

RFP Meeting Notes: September 8, 2023, 10:00 am. CST

Mike Bedford, ABC Board Business Development Advisor, opened the meeting.

Purpose of meeting: To field questions regarding the RFP for ABC Central Office and Warehouse. The questions and answers will be posted on our website. Just because a company is not represented here today does not mean it cannot enter a proposal. Today is just for clarification.

Proposals are due October 20, 2023

Introductions ABC senior staff introduced themselves: follow

ABC Board	Bob Martin, General Council
ABC Board	David Peacock, Chief General Council
ABC Board	Dean Argo, Government Relations/Media
ABC Board	Neil Graff, Chief Operations Officer

Others In Attendance:

Alabama Grocers Assoc.	Ellie Taylor
ARCO Specialty Construction	Andrew Masters
Aronov Realty	Owen Aronov
Aronov Realty	Jake Aronov
Aronov Realty	Kevin McLaughlin
BL Harbert	Jeremy Pipkin
CMC Design Build	T. Kent Johnson
DHL Supply Chain/Real Est. Solutions	Steve Hess
DMW&H	Paul Laman
Doster Construction	Greg Lambert
FD Stonewater	Corey Shoop (GMC)
Goodwyn Mills Cadwood, LLC	Cedric Campbell
J.F. Harrison Constr. Co., Inc.	Cortland Hendricks
Jim Wilson & Assoc., LLC	Ron Brown
Lathan Development	TJ Maloney
Lemoine Program Services	Steve Haney
Macon Co. Eco. Dev. Auth.	Joe Turnham
Manhattan Associates	Brian Gott
Mooty & Associates, P.C.	Dean Mooty
Scannell Properties & Kimley-Horn	Clay Smith (PE)
Swatek, Vaughn, & Bryan	Matthew Oliver
The Jones Group	Lori Lindsey
Alabama Brewer's Assoc.	Donna Alexander
Governor's Office	Cooper Trent
Dept. of Finance	Mickey Allen

Mr. Bedford reviewed questions received prior to the meeting. The questions and answers are as follows:

1. Question: How much of the initial space will be chilled versus ambient? Do you have the temps and relative humidity data?

Answer: All warehouse space except for offices will be ambient. There will be no chill zone. Please reference historical high and low temperatures online (internet) for Montgomery, Alabama – zip code 36109 for that current information. In addition, reference in the RFP, section 3.10: Facility Design Attributes - Health and Comfort pages 27 and 28 for more information regarding acceptable warehouse temperature ranges.

2. Question: Will the project mandate MBE/WBE participation?

Answer: No – fully open to all who qualify - reference section 5.0 – 5.3 – 5.4

3. Question: Do you have a desired radius from the existing operation for a new ground-up option?

Answer: We will look at all proposals but one of the criteria is to consider the site survey evaluation criteria as outlined on page 39 of the RFP in section 5.0

4. Question: In regard to the information in section 3.4 WMS, will ABC have people available for more details on what is needed?

Answer: Yes - Michael Bedford

5. Question: On pages 28-31 there are several comments regarding design, and essentially the same question as above, will ABC have people to advise regarding their preferred design elements?

Answer: Yes, Michael Bedford will answer those to the best of his ability. The details in the RFP endeavor to provide an 80% design concept allowing for each proposer to put forth their best solution taking those design features into consideration.

6. Question: Does ABC expect the builder to also be responsible for funding and installing MHE and if so utilize ASRS equipment?

Answer: Yes, this is part of the RFP being a turnkey proposal.

7. Question: Will there be a site tour?

Answer: After consideration, the Alabama ABC Board will arrange a time with those contractors/developers who are interested in a site visit. Michael Bedford or his designee will conduct the walk-through of the warehouse operation. Pictures may also be taken at this time. All questions resulting from that walk-through must be submitted in writing so that those questions and answers can be posted online. Please contact Michael Bedford via email if you are interested in this option. mike.bedford@abc.alabama.gov

During the Pre-Proposal Conference, Mr. Bedford gave an outline of the warehouse operations. He also included an explanation of the DDS (Direct Delivery System) operation which will be incorporated into the new space.

The following is a multi-part question regarding Site Survey Evaluation Criteria:

1. **Question:** How close the new site is to the existing Alabama ABC Board.

