per day beginning with the production start-up date. At start-up, all System features must be ready to go live.
- D. Missing Deliverables. Up to two hundred fifty dollars (\$250) per day for each and every failure to provide a deliverable, meet a requirement, or resolve an acceptance test problem pursuant to the agreed-upon project schedule until such is provided or performed.

For CATMAN under Part B:

- A. Readiness for Start of BABLO Acceptance Testing. Up to one thousand dollars (\$1,000) per day, beginning sixty (60) days prior to the agreed-upon production start-up date.
- B. Successful Completion of BABLO Acceptance Testing. Up to two thousand dollars (\$2,000) per day beginning seven (7) days prior to the

production start-up date, when such delay is caused by either the Successful Bidder of Part B as a result of unresolved errors and issues encountered in acceptance testing.

- C. Production Operations. Up to five thousand dollars (\$5,000) per day beginning with the production start-up date. At start-up, all CATMAN features must be ready to go live.
- D. Missing Deliverables. Up to two hundred fifty dollars (\$250) per day for each and every failure to provide a deliverable, meet a requirement, or resolve an acceptance test problem pursuant to the agreed-upon project schedule until such is provided or performed.

1.9.9 Unauthorized Access

Condition

The Successful Bidder of Parts A and B must preclude personnel not authorized by BABLO from accessing the, facilities, and any automated systems data or software.

Damages

If the Successful Bidder of Parts A or B fails to preclude or permits access by unauthorized personnel, BABLO may impose liquidated damages up to two thousand five hundred dollars (\$2,500) for each person and for each incident in violation. Each and every act that permits access by an unauthorized person is an incident.

The following Terms and Conditions for Liquidated Damages from Sections 1.9.10 to 1.9.18 only apply to the Successful Bidder of Part A.

1.9.10 System Unavailable

Condition

The System shall be defined to be “unavailable” if any defined user cannot access and use the System to meet their business needs. These needs include but are not limited to ordering Product by agency liquor stores; inventory analysis by suppliers or representatives of suppliers; pricing adjustments to Products by BABLO and other such activities by users of the System. The total time during which the System is unavailable during the day shall be the sum of all time during such operational period when the System is “unavailable.” This does not include when the System is “unavailable” for any BABLO approved scheduled maintenance.

Damages

In the event that the System has been unavailable, BABLO may impose liquidated damages on the Successful Bidder of Part A as a result of the total time during each daily operational period that the System is unavailable, except for the first two (2) hours, according to the following schedule:

- A. Liquidated damages in an amount up to five hundred dollars (\$500) may be assessed for each two (2) hours the System is unavailable.
- B. In the event that two (2) incidents in excess of two (2) hours each have already occurred in a business week, the grace period of two (2) hours shall be rescinded, and liquidated damages shall begin immediately with any subsequent outage in that week.

1.9.11 Failure to Produce an Administrative Software Change

Condition

The Successful Bidder of Part A shall modify or add software to produce reports, screen displays, inquiries, and other administrative applications within ninety (90) days from BABLO-approved specifications or a change in Maine law or BABLO Administrative Rule. If the time period to make such legislation or rule change is less than ninety (90) days, the Successful Bidder of Part A, must modify or add software to produce reports, screen displays, inquiries, and other administrative applications within the time frame the law or administrative rule requires; unless an extension is authorized in writing by BABLO. The Successful Bidder of Part A’s change must incorporate an acceptance test and receive BABLO’s written approval, within the timeframe specified.

Damages

BABLO may impose liquidated damages up to one thousand dollars (\$1,000) per day that the modified or additional software is not installed.

1.9.12 Unauthorized Software Modifications

Condition

The Successful Bidder of Part A shall not modify any software without the prior written approval of BABLO.

Damages

If the Successful Bidder of Part A modifies any software without the prior written approval of BABLO, BABLO may issue a written order that the change or modification must be removed and the System restored to its previous operating state at the expense of the Successful Bidder of Part A. "Modification" does not include replacement of a System component with an essentially similar working component in the event of necessary maintenance. In emergency circumstances, BABLO may give verbal approval.

Further, BABLO may impose liquidated damages up to five thousand dollars (\$5,000) per violation in addition to any other damages that may occur as a result of an unauthorized modification.

1.9.13 Failure to Timely Receive and Deliver Orders to Agency Liquor Stores

Condition

The Successful Bidder of Part A must timely receive and deliver orders to agency liquor stores as required by Section 1.1.5 of Part A of this RFP.

Damages

In the event that the Successful Bidder of Part A does not meet the requirements of Section 1.1.5 of Part A of this RFP, BABLO may assess liquidated damages of up to one thousand dollars (\$1,000) for failure to meet this requirement for each instance of failure to meet this requirement until this requirement is met.

1.9.14 Failure to Achieve and Maintain Order Fill Rate

Condition

The Successful Bidder of Part A must achieve and maintain a minimum order fill rate of 92% as required by Section 1.1.5.6 of Part A of this RFP or the order fill rate proposed by the Successful Bidder of Part A if greater than the minimum requirement of Section 1.1.5.6.

Damages

In the event that the Successful Bidder of Part A does not meet the requirement of Section 1.1.5.6 of Part A of this RFP or the proposed order fill rate, BABLO may assess liquidated damages of up to five hundred dollars (\$500) for failure to meet this requirement.

1.9.15 Failure to Timely Respond to Agency Liquor Stores

Condition

The Successful Bidder of Part A must have an agency liquor store telephone “hotline” as required by Section 1.1.8 of Part A of this RFP. This “hotline” must be responded to in a professional and timely manner. Under ordinary operational circumstances, ninety percent (90%) of agency liquor store calls must be answered in three (3) minutes, and failure to do so may result in liquidated damages.

Damages

In the event that the Successful Bidder of Part A does not meet the requirement of Section 1.1.8 of Part A of this RFP, BABLO may assess liquidated damages of up to two hundred and fifty dollars (\$250) for any week during which the ninety percent (90%) minimum is unmet.

1.9.16 Failure to timely receive Product at the warehouse

Condition

The Successful Bidder of Part A as required by 1.1.5 of Part A of this RFP must ensure that Product can be received from suppliers so that backlogs or delay in delivery to agency liquor stores or receiving inventory of Product and out of stock situations do not occur at the warehouse location(s).

Damages

In the event that the Successful Bidder of Part A does not meet the requirement of Section 1.1.5 of Part A of this RFP, BABLO may assess liquidated damages of up to five hundred dollars (\$500) for delays, backlogs or out of stock situations that are directly related to insufficient capacity to receive or deliver product.

1.9.17 Failure to Provide Software Testing and Quality Software Turnover

Condition

If the Successful Bidder of Part A fails to provide a quality assurance test plan or a report on the quality assurance test, or fails to provide release notes and quality tested software as required by Section 1.1.3 of Part A of this RFP for quality assurance standards, there will be liquidated damages assessed.

Damages

In the event that untested software is turned over for user acceptance testing and that the software does not meet the specifications standards established by BABLO, the Successful Bidder of Part A may be charged liquidated damages of up to two thousand five hundred dollars (\$2,500) for the first violation (return of the software due to being non-testable) and up to five thousand dollars (\$5,000) for each subsequent violation.

1.9.18 Failure to Manage Bottle Redemption as Required by Law and this RFP.

Condition

The Successful Bidder of Part A as required by Section 1.1.7 of Part A of this RFP must provide bottle redemption services for the term of the contract award from Part A of this RFP.

Damages

If the Successful Bidder of Part A does not manage bottle redemption services as required by Title 32, chapter 28 and Part A of this RFP, the Successful Bidder of Part A may be assessed up to one thousand dollars (\$1,000) per incident.

