



<b>RFP Number</b>	3120002542	<b>RFP Title</b>	3 <sup>rd</sup> Party Operation of the Alcoholic Beverage Control Division
<b>Agency</b>	Mississippi Department of Revenue – Alcoholic Beverage Control Division		
<b>Initial Term of Contract</b>	4 Years	<b>Renewals</b>	2 Renewals
<b>Proposal Coordinator:</b> Erica Green-Greenwood Phone: 601-923-7860 E-mail: erica.green@dor.ms.gov			
<b>Mailing Address:</b> 500 Clinton Center Drive Clinton, MS 39056			
<b>Procurement Timeline</b>		<b>Date/Time (Central Time)</b>	
Request for Proposal Issue Date:		10/11/2022	
First Publication:		10/11/2022	
Second Publication:		10/18/2022	
<b>Mandatory Pre-proposal Conference/Location and Address:</b> 1286 Gluckstadt Rd (ABC Division) Madison, MS 39110		10/25/2022; 10:00 am CST	
<b>Mandatory Site Visit Location and Address:</b> 1286 Gluckstadt Rd Madison, MS 39110		10/25/2022; 2:00 pm CST	
Deadline for Submission of Questions:		10/28/2022; 5:00 pm CST	
Last Day Answers Posted to Website (no questions accepted, or responses provided after this date):		11/04/2022 5:00 pm CST	
Proposal Packet Submission Deadline:		11/22/2022; 12:00 pm CST	
Proposal Opening (not open to the public):		11/22/2022; 2:00 pm CST	
Evaluations:		12/2-7/2022	
Award Notification:		12/09/2022	
Debriefing Request Date:		12/14/2022	
Protest Deadline:		12/16/2022; 12:00 pm CST	
Submission to PPRB Deadline:		01/04/2023	
PPRB Meeting Date		02/01/2023	
Projected Contract Date:		02/07/2023	
<b>Relevant Websites</b>			
Amendments to this RFP will be published to <a href="https://www.dor.ms.gov/procurement">https://www.dor.ms.gov/procurement</a>			

**RFP COMPLIANCE CHECKLIST**

*To be completed by Procurement Officer to verify Vendor’s responsiveness*

The items below should be included in your response to RFP No. **3120002542**.

**Response Included**

<b>COMPLIANCE CHECKLIST</b>	<b>Yes</b>	<b>No</b>
Offeror’s proposal submitted timely?		
Offeror followed the below format: a. One (1) signed and clearly marked original proposal and one (1) identical copy. b. Proposals should be placed in a three-ring loose-leaf binder with the Offeror’s name and RFP number on the front.		
The original proposal shall include the section components clearly tabbed as follows:		
<b>Tab 1 – Attachments A-J</b>		
Attachment A - Proposal Cover Sheet (used to complete Compliance Checklist)		
Attachment B - Certification to Sign on Behalf of the Company		
Attachment C – Supplier Registration/Paymode		
Attachment D - Proposal Form # 1 – <i>3<sup>rd</sup> Party Warehouse Operations</i>		
Attachment E - References		
Attachment F - Reference Score Sheet # 1  (Offeror received minimum score of 6)		
Attachment G - Reference Score Sheet # 2  (Offeror received minimum score of 6)		
Attachment H - Acknowledgement of Amendments, including copies of the Notice of Amendment.		
Attachment I - Secretary of State Acknowledgment		
Attachment J - Conflict of Interest Disclosure Statement		
<b>Minimum Requirements to be Deemed Responsible</b>	<b>Yes</b>	<b>No</b>
Longevity (at least 10 years of experience in the service referenced in the RFP)		

Qualifications, experience and management personnel to carry out the terms of the contract		
Legally eligible to execute a contract with MDOR		
Offeror certifies it is registered to do business with the State of Mississippi or will do so within seven (7) business days of award.		
Offeror agrees to provide adequate fire and casualty insurance and provide at least \$10,000,000 of liability insurance.		
Ability, capacity, skill and financial resources to perform work or service required		
Offeror has a passing reference score		
<b>Tab 2 Technical Proposal</b>		
<b>Technical Factor (Blind)</b>		
<b>Warehouse Operations</b>		
- Information Technology Requirements		
- Order Fulfillment Requirements		
- Administrative Requirements		
- Warehouse Operations Requirements		
<b>Tab 3 Project Management Proposal</b>		
<b>Project Management Factor</b>		
- Letter of Introduction		
- Executive Summary		
- Business and Directory Information		
- Project Management Factors		
- Personnel – Resumes for Key Staff		
- Financial Capacity Information		
<b>Tab 4 Cost Proposal</b>		
<b>Cost Factor (Blind)</b>		
- Price		
- Attachment D		

**Please note:**  
DO NOT include a copy of the RFP in the binders.

## SECTION 1. INTRODUCTION

### 1.1 Introduction - ABC Warehouse Operations and Distribution

In 2022, the Mississippi State Senate created and sent to the Governor for signature Senate Bill No. 2844 (SB2844). SB2844 is comprehensive legislation, which has been signed into law by the Governor of Mississippi and took effect on July 1, 2022, covering the warehousing and distribution of alcoholic beverages for the State of Mississippi. As signed into law, SB2844 mandates the following:

- The construction of a new warehouse facility for alcoholic beverages to be constructed in the Jackson, MS area, within 50 miles of the state capitol building. Components for funding the construction are contained within the legislation. A list of qualifications for construction contractors and design engineering is also included in the legislation. This construction will be overseen by the Department of Finance and Administration with reasonable consultation with the operator chosen by this RFP.
- The Mississippi Department of Revenue shall contract with an operator for warehouse and distribution operations. This operator contract is to begin as soon as possible in the existing MS ABC warehouse with future transition to the new warehouse after construction is completed as detailed in SB2844.

Warehousing and distribution of alcoholic beverages within the State of Mississippi currently takes place from a 211,000 square foot, state-owned Mississippi (MS) Alcoholic Beverage Control (ABC) Division warehouse facility located at 1286 Gluckstadt Road in Madison, Mississippi (Warehouse Facility or Warehouse). **The term “alcoholic beverages” includes distilled spirits of more than 6% alcohol by weight and wine of more than 5% alcohol by weight. Beer, light wine (5% or less ABW) and light spirits products (6% and less ABW) are not sold through the Warehouse Facility. They are sold separately through licensed distributors and are outside the parameters of this RFP.** The Warehouse Facility has 171,150 square feet of non-climate-controlled warehouse space for product storage and dock space. There is an additional 24,200 square feet of climate-controlled space for wine storage in the existing facility. The Warehouse Facility also contains two levels of office space (24,200 square feet) and a small storage area (5,450 square feet). Ceiling height for the non-climate-controlled space is 24’ 8” clearance. Ceiling height for the climate-controlled space for wine storage is 28’ 0” clearance. The initial warehouse facility was built in 1983 and initially consisted of the current non-climate-controlled 171,150 square foot space. The climate-controlled expansion for wine was constructed in 2003. Picking and loading is executed through a conveyor, with pick modules, and an automated sortation system that was also installed in 2003.