Please give some clarity, rank, or measure to this criterion. Will other considerations of site selection be given away from the current site? What are other criteria as to the quality of the site, childcare onsite options, quality of life in an adjacent area, etc. [will locations] beyond the existing site location be also considered? See also the commute distance and census of employee residence questions offered below.

A. **Question:** How close to utilities, above ground and or underground –

Answer: Rate changes from the current utilities – The criteria regarding utilities include: impact on utility expense and uptime during inclement weather (underground utilities versus downed power lines etc.)

B. **Question:** Fiber optic cabling for high-speed internet and wireless broadband services –

Answer: Fiber optic cabling offers greater performance, with a much higher data rate ceiling than copper. Fiber optic supports greater cable lengths; they're more reliable, being less susceptible to electromagnetic interference (EMI). This is important for operational uptime and speed of data processing.

C. **Question:** Distance to the Fire Department / Emergency Response Team –

Answer: Currently, the Alabama ABC Board Operation is within one mile of Fire/emergency services. Due to the nature of our business, and the volatility of the product, this is an important criterion for the AABC.

D. **Question:** Distance to public transportation/bus stops etc. –

Answer: This criterion is an Alabama ABC Board's focus on an employee-centric operation with ease of access to the facility allowing employees to have the option to use public transportation.

E. **Question:** Ease of access to transportation networks/highways etc. for statewide distribution access.

Answer: For logistical efficiency / lowest cost of distribution, the Alabama ABC Board rates these criteria as one of great importance. The current operation utilizes a hub and spoke distribution network thus transportation access is a key driver for delivery efficiency. Therefore, easy access to major interstates such as I-85, I-65, and other major thoroughfares allows for

the most efficient delivery from the warehouse operation to the direct delivery to customers as well as the Retail and Wholesale stores.

F. Question: Commute distance to existing employees –

Answer: The Alabama ABC Board has many long-term dedicated employees whose experience in operations is valuable to the overall operation. Maintaining this core group of employees is a criterion of high importance.

Questions and answers from the Pre-proposal Conference September 8, 2023:

(Unless otherwise stated, all questions were answered by Mike Bedford.)

1. Question: Kent Johnson: Can you provide pictures of our current facility? –

Answer: After consideration, the Alabama ABC Board will arrange a time with those contractors/developers who are interested in a site visit. Michael Bedford or his designee will conduct the walk-through of the warehouse operation. Pictures may also be taken at this time. All questions resulting from that walk-through must be submitted in writing so that those questions and answers can be posted online. Please contact Michael Bedford via email if you are interested in this option. mike.bedford@abc.alabama.gov

2. Question: Paul Laman: Does the third-party trucking company use semis or panel trucks?

Answer: Mostly 53 ft. trailers – tractors with day cabs – other trailers are 48 and 50 ft.

3. Question: [person asking ?]: Are you currently using an automated system [for tracking various processes]?

Answer: Yes

4. Question: Kent Johnson: Where do most of the central office employees reside?

Answer: Most central office and warehouse employees are from Montgomery and surrounding areas. I will provide additional data at a later posting.

5. Question: Steve Haney: How are the lease terms spread out?

Answer: Please propose your best options including a variety – one for the warehouse building, one for the office with a robust maintenance plan, and one for a lease-to-own option for technology, automation, and MHE equipment

6. Question: Kent Johnson: How high you can stack pallets?

Answer: Our current layout is three high racking/pallets. Our current ceiling height will not allow for storing anything higher. The lift equipment will have to be updated to go four high racking to optimize the cube space desired in the RFP.

7. Question: Steve Haney: What if the developer wants to put the building on a piece of land but they don't own the land?

Answer: All land/lease/purchase arrangements are between the property owner and contractor. The Alabama ABC Board cannot own any land or buildings.

8. Question: Paul: Laman: About how many stores get deliveries each day.

Answer: (by Neil Graff, COO) 35- 40 each day to retail and wholesale stores – product is floor stacked in the trailer. For Direct Store Delivery, 15 -25 deliveries per day. Pallets are used for Direct Store Delivery customers, as well as the Military.

9. Question: Paul Laman: How do you see the infrastructure changing as you grow? You say you anticipate 9,000,000 cases in about 25 years?

Answer: The amount we ship out is increasing by about 3.5% every year. This is our current 14-year average not including higher growth during Covid. (The RFP outlines forecasted growth metrics in section 2.4, pages 12 and 13 of the RFP)

10. Question: Paul Laman: Do you expect the plan to include expansion?

Answer: Yes – outlined in the RFP, section 3.1, page 14.