1.10 Right of Use

If, for any reason other than a breach of the Contract by BABLO, the Successful Bidders of Parts A and/or B loses the ability or refuses to service BABLO, as provided by this Contract, BABLO shall acquire a right of use in the source and object program instructions, and the documentation for those programs as owned by the Successful Bidders of Parts A and/or B, in conjunction with any Contract deliverables that are necessary to provide operational support for the Spirits business in Maine.

Right of use shall be limited to the right of BABLO to possess and make use of these items solely for the use and benefit of BABLO in operating the System being used under the Contract. Such use shall be limited in time for the duration of the Contract and in scope to those items being used by BABLO and on BABLO's behalf under the Contract. All items, including modifications or alterations thereof, shall be kept in confidence, except to the extent that they are public records

under Maine law, and shall be returned to the Successful Bidders of Parts A and/or B when their use according to this paragraph has been fulfilled.

If there has been a determination, in the sole discretion of BABLO, that a discontinuity of the operations by the Successful Bidder of Parts A and/or B may be anticipated and this provision may be exercised, the Successful Bidder of Parts A and/or B must provide training to BABLO in the operation of the System, at BABLO's request.

1.11 Security Program under the Contract

Prior to operations under the Contract, the Successful Bidder of Parts A and B shall establish a security program subject to the written approval of BABLO. This program must be updated, reviewed, and approved annually by BABLO. As part of this program, the Successful Bidder of Parts A and B must maintain an approved Operations Security Plan (see Section 1.1.3.8 of Part A and Section 1.17 of Part B).

1.11.1 Bidder Personnel Background

BABLO may initiate investigations into the backgrounds of any officers, principals, investors, owners, subcontractors, employees, or any other associates of the Successful Bidder of Parts A and B as it determines to be appropriate. Background investigations may include fingerprint identification by the Maine State Police and the Federal Bureau of Investigation. BABLO shall have the right to request the Successful Bidder of Parts A and B to remove any and all employees from any responsibility in the performance of services as provided for under this RFP, based upon the results of background checks, or if BABLO finds that any employee is not performing in the best interest of BABLO.

BABLO may extend this requirement to include any subcontractors involved in any way in the implementation, installation, and operation of the System.

Upon award of the Contract, the Successful Bidder of Parts A and B shall submit and allow, at a minimum, the following security elements:

- A. A list of the names, addresses, birthdates, and Social Security numbers of all management, supervisory and key technical personnel of the bidder and subcontractors assigned to and associated with the Contract;
- B. Authorizations signed by the employees and subcontractors to allow law enforcement agencies to release relevant background information. This may be extended to include officers, investors, owners, and associates;
- C. Assurance to BABLO that, as changes are processed throughout the Contract and any extension thereof for the aforementioned types of personnel, any changes in this requested data and authorization shall be reported to BABLO within one (1) calendar month;
- D. Notification in writing to BABLO within ten (10) business days if a person, group of persons, partnership, corporation, associate group of investors, limited liability company or other legal entity acquires directly or indirectly the beneficial ownership (as defined by Securities and Exchange

Commission Regulation §240.13d-3) in the amount of five percent (5%) or more of the ownership interest in, or any class of equity securities of, the Successful Bidder of Part A or B or the parent company of the Successful Bidder of Part A or B. Background investigation and licensing may be required for these new owners and if the investigations are unsatisfactory, BABLO may, at its option, terminate the Contract, after providing thirty (30) days written notice to the Successful Bidder of Part A or B;

- E. Unfettered and unannounced access, inspection and evaluation privileges for all phases of performance and for all facilities and premises used by the Successful Bidder of Part A and B in fulfillment of the Contract; and
- F. Immediate notification in writing to BABLO of all terminations and resignations of employees and staff assigned to and associated with the Contract.

1.11.2 Security Violation Reporting

The Successful Bidder of Parts A and B shall immediately report any security breach, violation of law (e.g., theft), or disappearance of Product, software or material used or to be used in the performance of any Contract awarded as a result of this RFP.

1.11.3 Security Information Updates

The Successful Bidder of Part A or B shall report any change in, addition to, or deletion from, the information disclosed to BABLO. The report shall be in the form of a letter addressed to BABLO and shall be delivered within thirty (30) days of the effective date of the change, addition, or deletion. In particular, the Successful Bidder of Part A or B must report the involvement of the key functional employees described in Part A or B of this RFP, owners, or agents in any known criminal arrest (exclusive of minor traffic violations) or investigation of the Successful Bidder of Part A or B.

1.12 Work and Implementation Plan

Bidders must propose and define in detail a work plan for developing and implementing the System required under Part A and the CATMAN required under Part B within ten (10) days after any contract awarded as a result of this RFP is executed.

1.13 Corrections and Upgrades

The automated systems required under this RFP will evolve over time due to many factors. The following paragraphs identify the business and financial obligations under various change conditions.

1.13.1 Corrections and Maintainability

The Successful Bidder of Parts A and B must report any relevant deficiencies in hardware or software used in automated systems required under this RFP and are responsible for ensuring that corrections are incorporated into the configuration in a timely and responsible manner. At the time the Successful Bidder of Parts A or B is notified by a supplier that a model and/or version is scheduled to have support dropped, it is the obligation of the Successful Bidder of Parts A or B to acquire and install an appropriate upgrade to the respective automated system under either Part A or Part B of this RFP with the prior approval of BABLO.

1.13.2 Workload Accommodation

The Successful Bidders of Part A and B must provide any upgrades to the services required under this RFP such that increased sales and the ability to meet the requirements under Parts A and B of this RFP must be included in the cost of the Bidders of Part A or B or both.

1.13.3 Management Information and Reporting Changes

All software and stored procedure changes for scheduled administrative reports, ad hoc reports, screen displays, processing options, and other features required for BABLO to manage the System and CATMAN, meet reporting obligations, and respond to new business needs or rules as a result of changes in Maine law or BABLO administrative rules, are included in the cost. This Section shall pertain to any expanded reporting necessary for management information.

1.13.4 Other Changes

Changes and enhancements to the equipment, services and software which exceed RFP-specified requirements and which are not otherwise accommodated by the cost in Part 3, such as new user interface features, will be handled as follows:

- A. Software changes are included in the cost, even if additional developments are required by the Successful Bidder of Part A or B to create or adapt software for BABLO's needs; and
- B. Capital equipment, facilities, third-party licenses, or substantive service additions or changes will have their cost negotiated with BABLO.

1.14 Approval of Hardware and Software Changes

The configuration management system and practices of the Successful Bidders of Parts A and B must preclude unauthorized changes to any services provided under this RFP. Any engineering changes or variations from the designs and specifications of the RFP, the Proposal, any Contract, or signed-off documentation must be approved in writing by BABLO prior to installation or implementation.

1.15 Escrow of Software and Documentation

Before implementation of the services under this RFP that use software, a complete set of the software source programs, binaries, operations manuals, service manuals, written procedures, and any such other materials necessary for BABLO to operate any services under this RFP must be delivered to an approved escrow agent. Materials shall be delivered on mutually-agreeable media. Installation packages for third-party software products licensed by the Successful Bidder of Parts A and B must be included. These materials would allow BABLO to (i) continue operations in the event the Successful Bidder of Part A or B becomes unable to perform, and (ii) confirm that only authorized software and procedures are employed with the services using software. In this regard, access by BABLO to the escrow (if escrowed) shall be at BABLO's discretion for auditing its contents, or for preparation to assume operations of the services under Part A and/or B of this RFP.