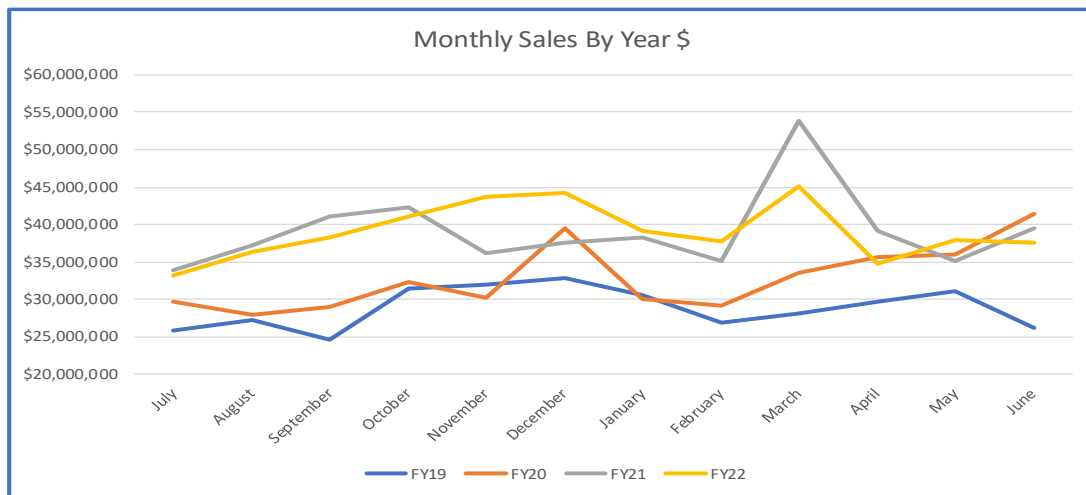
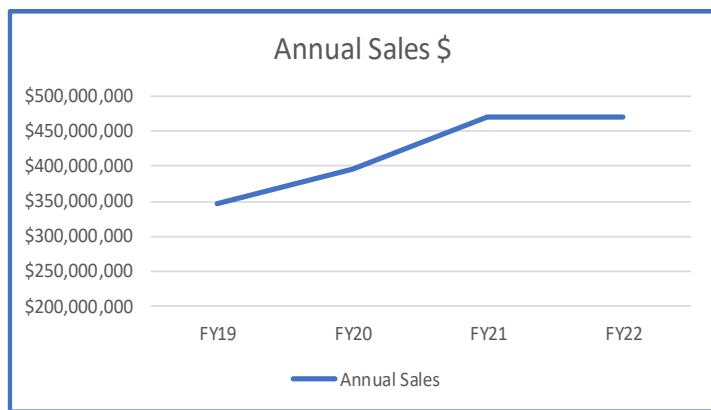
Warehousing and distribution operations are currently operated by the Mississippi ABC Division. State employees are responsible for the receipt, storage, warehousing and picking/loading of alcoholic beverages. Warehouse management offices are located within the office space area of this Warehouse Facility. ABC Administration is housed in the Gluckstadt Facility as well. Total square footage for administration space is 18,000 square feet. The ABC Division currently contracts with two third-party shipping companies for delivery from the Warehouse Facility to the permittee locations throughout the State. M&J Transport delivers to permittees in and within the three counties surrounding the Warehouse Facility. Douglas Express Delivery services the remaining counties in the State of Mississippi. There are currently 2,337 active alcoholic beverage permittees in the State being serviced from the Warehouse Facility. The Warehouse operates under a bailment system in which the ownership of the product remains with the alcoholic beverage supplier until it is delivered to the authorized permittee. However, special order

products and damaged products are purchased and owned by the ABC to be resold to permittees. The Warehouse typically operates on a four-day schedule, with two operating shifts: 1st (Day) shift – Receiving & Put Away (6am – 5pm) and 2nd (Night) Shift – Picking, Loading, and Shipping (4pm – 2:30am or until shipping loading is complete). Operating hours are from Mondays at 6am through Fridays at 2am or until shipping loading is completed.

## 1.2 Sales

The State of Mississippi’s fiscal year calendar runs from July 1 through June 30. Over the past 4 fiscal years, the Mississippi ABC network has seen growth year over year in sales and cases distributed. Wine and spirits demand increased significantly during the COVID year, FY2020, and continued to grow in FY2021. As conditions have moderated in FY2022, demand in FY2022 essentially flattened out when compared to FY2021.

Fiscal Year	Annual Sales	% Change over Previous Year
FY19	\$346,193,621	
FY20	\$394,846,362	14.05%
FY21	\$469,362,182	18.87%
FY22	\$469,091,896	-0.06%



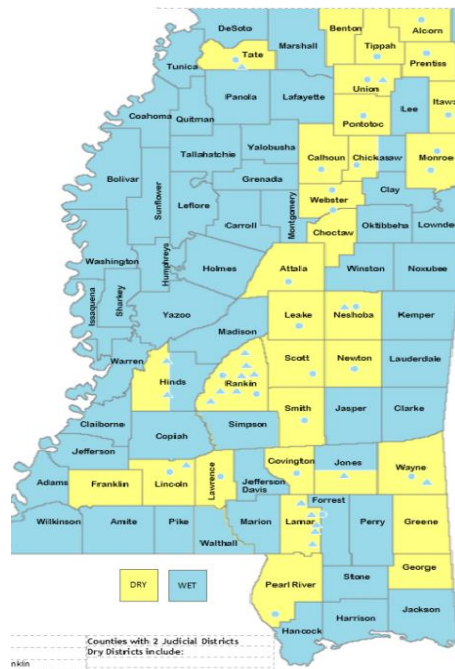
According to Food Bev Media, a recognized food and beverage industry media outlet, growth in sales of alcoholic beverages is estimated to grow at a rate of 4%-5% year-over-year for the next 5 years. Growth is expected to be the result of three key factors:

- Selling alcohol on-line through apps has provided the consumer with visibility into available inventory across various outlets without having to leave the house and drive to a beverage outlet;
- Sales of whiskey have increased over the last 5 years and are expected to remain in high demand in the foreseeable future; and
- Ready-To-Drink (RTD) offerings have grown almost 600% over the past year, with the most popular RTD options being malt-based cocktails, hard seltzers and canned wine.

### 1.3 Current network

There are currently 2,337 active ABC permittees in Mississippi. All off-premise permittees (often referred to as package stores or liquor stores) are private and can only operate one outlet for alcoholic beverage sales in the state of Mississippi. The shipping and delivery function, which is not included in this request for proposal, is operated by two carriers. M&J Transport delivers locally in and within a three county region where the existing Warehouse Facility is located. Douglas Express Delivery delivers to the remaining counties within the State of Mississippi. Douglas Express Delivery has configured the network to ensure that all areas of the State can be reached next day.

There are 82 counties in the State of Mississippi. Counties in the State are either dry or wet for legal sale of alcoholic beverages. In dry counties the sale of alcoholic beverages is prohibited. However, possession of alcoholic beverages is legal throughout the State. There are 27 dry counties in the State. 3 counties have 2 judicial districts where ½ of the county is dry and ½ of the county is wet. The remaining 52 counties are considered wet counties and open to the sale of alcoholic beverages. The Mississippi county map below shows the scope of the alcoholic beverages network. Counties highlighted in yellow are dry counties, blue highlighted counties are wet counties. There are exceptions within the dry counties where the sales of alcoholic beverages are allowed by law. Municipalities in dry counties, designated by blue discs, and specific areas in dry counties, such as resorts, country clubs and casinos, designated by blue triangles, allow the sale of alcoholic beverages. Blue discs and blue triangles on the map represent municipalities and areas within the dry counties where alcoholic beverages are sold.



## 1.4 Orders

Orders from permittee locations are entered into a customer portal within the Mississippi Automated Revenue System (MARS). There are two types of orders shipped by MS ABC.

- Regular Orders – Replenishment orders submitted as needed on the day prior to delivery.
- Special Orders – Special orders are submitted by permittees for product that is not in the standard item master and is ordered uniquely for that store. Special orders are handled separately and take priority in the shipping process.