11. Question: Kent Johnson: Can we get a floor plan on to see how the shipping and delivery flows? We need to see how things are not working for you now so we can make it better. –

Answer: After consideration, the Alabama ABC Board will arrange a time with those contractors/developers who are interested in a site visit. Michael Bedford or his designee will conduct the walk-through of the warehouse operation. Pictures may also be taken at this time. All questions resulting from that walk-through must be submitted in writing so that those questions and answers can be posted online. Please contact Michael Bedford via email if you are interested in this option. mike.bedford@abc.alabama.gov

12. Question: Is there an extension for the RFP date? Currently, we do not anticipate extending the RFP due to the tight timelines of our current lease.

Answer: You may propose what you have completed.

13. Question: How does transporting from the location in Montgomery, AL work?

Answer: The Alabama ABC Board can deliver pre-loaded trailers within 4 hours to the extreme points of the state. Truckers do not have to drive or deliver overnight unless unforeseen issues arise / acts of God or accidents.

Answers to Questions emailed after the Pre-Proposal Conference:

1. Question: Is it possible to extend the bid date to allow a more thorough time to examine the “operation” of the ABC currently?

Answer: After consideration, the Alabama ABC Board will arrange a time with those contractors/developers that are interested in a site visit to “thoroughly examine the operation of the ABC”. Michael Bedford or his designee will conduct the walk-through of the warehouse operation. Pictures may also be taken at this time. All questions resulting from that walk-through must be submitted in writing so that those questions and answers can be posted online. Please contact Michael Bedford via email if you are interested in this option. mike.bedford@abc.alabama.gov

2. Question: This is key to the entire project as I mentioned in the meeting. The building is secondary to the operation of the systems put in place for both manual and automation systems to be used in the new space. For a truly efficient project to be provided and evaluated equally across all bidders, there needs to be a study completed by a competent firm that specializes in the analysis of product flow, software systems, and the physical equipment to be integrated. We want ABC to be successful with this project as it has a long lifespan. Making a mistake now by not fully understanding the systems to be utilized and how they can be expanded will lead to inefficiencies for years to come.

Answer: I can answer any questions in writing regarding our current operation and potential analytics to improve the understanding of The Alabama ABC Board business operations.

3. Question: When can we expect to have the meeting minutes issued for last week’s meeting? –

Answer: I should get those posted in the next 24 hours or sooner – including my responses here.

4. Question: Can we get photos of the existing operation along with a floor plan of the existing setup being used along with a quick narrative on how the product flows through the warehouse?

Answer: After consideration, the Alabama ABC Board will arrange a time with those contractors/developers who are interested in a site visit. Michael Bedford or his designee will conduct the walk-through of the warehouse operation. **Pictures may also be taken at this time.** All questions resulting from that walk-through must be submitted in writing so that those questions and answers can be posted online. Please contact Michael Bedford via email if you are interested in this option. mike.bedford@abc.alabama.gov

5. Statement: At the end of the day, even if we are not the successful bidder, we want ABC to be successful for the state. If there is an opportunity to have a meeting to discuss the daily ins and outs a successful plan can be developed that can be utilized by all bidders to guarantee the ABC has the right plan designed and equally priced by all bidders.

Response: I will investigate that option for all who are interested. If we do so, it will be posted on the Website as well.

From Mike Bedford:

Regarding the employee base from which the Central office and Warehouse employees commute. Please note the following breakdown of cities /concentration employees per area.

Cities / Areas of Alabama where Central Office and Warehouse Employees reside.

Montgomery, Alabama =	75%
Prattville, Alabama =	12.7%
Wetumka, Alabama =	7%
Tallassee, Alabama =	2%
Other (Alabama) =	2.3%

Please note, for clarity, the questions in this document may not be in the submitted format. The Alabama ABC Board will continue to respond to questions and post answers prior to the proposal due date of October 20, 2023. These RFI-based questions will be posted on a regular basis online for review and response if necessary. Please continue to reach out with your questions following the guidelines outlined in the RFP.

The Alabama ABC Board endeavors to provide concise responses to all interested parties to make available the necessary information to those interested in submitting proposals to the RFP. The goal of the RFP is to review the best-proposed turnkey solution to the Alabama ABC Board that supports the needs of the Agency and the residents of the state.

Thank you,

Mike Bedford