As changes are implemented, both the change and change documentation shall be provided to the approved escrow agent to continue BABLO's protection. Changes to escrow's copy of these materials must occur within one (1) week of installation in production operations.

1.16 Compensation during Contract

BABLO is obligated to compensate the Successful Bidder of Parts A and B only as a result of operation of the services required under this RFP by the Successful Bidder of Parts A and B in production, for the term of the Contracts awarded under this RFP in the manner proposed under Part 3 of this RFP.

1.17 Title to, Use, and Compensation for Intellectual Property

To the extent that the Successful Bidder of Part A or B utilizes or relies upon the Intellectual Property Rights of a third party in fulfilling its obligations under any Contract awarded as a result of this RFP, the Successful Bidder of Part A or B must obtain and provide BABLO with documentation, satisfactory to BABLO, of the right to use such third-party Intellectual Property Rights by the Successful Bidder of Part A or B. In addition, in the event of failure to perform or breach of any Contract awarded as a result of this RFP by the Successful Bidder of Part A or B, the Successful Bidder of Part A or B must obtain and convey as necessary the right of BABLO to continue to use the licensed intellectual property. The Successful Bidder of Part A or B must indemnify, defend and hold BABLO harmless from and against any claim that the use of the intellectual property violates any patent, copyright or mask work.

While BABLO and the Successful Bidder of Parts A and B agree that Intellectual Property associated with any product or service provided by (or developed solely by) the Successful Bidder of Parts A and B during the term of any Contract awarded as a result of this RFP and used by BABLO will remain the property of the Successful Bidder of Part A or B, the Successful Bidder of Part A or B will grant a license to BABLO to make use of certain Intellectual Property such labels, logos, and titles on an indefinite basis only with respect to BABLO use of the Intellectual Property. Equipment and software representing property of the Successful Bidder of Part A or B must not be included with such license. There shall be no additional charge for this right of BABLO.

Intellectual Property fees for third-party products, logos, trademarks, brands or labels that the Successful Bidder of Part A or B deploys under any Contract awarded as a result of this RFP must be addressed under Section 1.13.4 of Appendix II. The Successful Bidder of Part A or B may not separately charge BABLO an Intellectual Property fee for any items owned by the Successful Bidder of Part A or B.

1.18 Exclusive Use of the Systems

Use of the hardware and software configuration of the System of the Successful Bidder of Part A and the CATMAN of the Successful Bidder of Part B must be exclusive to BABLO unless approved by BABLO.

1.19 Bidder Ethics and Integrity

The Successful Bidder of Parts A and B are obligated to meet high standards for ethics and integrity under any Contract awarded as a result of this RFP. The Successful Bidder of Parts A and B and its employees or subcontractors:

- A. Must not accept any pay, remuneration, or gratuity of any value for performance on or information derived from Parts A and B of this RFP, from any party other than BABLO as described in Parts A and B of this RFP, or from any party under contract to BABLO or seeking to contract with BABLO with respect to the services under Parts A and B of this RFP;
- B. Must not offer or give any gift, gratuity, favor, entertainment, loan, or any other thing of material monetary value to any BABLO employee, member of the Commission, or any individual with the intent of unduly influencing the outcome of the services under Parts A and B of this RFP;
- C. Must not disclose any information gained by virtue of any Contract awarded as a result of this RFP to any party without the consent of BABLO;
- D. Must not take any action in the performance of any Contract awarded as a result of this RFP to create an unfair, unethical, or illegal competitive advantage for itself or others; and
- E. Must not have any financial or personal interests relating to this project (other than any Contract awarded as a result of this RFP itself) without the explicit written consent of BABLO.

For violation of the above provisions, BABLO may terminate any Contract awarded as a result of this RFP or take any other appropriate actions against the Successful Bidder of Part A and/or B.

1.20 Compliance with Association Standards

All services, products, systems, and procedures to be employed by the Successful Bidder of Parts A and B must comply with the operational standards of NABCA or any association of which BABLO is or will become a member at the time of any Contract awarded as a result of this RFP is executed.

1.21 Taxes, Fees, and Assessments

The Successful Bidder of Parts A and B must pay all taxes, fees, and assessments upon the System, CATMAN and services required under this RFP, however designated, levied, or based. ~~Payment of the taxes described in this section must not be included in the Cost Proposal.~~

1.22 News Releases and Advertising

The Successful Bidder of Parts A and B must not issue any news releases pertaining to the performance of the Contract without prior approval by BABLO, and then only in cooperation with BABLO. The Successful Bidder of Parts A and B agrees not to use BABLO's name, logos, images, nor any data or results arising from this procurement process or the Contract as a part of any commercial advertising without prior written approval by BABLO.

1.23 Compensation Prior to Start-up of Operations

The Successful Bidder of Part A for this RFP will receive no compensation from BABLO until a complete conversion has been effected, production operations are fully supported by the Successful Bidder of Part A, and BABLO has formally accepted any services under Part A of this RFP.

The Successful Bidder of Part B for this RFP will receive no compensation from BABLO until the business plan defined under Part B of this RFP is functional and in operation.

Any compensation will not start until July 1, 2014 or at the time of actual start-up of operations if before or after this date.

Appendix III – Contract Administration and Conditions

AdvantageME CT No: _____

STATE OF MAINE
DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES
Agreement to Purchase Services

THIS AGREEMENT, made this _____ day of _____, _____, is by and between the State of Maine, Department of Administrative and Financial Services, hereinafter called "Department," and _____, located at _____, telephone number _____, hereinafter called "Provider", for the period of _____ to _____.

The AdvantageME Vendor/Customer number of the Provider is _____

WITNESSETH, that for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the Department, the Provider hereby agrees with the Department to furnish all qualified personnel, facilities, materials and services and in consultation with the Department, to perform the services, study or projects described in Rider A, and under the terms of this Agreement. The following riders are hereby incorporated into this Agreement and made part of it by reference:

- Rider A - Specifications of Work to be Performed
- Rider B-IT - Payment and Other Provisions
- Rider C – Exceptions to Rider B-IT
- Rider D/E/F – At Department’s Discretion
- Rider G – Identification of Country in Which Contracted Work will be Performed

WITNESSETH, that this contract is consistent with Executive Order 17 FY 08/09 or a superseding Executive Order, and complies with its requirements.

IN WITNESS WHEREOF, the Department and the Provider, by their representatives duly authorized, have executed this agreement in _____ original copies.

Department of Administrative and Financial Services

By: _____
H. Sawin Millett, Commissioner

and

By: _____
Name and Title, Provider Representative

Total Agreement Amount: \$ _____

Approved: _____
Chair, State Purchases Review Committee
BP54 (Rev 9/07) – (Rev Rider B-IT 7/15/09)

RIDER A
SPECIFICATIONS OF WORK TO BE PERFORMED

RIDER B-IT

METHOD OF PAYMENT AND OTHER PROVISIONS

1. ~~AGREEMENT AMOUNT~~ \$ _____

2. ~~INVOICES AND PAYMENTS~~ The Department will pay the Provider as follows:

~~Invoices for payment, submitted on forms approved by the Department, shall be submitted to the Agreement Administrator. Invoices shall contain sufficient detail to allow proper cost allocation and shall be accompanied by supporting documentation. No invoice will be processed for payment until approved by the Agreement Administrator. All invoices require the following:~~

~~All invoices must include the Vendor Code number assigned when registering as a vendor with the State of Maine. This number appears on all Contracts and Purchase Orders and can be acquired from the agency contact.~~

~~All invoices must include the vendor's Federal ID Number.~~

~~All invoices must include either the Purchase Order number or the Contract number relating to the commodities/services provided.~~