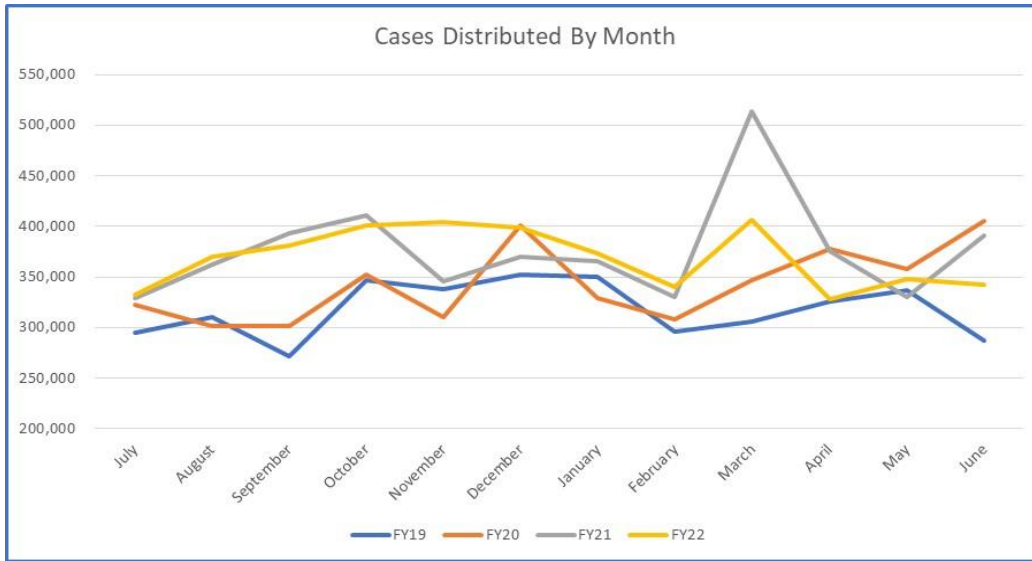
Below is the existing ordering schedule:

- Order cutoff 11 am Monday > Pick & Load Monday night > Deliver Tuesday
- Order cutoff 11 am Tuesday > Pick & Load Tuesday night > Deliver Wednesday
- Order cutoff 11 am Wednesday > Pick & Load Wednesday night > Deliver Thursday
- Order cutoff 11 am Thursday > Pick & Load Thursday night > Deliver Friday

MS ABC operates with next-day delivery from the day the permittee orders the alcoholic beverages being the standard delivery time. There is a 10-case minimum order quantity to receive a regular delivery. A regular delivery that does not meet the 10-case minimum is held until the next delivery to that location that meets the minimum order requirement. Permittees must order in full case quantities; split case shipments are not available. Special orders are shipped the day after receipt in the warehouse. Special orders that are less than 10 cases, are held to ship with the next regular delivery to the permittee. **The Department expects the new operator chosen through this RFP to offer services under these same terms.**

The charts below show the shipment history by month for the last 4 fiscal years. The trend shows where COVID year demand began to increase in April, May and June in FY2020. This increase continued in FY2021, with a leveling-out in FY2022.

Month	Cases Distributed			
	FY19 7/18-6/19	FY20 7/19-6/20	FY21 7/20-6/21	FY22 7/21-6/22
July	294,946	322,215	329,533	332,079
August	310,703	300,933	362,324	370,168
September	271,116	301,753	393,137	380,422
October	346,787	352,646	410,474	400,884
November	337,992	310,644	345,451	403,776
December	351,883	401,081	370,146	398,325
January	349,736	328,634	365,727	372,741
February	296,386	308,230	329,591	340,529
March	306,118	346,796	514,026	406,225
April	325,976	377,639	374,935	327,661
May	337,254	358,018	330,087	347,768
June	286,888	404,745	391,163	342,549
Cases Distributed	3,815,785	4,113,334	4,516,594	4,423,127
Monthly Average	317,982	342,778	376,383	368,594
%Change		7.80%	9.80%	-2.07%

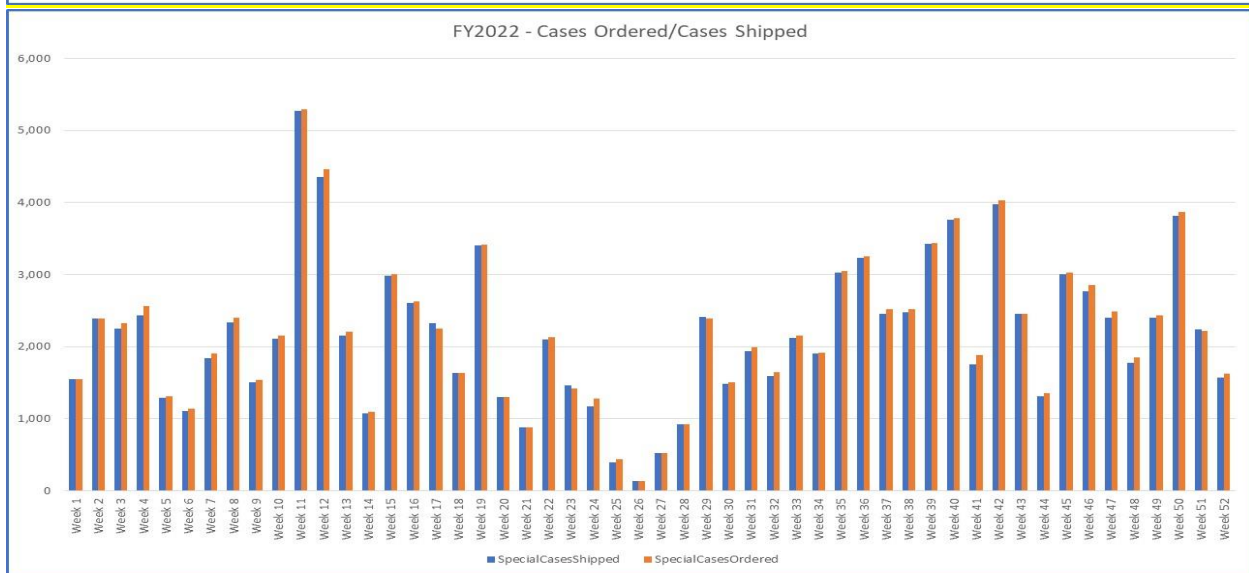
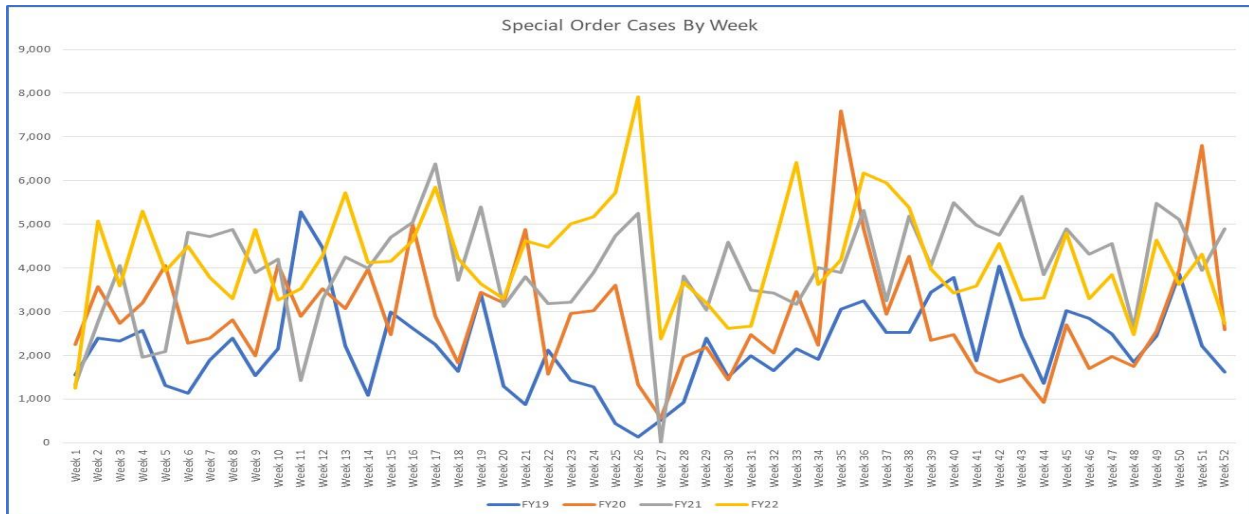


### 1.5 Special Orders

Special orders are primarily allocated product or product that has not met quota in order to be a bailment item. A special order for a permittee can include product that is or is not part of the standard item master list. Supplier brokers work with the permittees on new product innovations and are the primary driver for special orders. Special orders are entered as a separate order into the MARS system. Product for special orders is owned by MS ABC and not included in the bailment inventory.

In the current operation, special orders are handled separately and have priority in shipping. When special order product is received, there is an area within the Warehouse for storage and picking. Special order product that is received one day is assigned a pick location and included in the next night's picking, loading and shipping workload. Special order cases range from 300 to 3,000 per night. The average shipping night for special orders is 1,500 cases. The special-order charts below show the weekly trends in special order cases over the last 4 years and the weekly comparison of cases ordered to cases shipped for FY2022. There are currently bulk drop shipments to permittees that are special orders. Drop shipping special orders is not the optimal process but a requirement in the current environment.





## 1.6 Operational Processes

### 1.6.1 Receiving

The current business hours for receiving are Monday through Thursday, 6am – 5pm. On a weekly basis, there are 75-85 inbound trucks received, primarily full truckload (76%) and 99% on pallets. All carriers are required to schedule an appointment for receiving. There are 6 doors available for receiving. Average inbound trends for the past 4 fiscal years are listed in the charts below.

	Weekly Cases Received	Weekly Inbound Trucks	Weekly FTL Shipments	Weekly LTL Shipments
FY19	66,156	74	57	18
FY20	78,005	88	67	21
FY21	77,739	87	66	20
FY22	81,480	87	66	20

Inbound cases are labeled with the unique state product code for Mississippi. After product is unloaded from the inbound truck, a receiver scans the label on a case and then enters the quantity received. Each state that distributes their own distilled spirits and wine has a unique item number for each product. Bar codes on the label should correspond to the unique item code for Mississippi (see example below). Once all items on a bill of lading are scanned into MARS, there is a comparison of the receipt to the advance ship notice (ASN) from the supplier. If the receipt matches the ASN, the shipment is received into inventory in MARS. If there is a variance, the variance is noted onto the driver's bill of lading and the correct item and quantity is received into inventory. Where an inbound load arrives and there is excessive damage, the load is not accepted into inventory and shipped back to the supplier. If there has been mis-shipped product, not intended for MS ABC, the product is placed into the Warehouse and returned to the supplier at their expense.

Standard Product Label with Unique State Code



### 1.6.2 Stocking – Put Away and Replenishment

A primary task within the Warehouse is making sure that bailment inventories are stocked and ready to be picked for shipping. This means that alcoholic beverages products received from suppliers at the Warehouse must be properly processed and put away. Put away for received product and restocking of depleted pick locations from the previous night takes place on the 1st shift (Day), which is the receiving and put away shift. Once the supply order has been received into MARS, a bill of lading is scanned into MARS, the state's warehouse management system and lift operators assigned to put away, scan the item into a handheld device which renders the most recent reserve location where the item was stored. The lift operator proceeds to the most recent location first. If the same item is still in the location, the product is put away in that location. If the reserve location is full or has been used for another item, the lift operator places the product into an empty reserve location as close to the pick location as possible and enters the location code into the handheld device. When product is added to an existing reserve location, only wine is rotated to ensure that the oldest product is shipped first.

There is an isolated area in the facility for stocking and picking of special orders. When special order product is received, the product is taken to the special orders storage area. The area adjoins the special order pick line. Prior to shipping, the special order product is assigned a pick slot to be picked during shipping that evening. Special order product that is an active inventory item is picked from the permanent pick slot.

The facility uses open floor, bulk inventory locations as well as pallet rack locations for reserve inventory storage. Suppliers manage inventory in the Warehouse within capacity guidelines set by the MS ABC Division.



Bulk Storage Reserve Locations



Pick Module Reserve Locations

All listed SKU's have an assigned pick location. Replenishment of pick locations is performed primarily on the 1st shift (Day) – receiving and put away. Day shift lift operators responsible for replenishment are assigned a section of pick slots in the Warehouse. These operators work off a report generated from MARS each morning that lists pick locations that have been depleted below a defined threshold the previous night. The report lists the pick locations, reserve locations where there is product available, total quantity on hand, an item number and an item description.

PICK LOCATION	BULK 1	BULK 2	BULK 3	BULK 4	BULK 5	BULK 6	BULK 7	QUANTITY ON HAND	DESCRIPTION
B6 06 63	24 26 11	25 34 24	22 29 23					17.00	348205 BELLA SERA
B6 06 12	25 35 11	24 34 22	23 52 22					36.00	567410 FREI BROTH
B6 08 54	11 58 22							.00	253270 LOUIS JADO
B6 08 23	20 31 22	25 30 13						48.00	656932 GALLO FAMI
B6 08 24	20 49 22	18 54 13						52.00	729082 LUC BELAIR
B6 08 64	23 58 22	20 31 13	23 54 14	24 28 21				176.00	413340 JAM JAR SM
B6 08 34	24 28 12							37.00	460673 DARK HORSE
B6 08 73	24 28 22	20 47 13	24 42 21	25 36 13	20 57 14			94.00	629305 SUTTER HOME
B6 08 61	24 50 22							87.00	546437 BERTINGER PJ
B6 10 14								.00	729374 MENAGE A TF
B6 10 43	01 44 13	23 19 15						41.00	341743 DA VINCI TL
B6 10 33	18 64 22	18 66 12						88.	
B6 10 72	20 49 21	20 47 24						35.	
B6 10 22	23 23 26	23 64 23						61.00	
B6 10 73	23 27 16	21 33 22						51.00	
B6 10 11	23 38 13							.00	
B6 10 12	23 66 21							38.00	
B6 10 53	24 20 11	20 26 22						35.50	45
B6 12 61	19 67 11							137.00	614
B6 12 14	20 30 14							.00	7188
B6 12 53	21 27 21							39.00	98572
B6 12 41	23 30 21							10.00	566225
B6 12 22	23 44 23	24 39 13						37.00	745607
B6 12 33	24 47 13	20 21 11	20 23 14	20 63 21	01 66 11			100.00	302850
B6 12 54	24 57 23							.00	710806 MC
B6 12 64	24 62 14	20 57 25	21 22 21	20 22 14				129.00	497364 QUIT
B6 12 73	25 20 12	20 47 23	21 31 24					57.00	402911 BLAC
B6 14 31								29.00	582305 LA CR
B6 14 22	21 20 24	23 18 26						74.00	731971 ROSCAT
B6 14 53	22 25 13	22 19 21						61.00	467315 FFC DIA
B6 14 43	23 26 16	23 28 22	23 38 25	23 66 14	01 66 12	25 33 12		146.83	485474 MENAGE

Replenishment List



During the 2nd shift (Night), the picking and loading operation, there are a limited number of lift operators for replenishment of pick locations that become empty during the shift. The order picker places the labels for items with empty pick locations in a designated area at the end of the pick line. The lift driver secures the product, replenishes the pick location and takes the product not picked to the jackpot area for scanning onto the load. These are called “shags”. When a load is complete, a shag report is printed to determine what product has not been included on the load. Product that has not been scanned is considered a mark out and not included on the invoice.

### 1.6.3 Damage Process

Product that is damaged in the picking and loading process is purchased by the State and is processed through a reclamation process. Currently, damaged product is accumulated in a damage product area. An inventory of single bottles is accumulated to build out full cases using a voice directed work system that interfaces with MARS. Damaged bottles in cases are replaced from single bottle inventory or “yellow tagged” if only 1 or 2 bottles are missing. The permittees will receive credit from the State for missing bottles.

The selected operator will not use the current damage process detailed above but will be required to credit the MS ABC for each bottle damaged in receiving, put away, warehousing, picking, and loading.