~~In cases where hourly rates of contracted resources are concerned, invoices must contain a copy or copies of time sheets associated with that invoice. Time sheets will need to be reviewed and approved by the State's contract administrator.~~

~~Payments are subject to the Provider's compliance with all items set forth in this Agreement. The Department will pay the Provider within thirty (30) days following the receipt of an approved invoice.~~

~~The Department may withhold a Retainage for project based services in the following manner:~~

- ~~• The allowable payment amount from each project milestone payment will be multiplied by ten (10) percent, giving the amount that will be withheld from payment. Ninety (90) percent of the allowable project milestone payment amount will be paid to the Provider.~~
- ~~• The Retainage will be held by the Department until the end of the warranty period.~~

~~The charges described in this Agreement are the only charges to be levied by the Provider for the products and services to be delivered by it. There are no other charges to be made by the Provider to the Department, unless they are performed in accordance with the provisions of Section 5, Changes in the Work. The Provider shall maintain documentation for all charges against the Department under this Agreement.~~

3. INDEPENDENT CAPACITY In the performance of this Agreement, the Provider shall act in the capacity of an independent contractor and not as an employee or agent of the State.

4. AGREEMENT ADMINISTRATOR The Agreement Administrator is the Department's representative for this Agreement. S/he is the single authority to act on behalf of the Department for this Agreement. S/he shall approve all invoices for payment. S/he shall make decisions on all claims of the Provider. The Provider shall address all contract correspondence and invoices to the Agreement Administrator. The following person is the Agreement Administrator for this Agreement:

Name: _____
Title: _____
Address: _____
Telephone: _____
E-mail address: _____

The following individual is designated as the Program Administrator for this Agreement and shall be responsible for oversight of the programmatic aspects of this Agreement. All project status reports, day to day operational issues and project program material and issues shall be directed to this individual.

Name: _____
Title: _____
Address: _____
Telephone: _____
E-mail address: _____

5. CHANGES IN THE WORK The Department may order changes in the work, the Agreement Amount being adjusted accordingly. Any monetary adjustment or any substantive change in the work shall be in the form of an amendment signed by both parties and approved by the State Purchases Review Committee. Said amendment must be effective prior to the execution of the changed work.

6. SUBCONTRACTORS The Provider may not enter into any subcontract for the work to be performed under this Agreement without the express written consent of the Department. This provision shall not apply to contracts of employment between the Provider and its employees.

The Provider is solely responsible for the performance of work under this Agreement. The approval of the Department for the Provider to subcontract for work under this Agreement shall not relieve the Provider in any way of its responsibility for performance of the work.

All Subcontractors shall be bound by the terms and conditions set forth in this Agreement. The Provider shall give the State immediate notice in writing of any legal action or suit filed, and prompt notice of any claim made against the Provider by any Subcontractor, which may result in litigation related in any way to this Agreement, or which may affect the performance of duties under this Agreement. The Provider shall indemnify and hold harmless the Department from and against any such claim, loss, damage, or liability as set forth in Section 16, State held Harmless.

7. SUBLETTING, ASSIGNMENT OR TRANSFER The Provider shall not sublet, sell, transfer, assign, or otherwise dispose of this Agreement, or any portion thereof, or of its right, title, or interest therein, without the written approval of the Department. Such approval shall not in any case relieve the Provider of its responsibility for performance of work under this Agreement.

8. EQUAL EMPLOYMENT OPPORTUNITY

During the performance of this Agreement, the

Provider certifies as follows:

1. The Provider shall not discriminate against any employee or applicant for employment relating to this Agreement because of race, color, religious creed, sex, national origin, ancestry, age, physical or mental disability, or sexual orientation, unless related to a *bona fide* occupational qualification. The Provider shall take affirmative action to ensure that applicants are employed, and employees are treated during employment, without regard to their race, color, religion, sex, age, national origin, physical or mental disability, or sexual orientation.

Such action shall include but not be limited to the following: employment, upgrading, demotions, or transfers; recruitment or recruitment advertising; layoffs or terminations; rates of pay or other forms of compensation; and selection for training including apprenticeship. The Provider agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

2. The Provider shall, in all solicitations or advertising for employees placed by, or on behalf of, the Provider, relating to this Agreement, state that all qualified applicants shall receive consideration for employment without regard to race, color, religious creed, sex, national origin, ancestry, age, physical or mental disability, or sexual orientation.

3. The Provider shall send to each labor union, or representative of the workers, with which it has a collective bargaining agreement, or other agreement or understanding, whereby it is furnished with labor for the performance of this Agreement, a notice to be provided by the contracting agency, advising the said labor union or workers' representative of the Provider's commitment under this section, and shall post copies of the notice in conspicuous places, available to employees and applicants for employment.

4. The Provider shall inform the contracting Department's Equal Employment Opportunity Coordinator of any discrimination complaints brought to an external regulatory body (Maine Human Rights Commission, EEOC, Office of Civil Rights, etc.) against itself by any individual, as well as any lawsuit regarding alleged discriminatory practice.

5. The Provider shall comply with all aspects of the Americans with Disabilities Act (ADA) in employment, and in the provision of service, to include accessibility and reasonable accommodations for employees and clients.

6. Contractors and Subcontractors with contracts in excess of \$50,000 shall also pursue in good faith affirmative action programs.

7. The Provider shall cause the foregoing provisions to be inserted in any subcontract for any work covered by this Agreement so that such provisions shall be binding upon each Subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

9. EMPLOYMENT AND PERSONNEL

The Provider shall not engage any person in the employ of any State Department or Agency in a position that would constitute a violation of 5 MRSA § 18 or 17 MRSA § 3104. The Provider shall not engage on a full-time, part-time, or any other basis, during the period of this Agreement, any personnel who are, or have been, at any time during the period of this Agreement, in the

employ of any State Department or Agency, except regularly retired employees, without the written consent of the State Purchases Review Committee. Further, the Provider shall not engage on this project on a full-time, part-time, or any other basis, during the period of this Agreement, any retired employee of the Department, who has not been retired for at least one year, without the written consent of the State Purchases Review Committee. The Provider shall cause the foregoing provisions to be inserted in any subcontract for any work covered by this Agreement, so that such provisions shall be binding upon each Subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

10. STATE EMPLOYEES NOT TO BENEFIT No individual employed by the State at the time this Agreement is executed, or any time thereafter, shall be admitted to any share or part of this Agreement, or to any benefit that might arise there from, directly or indirectly, that would constitute a violation of 5 MRSA § 18 or 17 MRSA § 3104. No other individual employed by the State at the time this Agreement is executed, or any time thereafter, shall be admitted to any share or part of this Agreement, or to any benefit that might arise there from, directly or indirectly, due to his employment by, or financial interest in, the Provider, or any affiliate of the Provider, without the written consent of the State Purchases Review Committee. The Provider shall cause the foregoing provisions to be inserted in any subcontract for any work covered by this Agreement so that such provisions shall be binding upon each Subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

11. NO SOLICITATION The Provider certifies that it has not employed or contracted with any company or person, other than for assistance with the normal study and preparation of a proposal, to solicit or secure this Agreement, and that it has not paid, or agreed to pay, any company or person, other than a *bona fide* employee working solely for the Provider, any fee, commission, percentage, brokerage fee, gifts, or any other consideration, contingent upon, or resulting from, the award of this Agreement. For breach or violation of this provision, the Department shall have the right to terminate this Agreement without liability or, at its discretion, to otherwise recover the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

12. ACCOUNTING, RECORDS, AND AUDIT

1. The Provider shall maintain all books, documents, payrolls, papers, accounting records, and other evidence pertaining to this Agreement, including interim reports and working papers, and make such materials available at its offices at all reasonable times during the period of this Agreement, and for a period of five (5) years following termination or expiration of the Agreement. If any litigation, claim or audit is started before the expiration of the 5-year period, the records must be retained until all litigation, claims or audit findings involving the agreement have been resolved.