### 1.6.4 Shipping

The current business hours for 2nd shift (Night), picking, loading, and shipping, are Monday through Thursday, 4pm – 2:30am or until shipping loading is complete. Picking and loading takes place using a pick module conveyor and an automated sortation system. The conveyor system (FKI Logistex Buschman brand conveyor with bar code laser scanners by SICK) was installed in 2003 and has been upgraded several times since installation. The conveyor control system which operates the pick modules and automated sortation system is a Bastian Solutions system.

The number of outbound trucks per week has increased significantly over the past 4 fiscal years from 118 loads per week to greater than 140. With the exception of a brief dip in the last half of FY2020, average cases per load have been steady over the last 4-year period but allocated across less stops as demand increased. Average outbound weekly statistics are shown below.

Fiscal Year	Weekly Cases Shipped	Weekly Outbound Trucks	Weekly Customer Shipments	Average Stops/Truck	Average Cases Load	Average Cases/ Stop
FY19	73,380	118	830	7.0	623.3	88.4
FY20	79,103	143	774	5.4	554.6	102.2
FY21	86,858	143	752	5.3	609.1	115.5
FY22	85,060	142	796	5.6	598.9	106.9

The current outbound process begins with routing all current orders in the MARS system. Daily order cutoff takes place at 11am, Monday through Thursday. Routing includes permittee orders placed between order cutoff for the last shipping cycle until 11am on the current day plus any special orders received into the system during the same window. All permittees are on a fixed delivery route within MARS. Routes are reviewed for feasibility by a load planner. Routing issues such as overloads or low utilization loads that could be consolidated are resolved with the carriers. After resolution, the load planner makes routing

adjustments if required, confirms the route in MARS and then exports the routing to the Bastian system for label printing.

Picking begins at 4pm. Order pickers are assigned to a section of the Warehouse for picking. In the first 1.5 – 2 hours, order pickers fill the pick module conveyor lines with picked product that is conveyed through the Warehouse and merges with other conveyor lines before entering the automated sortation system. After the sawtooth merge prior to the sortation system, the product is automatically scanned, triggering the divert to send the case down the correct lane or after sort to a loading door. There are 6 doors assigned for loading but only 3 loads can be loaded simultaneously.

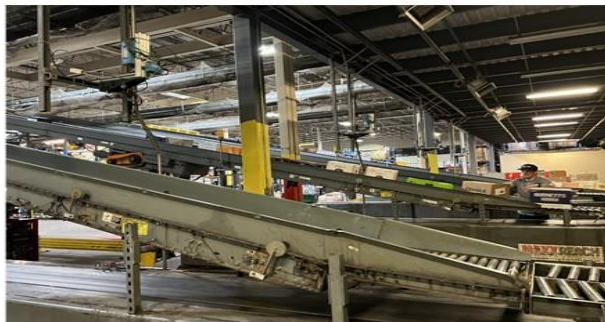


Product Pick Area



Conveyor Merge Prior to Sortation

Product coming down the line from the divert is floor loaded onto the trailer in reverse delivery stop sequence. The loader's objective is to level the distribution of product throughout the floor of the trailer. If the scheduled load is at or near capacity of the trailer, loaders will stack product to shoulder or head height in the loading process. Product is stacked to a lower level for routes with a lower utilization of capacity.



Aftersort Lanes from Divert to the Loading Door



Trailer Loading

When loading for a route is completed on a trailer, the door is closed, a seal is attached, and the trailer is transported to the yard. Loaders begin working on the next load in an adjacent door. The Warehouse office is notified that the load is complete and then the order is closed. The closing process includes the reconciliation of product on the order that was not loaded prior to dispatch. An invoice is created that includes the product that is scanned (this is accomplished at the end of each after sort lane by Douglas Express Delivery employees using hand-held scanners) into the trailer and the process is complete.

### 1.6.5 Inventory

Inventory at ABC is classified in 4 categories.

- Bailment – Items that are on hand that are owned by the alcoholic beverage supplier.
- Owned – Items that the State has purchased. This includes special orders, damage and salvage inventory.
- Reserved – Inventory that has been allocated to an order and is ready to ship.
- Available – Inventory that has not been allocated and has not been reserved for retail orders.

In FY2022, there were 4.42M cases shipped. There were 42.2K deliveries that contained 12,211 different SKU's. The top 1,400 items represented 80% of case volume shipped. There were 5,092 items that shipped 10 cases or less, 7,575 items that shipped 50 cases or less.

The following charts show average on hand inventory by month, active items classified by bailment and special order:

On Hand Inventory Cases By Month			
Month	Bailment	Special Order	Total Inventory
July, 2021	435,264	2,176	437,440
August, 2021	461,433	3,455	464,888
September, 2021	442,699	2,353	445,052
October, 2021	363,166	1,653	364,819
November, 2021	358,002	2,267	360,269
December, 2021	384,637	2,069	386,706
January, 2022	372,340	1,338	373,678
February, 2022	380,489	2,146	382,635
March, 2022	436,713	2,140	438,853
April, 2022	472,954	1,733	474,687
May, 2022	492,635	1,572	494,207
June, 2022	439,159	1,602	440,761



Items with On Hand Inventory by Month			
Month	Bailment	Special Order	Total Inventory
July, 2021	3,256	506	3,762
August, 2021	2,982	397	3,379
September, 2021	3,353	624	3,977
October, 2021	3,361	518	3,879
November, 2021	3,361	572	3,933
December, 2021	3,330	662	3,992
January, 2022	3,280	399	3,679
February, 2022	3,356	528	3,884
March, 2022	3,430	653	4,083
April, 2022	3,512	571	4,083
May, 2022	3,543	505	4,048
June, 2022	3,527	603	4,130



In the Warehouse, there are a total of 5,556 pick locations, 4,716 locations for listed items and 840 locations for special orders. There are 4,470 pick locations for listed items, 3,308 pick locations (3,062 case pick, 246 full pallet pick) in the non-climate-controlled area, 1,408 pick locations in the climate-controlled area. All pick locations in the climate-controlled area are case pick except for 4 full pallet pick locations. There are 6,868 storage locations in the building, 5,996 storage locations (3,126 in storage rack, 2,870 floor storage) in the non-climate-controlled area, 872 storage locations in the climate-controlled area and 451 bulk floor locations.

Location Type	Non Conditioned Area	Conditioned Area
Pick Locations		
Listed Items		
Case Pick	3062	1408
Pallet Pick	246	
Special Order Items		
Case Pick	840	
Storage Locations (Pallets)		
Rack Storage	3126	872
Bulk Floor Storage	2870	

### 1.6.6 Pallet and Cardboard Recycling

As noted above, a high percentage (99%) of inbound shipments are received on pallets. There are no pallets utilized in outbound picking and loading. As pallets are emptied, they are placed on a pallet trailer in the receiving area and sold by MS ABC for recycling revenue. Cardboard that is received as slip sheets or damaged boxes are baled and recycled as well by MS ABC for recycling revenue. This practice would continue with the operator responsible for loading the empty pallets into trailers and baling the cardboard with the above revenue continuing to be realized by MS ABC.

## SECTION 2 – OVERVIEW AND PROCESS

### 2.1 Purpose and Goals

The Department of Revenue (referred to as “DOR” or “Department”) hereby solicits written proposals to provide a **3<sup>rd</sup> Party Warehouse Operator** for the Alcoholic Beverage Control Division (“Department” “State” or “ABC”) located at 1286 Gluckstadt Road, Madison County, Mississippi, during the term of the proposed contract, in accordance with the requirements of this proposal and any resulting contracts. The selected Offeror will provide the requested services for which the Offeror has the technical capacity to render. The services include, but are not limited to, information technology services for order management, route planning and invoicing licensees, administrative management of the warehouse, order processing, truck loading and maintaining a staff of employees sufficient to carry out these responsibilities.

Offerors must have the proven ability to perform all services requested in this RFP. A more detailed list of services is contained in **RFP Section 4, Specifications**. Senate Bill 2844, Section 3.3(a) requires that DOR seek to enter into a cost-plus at a set dollar amount per case type contract for these services for a four-year term with an option of 2 four-year renewals. However, in accordance with Senate Bill No. 2844 Section 3(4) the initial contract will terminate on the earlier of 4 years from the contract commencement date or the last day of use of the warehouse that is in service on July 1, 2022. The vendor may submit a request for a price increase at the time of any future renewal. Such price increase shall be based on an increase in actual costs to the vendor, and vendor must submit documentation of such increase to the Department prior to any such increase in price.

### 2.2 Procurement Timeline

<b>Procurement Timeline</b>	<b>Date/Time (Central Time)</b>
Request for Proposal Issue Date:	10/11/2022
First Publication:	10/11/2022
Second Publication:	10/18/2022
<b>Mandatory Pre-proposal Conference/Location and Address:</b> 1286 Gluckstadt Rd (ABC Division) Madison, MS 39110	10/25/2022; 10:00 am
<b>Mandatory Site Visit Location and Address:</b> 1286 Gluckstadt Rd (ABC Division) Madison, MS 39110	10/25/2022; 2:00 pm
Deadline for Submission of Questions:	10/28/2022; 5:00 pm
Last Day Answers Posted to Website (no questions accepted, or responses provided after this date):	11/04/2022 5:00 pm
Proposal Packet Submission Deadline:	11/22/2022; 12:00 pm
Proposal Opening (not open to the public):	11/22/2022; 2:00 pm
Evaluations:	12/2-7/2022
Award Notification:	12/09/2022
Debriefing Request Date:	12/14/2022
Protest Deadline:	12/16/2022; 12:00 pm
Submission to PPRB Deadline:	01/04/2023
PPRB Meeting Date	02/01/2023
Projected Contract Date:	02/07/2023

\* It is our intent to follow the schedule above in the execution of this request for proposal; however, DOR reserves the right to amend and/or change the above schedule of events, as it deems necessary.



## 2.3 Proposal Submission Requirements

Proposals must be typed on 8.5” x 11” paper, single-sided and submitted via the address below or electronically via the Mississippi Accountability System Government Information and Collaboration (MAGIC) system. Registering as a supplier with the State of Mississippi allows businesses to register for upcoming RFx opportunity notifications by the products or services they supply, search the system for upcoming RFxs, respond to RFxs electronically, and receive purchase orders by email. In order to register, please go to the following website: <https://www.dfa.ms.gov/supplier-self-service>. Electronic proposals submitted through MAGIC shall follow the same format as specified within this section.

To prevent opening by unauthorized individuals, all proposal submissions must be sealed in an envelope or package and marked, “**SEALED PROPOSAL – DO NOT OPEN**”. The sealed envelope or package shall be marked with the proposal opening time and date, and the number of the RFP.

Sealed proposals should be hand delivered or mailed to the address below and labeled as follows:

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

The parties submitting proposals are responsible for ensuring they are delivered by the required time assuming all risk of delivery. DOR will not be responsible for mail delays or lost mail. Delays due to system down time or weather will be reviewed on a case-by-case basis and the proposer should notify the DOR Proposal Coordinator of such occurrences. Proposals and modifications or corrections thereof received after the closing time specified will not be considered. Any proposals or responses received subsequent to the specified closing date and time shall remain sealed and be maintained as part of the procurement file.

In preparing a proposal response, all narrative portions should be straightforward, detailed, and precise.

## 2.4 Proposal Submission Format

If submitting in paper format, the original written proposal, along with one (1) copy shall be signed and submitted in a three-ring binder. The proposal shall consist of four (4) separate tabs: attachments, technical, management, and cost. Pursuant to Mississippi Code Annotated §§ 27-104-7 and 31-7-401 through 31-7-423, the State of Mississippi requires a **blind evaluation** of certain factors not requiring knowledge of the name of an offeror or information that could reveal the identity of the offeror.

The Department will redact any identifying information from the documents provided by vendors within the technical and cost tabs. Identifying information includes, but is not limited to, any prior, current and future names, phone numbers, or addresses of the offeror, any names of incumbent or former staff, any prior, current and future webpage information, company logos, watermarks, and company colors, any information, which identifies the offeror as an incumbent, and any other information which would affect the blind evaluation of technical factors. **The Technical and Cost tabs shall have no identifying information (“Blind”)**; while the Management tab will be allowed to have identifying information. If a

proposal does not follow these requirements, DOR will redact as necessary to fulfill its obligations for blind evaluation. However, if the required redactions result in an inability to properly evaluate the proposal, this could result in rejection of the proposal as non-responsive.

The four tabs of the proposal shall be comprised as listed below. It is the Vendor's responsibility to organize and separate the information into the sections and tabs accordingly.

### **Tab 1**

#### **Attachments A-J**

Attachment A - Proposal Cover Sheet

Attachment B - Certification to Sign on Behalf of the Company

Attachment C - Supplier Registration

Attachment D - Proposal Form # 1 – 3rd Party Warehouse Operations

Attachment E - References

Attachment F - Reference Score Sheet # 1

Attachment G - Reference Score Sheet # 2

Attachment H - Signed Acknowledgement of Amendments, including DOR's responses to questions

Attachment I - Secretary of State Acknowledgment

Attachment J - Conflict of Interest Disclosure Statement

### **Tab 2**

#### **Technical Proposal - Blind Submission (Please review "Blind" requirements listed in 2.4 above)**

#### **Warehouse Operations (See Section 4.1 of this RFP)**

Information Technology Requirements

Order Fulfillment Requirements

Administrative Requirements

Warehouse Operations Requirements

### **Tab 3 - Project Management Factor (Not a Blind Submission)**

Letter of Introduction

Executive Summary

Business and Directory Information

Personnel – Resumes for Key Staff

Financial Capacity Information

Experience Providing the Required Services

**Tab 4**

**Cost Factor- Blind Submission (Please review “Blind” requirements listed in 2.4 above)**

*The price submitted shall reflect the price per case fee.*

Per Senate Bill 2844, Section 3(3)(a) provides that the department shall pay the operator cost-plus on these operations at a set dollar amount per case of alcoholic beverages sold. “Cost-plus” should be considered to be the amount set by the vendor that covers all costs associated with providing services under this RFP, including any fixed costs, as well as any profit. All of this should be considered by the vendor when submitting its per case fee.

A case is considered sold when it is shipped. The following estimated cases to be shipped will be used to determine the total cost of the initial term of the contract:

Year 1 – 4,423,127  
Year 2 – 4,555,821  
Year 3 – 4,692,495  
Year 4 – 4,833,270

These figures represent an estimation based on past performance. This should not be construed as a guarantee that this number of cases will be shipped each year.

The vendor should submit a fee based on a per case basis. If the vendor wishes to include a yearly change in price over the course of the agreement, the vendor may either list the per case fee by year or provide a set percentage rate at which the per case fee will increase on an annual basis. All costs will be added together to determine the total cost of the proposal.

Attachment D

**2.5 RFP Contact, Vendor Questions and Requests for Clarification and Acknowledgement of Amendments**

Prospective offerors must carefully review this Request for Proposal, the contracts and any accompanying attachments. After review, if any proposer shall have a question or need clarification in order to submit the best proposal possible, the proposer must submit questions and requests for clarification by the date and time reflected in the RFP Cover Sheet and Section 2.2. Questions received after this date and time will not be considered.

All questions and request for clarification must be emailed to:

**Erica Green-Greenwood, Procurement Officer II**  
**Email: [bidquestions@dor.ms.gov](mailto:bidquestions@dor.ms.gov)**

Proposers should include “**RFP Number 3120002542 – Questions**” as the subject for this email. Submitted questions should include a reference to the applicable RFP section and be submitted in the format as shown below:

	<b>RFP, Section, Page Number</b>	<b>Vendor Question/Request for Clarification</b>
1.		