2. Unless the Department specifies in writing a shorter period of time, the Provider agrees to preserve and make available all documents and records pertaining to this Agreement for a period of five (5) years from the date of termination of this Agreement.

3. Records involving matters in litigation shall be kept for one year following the termination of litigation, including all appeals.

4. Authorized Federal and State representatives shall have access to, and the right to examine, all pertinent documents and records during the five-year post-Agreement period. During the five-year post-Agreement period, delivery of, and access to, all pertinent documents and records will be at no cost to the Department.

5. The Provider shall be liable for any State or Federal audit exceptions, if applicable, that arise out of any action, inaction, or negligence by the Provider. In the event of an audit exception for which the Provider is liable, the Provider shall have thirty (30) days to remedy that exception. If the Provider fails to remedy that exception within this time period, the Provider shall immediately return to the Department all payments made under this Agreement which have been disallowed in the audit exception.

6. Authorized State and Federal representatives shall at all reasonable times have the right to enter the premises, or such other places, where duties under this Agreement are being performed, to inspect, monitor, or otherwise evaluate, the work being performed. All inspections and evaluations shall be performed in such a manner that will not compromise the work unreasonably.

7. **ACCESS TO PUBLIC RECORDS** As a condition of accepting a contract for services under this section, a contractor must agree to treat all records, other than proprietary information, relating to personal services work performed under the contract as public records under the freedom of access laws to the same extent as if the work were performed directly by the department or agency. For the purposes of this subsection, "proprietary information" means information that is a trade secret or commercial or financial information, the disclosure of which would impair the competitive position of the contractor and would make available information not otherwise publicly available. Information relating to wages and benefits of the employees performing the personal services work under the contract and information concerning employee and contract oversight and accountability procedures and systems are not proprietary information. The Provider shall maintain all books, documents, payrolls, papers, accounting records and other evidence pertaining to this Agreement and make such materials available at its offices at all reasonable times during the period of this Agreement and for such subsequent period as specified under Maine Uniform Accounting and Auditing Practices for Community Agencies (MAAP) rules. The Provider shall allow inspection of pertinent documents by the Department or any authorized representative of the State of Maine or Federal Government, and shall furnish copies thereof, if requested. This subsection applies to contracts, contract extensions and contract amendments executed on or after October 1, 2009.

13. TERMINATION The performance of work under this Agreement may be terminated by the Department in whole or in part, whenever, for any reason the Agreement Administrator shall determine that such termination is in the best interests of the Department. Any such termination shall be effected by the delivery to the Provider of a Notice of Termination specifying the extent to which the performance of work under this Agreement is terminated, and the date on which such termination becomes effective. The Agreement shall be equitably adjusted to compensate for such termination and modified accordingly.

Upon receipt of the Notice of Termination, the Provider shall:

1. Stop work under this Agreement on the date and to the extent specified in the Notice of Termination;
2. Take such action as may be necessary, or as the Agreement Administrator may direct, for the protection and preservation of the property, information, and data related to this Agreement, which is in the possession of the Provider, and in which the Department has, or may acquire, an interest;
3. Terminate all orders to the extent that they relate to the performance of the work terminated by the Notice of Termination;

4. Assign to the Department in the manner, and to the extent directed by the Agreement Administrator, all of the rights, titles, and interests of the Provider under the orders so terminated, in which case the Department shall have the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders;
5. With the approval of the Agreement Administrator, settle all outstanding liabilities and claims, arising out of such termination of orders, the cost of which would be reimbursable in whole or in part, in accordance with the provisions of this Agreement;
6. Transfer title to the Department (to the extent that title has not already been transferred) and deliver in the manner, at the times, and to the extent directed by the Agreement Administrator, equipment and products purchased pursuant to this Agreement, and all files, source code, data manuals, or other documentation, in any form, that relate to all the work completed, or in progress, prior to the Notice of Termination;
7. Complete the performance of such part of the work as shall not have been terminated by the Notice of Termination; and
8. Proceed immediately with the performance of the preceding obligations, notwithstanding any delay in determining or adjusting the amount of any compensation under this section.

Notwithstanding the above, nothing herein shall limit the right of the Department to pursue any other legal remedies against the Provider.

14. GOVERNMENTAL REQUIREMENTS The Provider shall comply with all applicable governmental ordinances, laws, and regulations.

15. GOVERNING LAW This Agreement shall be governed by, interpreted, and enforced in accordance with the laws, statutes, and regulations of the State of Maine, without regard to conflicts of law provisions. The provisions of the United Nations Convention on Contracts for the International Sale of Goods and of the Uniform Computer Information Transactions Act shall not apply to this Agreement. Any legal proceeding against the Department regarding this Agreement shall be brought in the State of Maine in a court of competent jurisdiction.

16. STATE HELD HARMLESS The Provider shall indemnify and hold harmless the Department and its officers, agents, and employees from and against any and all claims, liabilities, and costs, including reasonable attorney fees, for any or all injuries to persons or property or claims for money damages, including claims for violation of intellectual property rights, arising from the negligent acts or omissions of the Provider, its employees or agents, officers or Subcontractors in the performance of work under this Agreement; provided, however, the Provider shall not be liable for claims arising out of the negligent acts or omissions of the Department, or for actions taken in reasonable reliance on written instructions of the Department.

17. LIMITATION OF LIABILITY The Provider's liability for damages sustained by the Department as the result of Provider's default or acts or omissions in the performance of work under this Agreement, whether such damages arise out of breach, negligence, misrepresentation, or otherwise, shall be no greater than:

1. Damages for violation or infringement of any copyright or trademark;

2. Damages for bodily injury (including death) to persons, and damages for physical injury to tangible personal property or real property; and

3. The amount of any other actual direct damages up to the greater of \$500,000 or three times the value of the Product or Service that is the subject of the claim, up to a maximum of \$25,000,000. For example, if the Product or Service that is the subject of the claim was valued at \$15,000,000, then the Provider would be liable for no more than \$25,000,000. For purposes of this subsection, the term "Product" would typically include the following, but not be limited to, Materials, Source Code, Machine Code, and Licenses.

Notwithstanding the above, Provider shall not be liable for any indirect or consequential damages.

18. NOTICE OF CLAIMS The Provider shall give the Agreement Administrator immediate notice in writing of any legal action or suit filed related in any way to this Agreement, or which may affect the performance of duties under this Agreement, and prompt notice of any claim made against the Provider by any Subcontractor, which may result in litigation related in any way to this Agreement, or which may affect the performance of duties under this Agreement.

19. APPROVAL This Agreement must be approved by the State Controller and the State Purchases Review Committee before it can be considered a valid enforceable document.

20. INSURANCE REQUIREMENTS The Provider shall procure and maintain, for the duration of the Agreement, insurance against claims for injuries to persons, or damages to property, which may arise from, or in connection with, the fulfillment of this Agreement by the Provider, its agents, representatives, employees, or Subcontractors.

1. **Minimum Coverage**

1. Commercial general liability (including products, completed operations, and broad-form contractual): \$1,000,000 per occurrence;

2. Workers' Compensation and employer's liability: as required by law;

3. Professional liability: \$1,000,000; and

4. Property (including contents coverage for all records maintained pursuant to this Agreement): \$1,000,000 per occurrence.

2. **Other Provisions** Unless explicitly waived by the Department, the insurance policies should contain, or be endorsed to contain, the following provisions:

1. The Provider's insurance coverage shall be the primary insurance. Any insurance or self-insurance maintained by the Department for its officers, agents, and employees shall be in excess of the Provider's insurance and shall not contribute to it.

2. The Provider's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

3. The Provider shall furnish the Department with certificates of insurance and with those endorsements, if any, effecting coverage required by these Insurance Requirements. The certificates and endorsements for each insurance policy are to be signed by a person authorized by the insurer to bind coverage on its behalf. All certificates and endorsements are to be received and approved by the Department before this Agreement commences. The Department reserves the right to require complete, certified copies of all required insurance policies at any time.

4. All policies should contain a revised cancellation clause allowing thirty (30) days notice to the Department in the event of cancellation for any reason including nonpayment.

21. NON-APPROPRIATION Notwithstanding any other provision of this Agreement, if the Department does not receive sufficient funds to pay for the work to be performed under this Agreement, if funds are de-appropriated, or if the State does not receive legal authority to expend funds from the Maine State Legislature or Maine courts, then the State is not obligated to make payment under this Agreement.

22. SEVERABILITY The invalidity or unenforceability of any particular provision, or part thereof, of this Agreement shall not affect the remainder of said provision, or any other provisions, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision or part thereof had been omitted.

23. INTEGRATION All terms of this Agreement are to be interpreted in such a way as to be consistent at all times with the terms of Rider B-IT (except for expressed exceptions to Rider B-IT included in Rider C), followed in precedence by Rider A, and any remaining Riders in alphabetical order.

24. FORCE MAJEURE Either party may be excused from the performance of an obligation under this Agreement in the event that performance of that obligation by a party is prevented by an act of God, act of war, riot, fire, explosion, flood, or other catastrophe, sabotage, severe shortage of fuel, power or raw materials, change in law, court order, national defense requirement, strike or labor dispute, provided that any such event, and the delay caused thereby, is beyond the control of, and could not reasonably be avoided by that party. Upon the occurrence of an event of force majeure, the time period for performance of the obligation excused under this section shall be extended by the period of the excused delay, together with a reasonable period, to reinstate compliance with the terms of this Agreement.

25. SET-OFF RIGHTS The State shall have all of its common law, equitable, and statutory rights of set-off. These rights shall include, but not be limited to, the State's option to withhold for the purposes of set-off any monies due to the Provider under this Agreement, up to any amounts due and owing to the State with regard to this Agreement, any other Agreement with any State department or agency, including any Agreement for a term commencing prior to the term of this Agreement, plus any amounts due and owing to the State for any other reason including, without limitation, tax delinquencies, fee delinquencies, or monetary penalties relative thereto. The State shall exercise its set-off rights in accordance with normal State practices including, in cases of set-off pursuant to an audit, the finalization of such audit by the State agency, its representatives, or the State Controller.

26. INTERPRETATION OF THE AGREEMENT

1. **Reliance on Policy Determinations** The Department shall determine all program policy. The Provider may, from time to time, request the Department to make policy determinations, or to issue operating guidelines required for the proper performance of this Agreement, and the Agreement Administrator shall respond in writing in a timely manner. The Provider shall be entitled to rely upon,

and act in accordance with, such written policy determinations and operating guidelines, unless subsequently amended, modified, or changed in writing by the Department, and shall incur no liability in doing so unless the Provider acts negligently, maliciously, fraudulently, or in bad faith. Nothing contained in this Agreement, or in any agreement, determination, operating guideline, or other communication from the Department shall relieve the Provider of its obligation to keep itself informed of applicable State and Federal laws, regulations, policies, procedure, and guidelines, to be in complete compliance and conformity therewith.

2. **Titles Not Controlling** Titles of sections and paragraphs used in this Agreement are for the purpose of facilitating ease of reference only and shall not be construed to imply a contractual construction of the language.

3. **No Rule of Construction** This is a negotiated Agreement and no rule of construction shall apply that construes ambiguous or unclear language in favor of or against any party.

27. **PERIOD OF WORK** Work under this Agreement shall begin no sooner than the date on which this Agreement has been fully executed by the parties and approved by the Controller and the State Purchases Review Committee. Unless terminated earlier, this Agreement shall expire on the date set out on the first page of this Agreement, or at the completion and acceptance of all specified tasks, and delivery of all contracted products and services as defined in this Agreement, including performance of any warranty and/or maintenance agreements, whichever is the later date.

28. **NOTICES** **All notices under this Agreement shall be deemed duly given: 1) upon delivery, if delivered by hand against receipt, or 2) five (5) business days following posting, if sent by registered or certified mail, return receipt requested. Either party may change its address for notification purposes by giving written notice of the change and setting forth the new address and an effective date.**

29. **ADVERTISING AND PUBLICATIONS** The Provider shall not publish any statement, news release, or advertisement pertaining to this Agreement without the prior written approval of the Agreement Administrator. Should this Agreement be funded, in whole or in part, by Federal funds, then in compliance with the Steven's Amendment, it will be clearly stated when issuing statements, press releases, requests for proposals, bid solicitations, and other documents: (1) the percentage of the total cost that was financed with Federal moneys; and (2) the dollar amount of Federal funds.

30. **CONFLICT OF INTEREST** The Provider certifies that it presently has no interest and shall not acquire any interest which would conflict in any manner or degree with the performance of its services hereunder. The Provider further certifies that in the performance of this Agreement, no person having any such known interests shall be employed.

31. **LOBBYING**

1. **Public Funds** No Federal or State-appropriated funds shall be expended by the Provider for influencing, or attempting to influence, an officer or employee of any agency, a member of Congress or State Legislature, an officer or employee of Congress or State Legislature, or an employee of a member of Congress or State Legislature, in connection with any of the following covered actions: the awarding of any agreement; the making of any grant; the entering into of any cooperative agreement; or the extension, continuation, renewal, amendment, or modification of any agreement, grant, or cooperative

agreement. Signing this Agreement fulfills the requirement that Providers receiving over \$100,000 in Federal or State funds file with the Department on this provision.

2. **Federal Certification** Section 1352 of Title 31 of the US Code requires that funds appropriated to a Federal agency be subject to a requirement that any Federal Provider or grantee (such as the Department) certifies that no Federal funds will be used to lobby or influence a Federal officer or member of Congress.

The certification the Department has been required to sign provides that the language of this certification shall be included in the award documents for all sub-awards at all tiers (including sub-agreements, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall verify and disclose accordingly. The certification also requires the completion of Federal lobbying reports and the imposition of a civil penalty of \$10,000 to \$100,000 for failing to make a required report. As a sub-recipient, the Provider understands and agrees to the Federal requirements for certification and disclosure.

3. **Other Funds** If any non-Federal or State funds have been or will be paid to any person in connection with any of the covered actions in this section, the Provider shall complete and submit a “Disclosure of Lobbying Activities” form to the Department.

32. PROVIDER PERSONNEL

1. The parties recognize that the primary value of the Provider to the Department derives directly from its Key Personnel assigned in the performance of this Agreement. Key Personnel are deemed to be those individuals whose résumés were offered by the Provider in the Proposal. Therefore, the parties agree that said Key Personnel shall be assigned in accordance with the time frames in the most recent mutually agreed upon project schedule and work plan, and that no re-deployment or replacement of any Key Personnel may be made without the prior written consent of the Agreement Administrator. Replacement of such personnel, if approved, shall be with personnel of equal or greater abilities and qualifications.