All questions and answers will be treated as amendments to this RFP and shall be issued to each vendor that received the RFP. Additionally, all questions and answers will be published to the Mississippi Contract Procurement Opportunity Search Portal website at [https://www.ms.gov/dfa/contract\\_bid\\_search](https://www.ms.gov/dfa/contract_bid_search) and the DOR website at <https://www.dor.ms.gov/procurement> as an amendment to the RFP by the date and time reflected in RFP Cover Sheet and Section 2.2.

All vendor communications regarding this RFP must be directed to the Proposal Coordinator. Unauthorized contact regarding the RFP with other employees of the DOR may result in the vendor being disqualified, and the vendor may also be suspended, disbarred, or removed from consideration for award of contracts with the State of Mississippi for a period of two (2) years. At no time shall any vendor or its personnel contact, or attempt to contact, any DOR staff regarding this RFP except the contact person as set forth and, in the manner, prescribed herein.

Each offeror shall acknowledge receipt of amendments by completing and signing the Acknowledgement of Amendment form(s) included in **Attachment H** and include it as part of its proposal packet along with each Notice of Amendment.

DOR will not be bound by any verbal or written information that is not contained within this RFP unless formally noticed and issued by:

Erica Green-Greenwood, Procurement Officer II  
 Email: [erica.green@dor.ms.gov](mailto:erica.green@dor.ms.gov)

**2.6 Opening Procedures**

Proposals will not be opened publicly. Proposals will be made available for inspection only after award of contract subject to Mississippi Public Records laws.

**2.7 Incurring Costs**

Actions taken by or expenses incurred by the proposers in responding to this RFP, before the receipt of the official notification of award or in anticipation of a contract will be at the proposer’s own risk, and DOR will not assume any liability for any such actions.

**2.8 Independent Price Determination**

By submitting a proposal, the proposer certifies that the prices submitted in response to the solicitation have been arrived at independently and without, for the purpose of restricting competition, any consultation, communication, or agreement with any other proposer or competitor relating to those prices, the intention to submit a proposal, or the methods or factors used to calculate the proposal. The prices quoted shall be

inclusive of, but not limited to the following: all required equipment/material; all required insurance; all required overhead; all required profit; and, all required licenses, certifications, fees or permits.**2.9**

## **2.9 Modification, Withdrawal, or Rejection of a Proposal**

No proposals shall be modified after the specified time for the opening. If a proposal is withdrawn after opening, the proposer will be removed from the list of eligibles for a period of six (6) months.

A proposer may withdraw a proposal prior to the time set for the opening by submitting a signed written notification by mail or email to the proposal coordinator; no explanation is required. No partial withdrawals are permitted after the time and date set for the opening; only complete withdrawals are permitted. No late proposals, modifications or withdrawals will be considered unless receipt would have been timely but for the action or inaction of DOR personnel directly involved with the procurement activity. Late proposals shall not be considered for award and shall remain sealed and be maintained as part of the procurement file.

A proposal that does not meet the minimum qualifications of the RFP and/or includes terms and conditions that do not conform to the terms and conditions in the RFP document is subject to rejection as non-responsive. Further, submission of a proposal that is not complete and/or signed is subject to rejection as non-responsive.

## **2.10 Right to Reject, Cancel and/or Issue Another RFP**

DOR specifically reserves the right to reject any or all proposals received in response to the RFP, cancel the RFP in its entirety, or issue another RFP.

## **2.11 Debarment**

By submitting a proposal, the Offeror certifies that it is not currently debarred from submitting proposals for contracts issued by any political subdivision or agency of the state of Mississippi or Federal government and that it is not an agent of a person or entity that is currently debarred from submitting proposals for contracts issued by any political subdivision or agency of the state of Mississippi.

## **2.12 Registration with Mississippi Secretary of State**

By submitting a proposal, the proposer certifies that it is registered to do business in the State of Mississippi as prescribed by Mississippi law and the Mississippi Secretary of State or, if not already registered, that it will do so within seven (7) business days of being notified by MDOR of award. Please complete the Secretary of State Acknowledgement, included on Attachment I.

## **2.13 Insurance**

Prior to the start of the contract period the awarded vendor must provide the DOR Proposal Coordinator certificates from its insurer(s) certifying they have appropriate comprehensive insurance covering incident(s) and/or damages arising from the provider's provision of services arising from this contract. Additionally, DOR shall be named as an additional insured on such required coverage. Such insurance must include the following:

- A. Adequate fire and casualty insurance to at least cover loss of inventory and equipment.
- B. No less than \$10,000,000 per occurrence Comprehensive General Liability. The DOR shall be named as an additional insured on the policy.

- C. The provider shall maintain in effect throughout the contract period workers' compensation insurance sufficient to meet or exceed the statutory minimum requirements of the State of Mississippi covering all persons performing work under this contract. The provider shall be prepared to provide evidence of required workers' compensation insurance upon request by DOR at any time during the contract period.

All required insurance will be endorsed to provide DOR with 30 days advance notice of cancellation or material change. Each provider must include an insurance certificate showing this coverage with its proposal material or provide proof from its insurance provider that such coverage will be available if the provider is awarded the contract. The insurance company must be authorized to do business in Mississippi.

## **2.14 Negotiation Rights and Competitive Negotiation**

The proposal method to be used is that of competitive negotiation from which DOR is seeking the best combination of price, experience and quality of service. Discussions may be conducted with offerors who submit proposals determined to be reasonably susceptible of being selected for award. Likewise, DOR also reserves the right to accept any proposal as submitted for contract award, without substantive negotiation of offered terms, services or prices. For these reasons, all parties are advised to propose their most favorable terms initially.

## **2.15 Failure to Deliver**

The proposer agrees that it will abide by all terms and conditions stated in this request. In the event of failure of the winning proposer to deliver services or products in accordance with the terms of this request, DOR may procure the services from other sources and hold the proposer responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies that DOR may have.

## **2.16 Conflict of Interest**

All proposals must be accompanied by a statement disclosing (1) any involvement, financial or otherwise, that an employee, officer, or agent of DOR may have in the proposing organization, and (2) any involvement, financial or otherwise, that any employee, officer of any other governmental agency may have in the proposing organization. Disclosure statement form included in **Attachment J**.

## **2.17 Office Closure Statement**

If the agency is closed for any reason, including but not limited to: acts of God, strikes, lockouts, riots, acts of war, epidemics, governmental regulations superimposed after the fact, fire, earthquakes, floods, or other natural disasters (the "Force Majeure Events"), which closure prevents the opening of proposals at the advertised date and time, all proposals received shall be opened on the next business day that the agency shall be open and at the previously advertised time. The new date and time of the Proposal opening, as determined in accordance with this paragraph, shall not be advertised, and all proposers, upon submission of a proposal, shall be deemed to have knowledge of and shall have agreed to the provisions of this paragraph. Proposals shall be received by the agency until the new date and time of the Proposal opening as set forth herein. **The agency shall not be held responsible for the receipt of any proposals for which the delivery was attempted and failed due to the closure of the agency as a result of a Force Majeure**

**Event.** Each proposer shall be required to ensure the delivery and receipt of its Proposal by the agency prior to the new date and time of the Proposal opening

**2.18 Proposal Evaluation and Basis for Award**

All proposals received in response to this RFP by the stated deadline will receive a comprehensive, fair, and impartial evaluation. Prior to the evaluation committee reviewing responsive proposals, the DOR Procurement Officer and/or designee will review all proposals received for compliance. The Procurement Officer will determine if mandatory RFP requirements have been satisfied, meaning whether a proposal/vendor is responsive, responsible, and/or acceptable. Compliance requirements are not assigned a point percentage or score but are simply recorded as Pass or Fail on the Compliance Phase Checklist included within this RFP. To be considered responsive to the RFP, each proposal must be complete, submitted by the deadline, contain accurate information and contain the minimum expected components described in the RFP, including but not limited to: proposal package with completed attachments, number of references, business longevity and insurance. If the proposal is incomplete, contains inaccurate information, or fails to contain the minimum expected components of the RFP, it may be deemed unresponsive and may not be considered for award.