2. The Department shall retain the right to reject any of the Provider's employees whose abilities and qualifications, in the Department's judgment, are not appropriate for the performance of this Agreement. In considering the Provider's employees' abilities and qualifications, the Department shall act reasonably and in good faith.

3. During the course of this Agreement, the Department reserves the right to require the Provider to reassign or otherwise remove any of its employees found unacceptable by the Department. In considering the Provider's employees' acceptability, the Department shall act reasonably and in good faith.

4. In signing this Agreement, the Provider certifies to the best of its knowledge and belief that it, and all persons associated with this Agreement, including any Subcontractors, including persons or corporations who have critical influence on or control over this Agreement, are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any Federal or State department or agency.

5. During the course of this Agreement, the Department reserves the right to require a background check on any of the Provider's personnel (employees and Subcontractors) that are in any way involved in the performance of this Agreement.

33. STATE PROPERTY The Provider shall be responsible for the proper custody and care of any Department or State owned property furnished for the Provider's use in connection with the performance of this Agreement, and the Provider will reimburse the Department for its loss or damage, normal wear and tear excepted.

34. PATENT, COPYRIGHT, AND OTHER PROPRIETARY RIGHTS

1. The Provider certifies that all services, equipment, software, supplies, and any other products provided under this Agreement do not, and will not, infringe upon or violate any patent, copyright, trade secret, or any other proprietary right of any third party. In the event of any claim by a third party against the Department, the Department shall promptly notify the Provider and the Provider, at its expense, shall defend, indemnify, and hold harmless the Department against any loss, cost, expense, or liability arising out of such claim, including reasonable attorney fees.

2. The Provider may not publish or copyright any data without the prior approval of the Department. The State and the Federal Government, if applicable, shall have the right to publish, duplicate, use, and disclose all such data in any manner, and for any purpose whatsoever, and may authorize others to do so.

35. PRODUCT WARRANTY The Provider expressly warrants its products and services for one full year from their final written acceptance by the Department. The responsibility of the Provider with respect to this warranty is limited to correcting deficiencies in any deliverable using all the diligence and dispatch at its command, at no additional cost to the Department. The Provider is also responsible for correcting and/or updating any documentation affected by any operational support performed under this warranty provision.

36. OPPORTUNITY TO CURE The Agreement Administrator may notify the Provider in writing about the Department's concerns regarding the quality or timeliness of a deliverable. Within five (5) business days of receipt of such a notice, the Provider shall submit a corrective action plan, which may include the commitment of additional Provider resources, to remedy the deliverable to the satisfaction of the Agreement Administrator, without affecting other project schedules. The Department's exercise of its rights under this provision shall be not be construed as a waiver of the Department's right to terminate this Agreement pursuant to Section 13, Termination.

37. COVER If, in the reasonable judgment of the Agreement Administrator, a breach or default by the Provider is not so substantial as to require termination, and reasonable efforts to induce the Provider to cure the breach or default are unavailing, and the breach or default is capable of being cured by the Department or by another contractor without unduly interfering with the continued performance by the Provider, then the Department may provide or procure the services necessary to cure the breach or default, in which event the Department shall withhold from future payments to the Provider the reasonable costs of such services.

38. ACCESSIBILITY All IT products must be accessible to persons with disabilities, and must comply with the State Accessibility Policy and the Americans with Disabilities Act. All IT applications must comply with the Computer Application Program Accessibility Standard (Maine.gov/oit/accessiblesoftware). All IT

applications and contents delivered through web browsers must comply with the Website Standards (Maine.Gov/oit/webstandard) and the Website Accessibility Policy (Maine.Gov/oit/accessibleweb).

39. STATE IT POLICIES All IT products and services delivered as part of this Agreement must conform to the State IT Policies, Standards, and Procedures (Maine.Gov/oit/oitpolicies) effective at the time this Agreement is executed

40. CONFIDENTIALITY

1. All materials and information given to the Provider by the Department, or acquired by the Provider on behalf of the Department, whether in verbal, written, electronic, or any other format, shall be regarded as confidential information.
2. In conformance with applicable Federal and State statutes, regulations, and ethical standards, the Provider and the Department shall take all necessary steps to protect confidential information regarding all persons served by the Department, including the proper care, custody, use, and preservation of records, papers, files, communications, and any such items that may reveal confidential information about persons served by the Department, or whose information is utilized in order to accomplish the purposes of this Agreement.
3. In the event of a breach of this confidentiality provision, the Provider shall notify the Agreement Administrator immediately.
4. The Provider shall comply with the Maine Public Law, Title 10, Chapter 210-B (Notice of Risk to Personal Data Act).

41. OWNERSHIP

1. All data (including Geographical Information Systems data), notebooks, plans, working papers and other works produced, and equipment and products purchased in the performance of this Agreement are the property of the Department, or the joint property of the Department and the Federal Government, if Federal funds are involved. The State (and the Federal Government, if Federal funds are involved) shall have unlimited rights to use, disclose, duplicate, or publish for any purpose whatsoever all information and data developed, derived, documented, or furnished by the Provider under this Agreement, or equipment and products purchased pursuant to this Agreement. The Provider shall furnish such information and data, upon the request of the Department, in accordance with applicable Federal and State laws.
2. Upon termination of this Agreement for any reason, or upon request of the Department, the Provider agrees to convey to the Department good titles to purchased items free and clear of all liens, pledges, mortgages, encumbrances, or other security interests.

42. CUSTOM SOFTWARE For all custom software furnished by the Provider as part of this agreement, the following terms and conditions shall apply:

1. The Department shall own all custom software. The Department shall grant all appropriate Federal and State agencies a royalty-free, non-exclusive, and irrevocable license to reproduce, modify, publish, or otherwise use, and to authorize others to do so, all custom software. Such custom software

shall include, but not be limited to, all source, object and executable code, operating system instructions for execution, data files, user and operational/administrative documentation, and all associated administrative, maintenance, and test software that are relevant to this Agreement.

2. A fundamental obligation of the Provider is the delivery to the Department of all ownership rights to the complete system, free of any claim or retention of rights thereto by the Provider. The Provider acknowledges that this system shall henceforth remain the sole and exclusive property of the Department, and the Provider shall not use or describe such software and materials without the written permission of the Department. This obligation to transfer all ownership rights to the Department on the part of the Provider is not subject to any limitation in any respect.

43. OFF-THE-SHELF (OTS) SOFTWARE For all OTS software purchased by the Provider as part of this Agreement, the following terms and conditions shall apply.

1. This Agreement grants to the Department a non-exclusive and non-transferable license to use the OTS software and related documentation for its business purposes. The Department agrees that the Provider may, at its own expense, periodically inspect the computer site in order to audit the OTS software supplied by the Provider, installed at the Department's site, at mutually agreed upon times. In the event that a separate license agreement accompanies the OTS software, then the terms of that separate license agreement supersede the above license granted for that OTS software.

2. This Agreement does not transfer to the Department the title to any intellectual property contained in any OTS software. The Department will not decompile or disassemble any OTS software provided under this Agreement, or modify any OTS software that bears the copyright notice of a third party. The Department will make and maintain no more than one archival copy (for back-up purpose) of each OTS software, and each copy will contain all legends and notices, and will be subject to the same conditions and restrictions as the original.

3. If the CPU on which any OTS software is licensed becomes temporarily unavailable, use of such OTS software may be temporarily transferred to an alternative CPU until the original CPU becomes available.

44. SOFTWARE AS SERVICE When the software is fully owned, hosted, and operated by the Provider, and the Department uses said software remotely over the Internet, the following terms and conditions shall apply:

1. The Provider, as depositor, shall enter into an escrow contract, upon terms acceptable to the Department, with a recognized software Escrow Agent. The escrow contract must provide for the Department to be an additional party/beneficiary. The Provider shall deposit with the Escrow Agent the software, all relevant documentation, and all of the Department's data, and all updates thereof (the "Deposit Materials"), in electronic format. Deposits will occur no less frequently than once a month.

2. The escrow contract shall provide for the retention, administration, and controlled access of the Deposit Materials, and the release of the Deposit Materials to the Department, upon receipt of a joint written instruction from the Department and the Provider, or upon receipt of written notice from the Department that:

a. The Provider has failed to carry out its obligations set forth in the this Agreement; or

b. A final, non-appealable judicial determination that the Provider has failed to continue to do business in the ordinary course; or

c. The Provider has filed a voluntary petition in bankruptcy, or any voluntary proceeding relating to insolvency, receivership, liquidation, or composition for the benefit of creditors, or becomes subject to an involuntary petition in bankruptcy, which petition or proceeding is not dismissed or unstayed within sixty (60) days from the date of filing; or

d. The Provider is in material breach of its maintenance and support obligations and has failed to cure such breach within thirty (30) days from the date of receipt by the Provider of written notice of such breach; or

e. A condition has occurred that materially and adversely impacts the Provider's ability to support the software and the Provider has failed to cure such condition within thirty (30) days from the date of receipt by the Provider of written notice of such condition.

3. The Provider is responsible for all fees to be paid to the Escrow Agent.

4. The Escrow Agent may resign by providing advance written notice to both the Department and the Provider at least thirty (30) calendar days prior to the date of resignation. In such an event, it is the obligation of the Provider to establish a new escrow account with a new Escrow Agent.

45. THIS ITEM IS INTENTIONALLY LEFT BLANK

46. THIS ITEM IS INTENTIONALLY LEFT BLANK

47. ENTIRE AGREEMENT This document contains the entire Agreement of the parties, and neither party shall be bound by any statement or representation not contained herein. No waiver shall be deemed to have been made by any of the parties unless expressed in writing and signed by the waiving party. The parties expressly agree that they shall not assert in any action relating to this Agreement that any implied waiver occurred between the parties which is not expressed in writing. The failure of any party to insist in any one or more instances upon strict performance of any of the terms or provisions of this Agreement, or to exercise an option or election under this Agreement, shall not be construed as a waiver or relinquishment for the future of such terms, provisions, option, or election, but the same shall continue in full force and effect. Use of one remedy shall not waive the Department's right to use other remedies. Failure of the Department to use a particular remedy for any breach shall not be deemed as a waiver for any subsequent breach. No waiver by any party of any one or more of its rights or remedies under this Agreement shall be deemed to be a waiver of any prior or subsequent rights or remedies under this Agreement.

RIDER C
EXCEPTIONS TO RIDER B-IT

RIDER D
Not Required: For use at Department's Discretion

RIDER E
Not Required: For use at Department's Discretion

RIDER F
Not Required: For use at Department's Discretion

RIDER G
IDENTIFICATION OF COUNTRY
IN WHICH CONTRACTED WORK WILL BE PERFORMED

Please identify the country in which the services purchased through this contract will be performed:

- United States. Please identify state: _____
- Other. Please identify country: _____

Notification of Changes to the Information

The Provider agrees to notify the Division of Purchases of any changes to the information provided above.

Appendix IV – Maine Liquor Operation Agreement

This Administration Agreement as referenced in Part A, Section 1.1.4.1 will be provided electronically to any interested party of this RFP. To receive a copy of this appendix electronically (pdf), please contact the RFP Coordinator.

Appendix V – PL 2013, Chapter 359, Small Distilleries with Retail License

This law as referenced in Part A, Section 1.1.4.1.2 will be provided electronically to any interested party of this RFP. To receive a copy of this appendix electronically (pdf), please contact the RFP Coordinator.

Appendix VI – Case Sales by Product SKU for FY2007 to FY2011

Cases sales by Product SKU as referenced in Part A, Section 1.1.5 will be provided electronically to any interested party of this RFP. To receive a copy of this appendix data electronically (spreadsheet), please contact the RFP Coordinator.

Appendix VII – Sales by Agency Liquor Store for FY2007 to FY2011

Sales by Agency Liquor Store as referenced in Part A, Section 1.1.5 will be provided electronically to any interested party of this RFP. To receive a copy of this appendix data electronically (spreadsheet), please contact the RFP Coordinator.

Appendix VIII – Sales by Cases and Revenue for FY2007 to FY2011

Sales by Cases and Revenue are referenced in Part A, Section 1.1.5. To receive a copy of this appendix data electronically (spreadsheet), please contact the RFP Coordinator.

Fiscal Year	Sales	Cases
FY2007	\$ 114,669,607.52	825,969.24
FY2008	\$ 119,048,754.32	841,997.28
FY2009	\$ 122,603,279.48	861,666.22
FY2010	\$ 126,157,307.55	890,687.77
FY2011	\$ 132,492,519.35	927,811.85

Appendix IX – Product by Supplier

Product by Supplier as referenced in Part A, Section 1.1.5.9 will be provided electronically to any interested party of this RFP. To receive a copy of this appendix data electronically (spreadsheet), please contact the RFP Coordinator.

Appendix X – Current Delivery Schedule to Agency Liquor Stores

The current Delivery Schedule to Agency Liquor Stores as referenced in Part A, Section 1.1.5.12 will be provided electronically to any interested party of this RFP. To receive a copy of this appendix data electronically (spreadsheet), please contact the RFP Coordinator.

Appendix XI – Current Bailment Rates Approved by BABLO

The current Bailment Rates Approved by BABLO as referenced in Part A, Section 1.1.5.17 will be provided electronically to any interested party of this RFP. To receive a copy of this appendix information electronically (pdf), please contact the RFP Coordinator.

Appendix XII – Bottle Redemption Activities for July 2008 to June 2013

The Bottle Redemption Activities as referenced in Part A, Section 1.1.6 will be provided electronically to any interested party of this RFP. To receive a copy of this appendix data electronically (spreadsheet), please contact the RFP Coordinator.

Appendix XIII – Pertinent Sections of Title 32, Chapter 28 for Bottle Redemption Services

The Pertinent Sections of Title 32, Chapter 28 governing bottle redemption services, specifically Sections 1863-A, 1866 and 1866-E, as referenced in Part A, Section 1.1.6 will be provided electronically to any interested party of this RFP. To receive a copy of this appendix information electronically (pdf), please contact the RFP Coordinator. This information was downloaded from the Legislative website on Tuesday, September 24, 2013 at 9:30am from:

<http://www.mainelegislature.org/legis/statutes/32/title32ch28sec0.html>.

Appendix XIV – Pro Forma Financial Forecast and Historical Financial Results

The Pro Forma Financial Forecast and Historical Financial Results as referenced in Part 1, Section 1.1.1, Part A, Sections 1.0 and 1.1.10 and Part B, Sections 1.0 and 1.19 will be provided electronically to any interested party of this RFP. To receive a copy of this appendix information electronically (pdf), please contact the RFP Coordinator.

Appendix XV– Current List of Agency Liquor Stores

The current List of Agency Liquor Stores as referenced in Part A, Section 1.1.1.1 and Part B, Section 1.7 will be provided electronically to any interested party of this RFP. To receive a copy of this appendix data electronically (spreadsheet), please contact the RFP Coordinator.

~ End of Maine Wholesale Spirits Business RFP ~