**Identifying information within the following tabs will be redacted prior to being provided to the Evaluation Committee composed of DOR staff:**

**All information within Tab 2 (*Technical Factors*)**

**Tab 4 (*Cost Factor*).**

**Since, identifying information within these tabs will be redacted, it is imperative that offerors draft their proposals in such a way that the Evaluation Committee can properly evaluate its proposal even after redaction occurs.**

The evaluation of responsive proposals will be conducted in three (3) phases. The Evaluation Committee will use the following factors (categories) and possible points.

Categories	Possible Points
<b>Warehouse Operations</b>	
Phase 1 – Technical Factor	34
Phase 2 – Project Management Factor	30
<b>Total Non-Cost Points</b>	64
Phase 3 – Cost (36 points, or 36%)	36
<i>(36 points will be awarded to the vendor with the lowest price and a prorated amount to the other offerors)</i>	
<b>Total Cost Points</b>	36
<b>Maximum Possible Points</b>	100

### Three (3) Phases of Evaluation:

#### Analysis of Technical Proposal

In this phase of the evaluation process, the Evaluation Committee will utilize consensus scoring to determine numerical scores for each proposal. The score will be based on a weighted average with 100 possible points. The total score will be determined according to the degree of compliance made in the proposal in meeting each component of the Technical Proposal. The evaluation factors are listed in order of their relative importance and weight:

**1. Technical Factor (Weight/Value of 34%/Points)** – Technical factors are scored by the evaluation committee without knowledge of the identity of the vendor (blind) and generally aid in determining the vendor’s technical ability to perform the service or provide the commodity. Offerors should draft their response in such a way that the Evaluation Committee can properly evaluate its proposal even after redaction occurs. The evaluation committee will provide consensus scores of the quality and completeness of the vendor’s solutions and action plans for providing the services identified, demonstrating understanding, responsiveness, effectiveness, efficiency, and value to the Board in proposed approach.

**2. Project Management Factor (Weight/Value of 30%/Points)** – Management factors are scored with knowledge of the identity of the vendor and generally aid in determining the vendor’s past performance of the service or provision of the commodity. The evaluation committee will provide consensus scores of the personnel, equipment, and facilities to provide warehousing services for a plan of comparable size; the ability to technically implement and maintain the structure and resources for providing all services listed in this RFP, demonstrating where applicable the ability to perform the service reflected by technical training, education and general experience of staff and a documented record of past performance of providing services required in this RFP.

**3. Cost Factor (Weight/Value of 36%/Points)** – Cost is reviewed by the DOR Evaluation Committee as it is objectively scored based on the competitiveness of the proposed fees, rates, price, or cost offered. The lowest cost proposed will receive the maximum 36 points allocated to cost. The point allocations for cost on the other offers will be evaluated according to the following formula:

$X/Y * 36 = Z$     X- Lowest total cost  
Y- Offeror's proposed total cost  
Z- Assigned points/score

X will be determined as follows:

- (1) multiply each listed yearly per case fee by the corresponding estimated case count listed in the Section 2.4 of this RFP;
- (2) add the costs of all years together;

Y will be determined in the same manner.

For example, Vendor X submits a fee of \$1 per case with an annual 4% increase in the per case fee. Vendor Y submits a per case fee of \$1 plus an annual increase of \$1 per case. This means that Vendor X’s total cost would be \$19,642,337.84. Vendor Y’s final cost would be \$46,945,334.00. Vendor X would receive 36 points. Vendor Y would receive 15 points.



Upon completion of the Analysis Phase, the evaluation committee reviews and compares the numerical scores from among the vendors to determine the winning offeror. The award will be made to the responsible offeror whose proposal is determined to be the most advantageous to the State, taking into consideration price and the evaluation factors listed in the Technical Proposal. The name of the proposer that is recommended for funding will be forwarded to the Commissioner of the Mississippi Department of Revenue or his designee for award subject to final approval by the Public Procurement Review Board (PPRB).

The awards, if made, will be by DOR's evaluation committee within forty-five (45) days after the proposal opening. After DOR makes the awards, official notification will be sent to all participating vendors along with an accompanying analysis describing why the contract was awarded to the particular vendor. Notice of award shall be made available to the public via the Mississippi Contract/Procurement Opportunity Search Portal as well as DOR's Agency Website. DOR will not respond to telephone calls requesting the information. All awards shall be subject to **final** approval by the Public Procurement Review Board (PPRB).

## **2.19 Post-Award Vendor Debriefing**

A vendor, successful or unsuccessful, may request a post-award debriefing, in writing, by email at [erica.green@dor.ms.gov](mailto:erica.green@dor.ms.gov). Vendors should enter "**RFP RFX Number 3120002542 – Debriefings**" as the subject for the email. The written request must be received by the Proposal Coordinator of DOR within three (3) business days of notification of the contract awards. A post-award debriefing is a meeting and not a hearing; therefore, legal representation is not required. A debriefing typically occurs within three (3) business days of receipt of the request. If a vendor prefers to have legal representation present, the vendor must notify the Proposal Coordinator of the MDOR in writing and identify its attorney by name, address and telephone number.

For additional information regarding Post-Award Debriefing, as well as the information that may be provided and excluded, please see Section 7-114 through 7-114.07, Post- Award Debriefing, of the *Public Procurement Review Board Office of Personal Service Contract Review's Rules and Regulations*.

## **2.20 Protest of Award**

Any actual or prospective proposer or contractor who is aggrieved in connection with the solicitation or award of a contract may file a protest with Erica Green-Greenwood, MDOR Procurement Officer II. The protest shall be submitted in writing within seven (7) calendar days after notification of contract award or on or **before 5:00 PM CST, December 16, 2022**, in writing after such aggrieved person or entity knows or should have known of the facts giving rise thereto. The written protest letter shall contain an explanation of the basis of the protest. All protests must be in writing, dated, signed by the vendor or an individual authorized to sign contracts on behalf of the protesting vendor, and contain a statement of the reason(s) for protest, citing the law(s), rule(s) and regulation(s) or procedure(s) on which the protest is based. The protesting vendor must provide facts and evidence to support the protest. A protest is considered submitted when received by the Proposal Coordinator, via U.S. mail, or personal delivery. To expedite the handling of the protest, the envelope should be labeled "Protest". Protests filed **after 5:00 PM CST, December 16, 2022**, will not be considered.

### SECTION 3 MINIMUM VENDOR REQUIREMENTS TO BE DEEMED RESPONSIBLE

The Offeror (prospective operator) shall review each minimum requirement below and indicate whether or not they comply with the requirements by selecting either “yes” or “no” to each requirement on **Attachment A**. Offerors must comply with all requirements to be deemed responsible.

- 3.1 Each proposer must have been in business a minimum of ten (10) years prior to submission of its proposal providing similar services as those outlined in this RFP.
- 3.2 Each proposer must have the qualifications, experience and management personnel necessary to carry out the terms of the contract.
- 3.3 Each proposer must be legally eligible to execute a contract with the Mississippi Department of Revenue, ABC Division.
- 3.4 Each proposer must certify it is registered to do business with the State of Mississippi through the Secretary of State or, if not already registered, that it will do so within seven (7) business days of being notified by DOR that it has been awarded the contract. Please complete the Secretary of State Acknowledgement form included in **Attachment I**.
- 3.5 Each proposer must agree to provide and maintain, throughout the term of the contract, insurance that complies with Section 2.13 stated herein.
- 3.6 **The proposer must have the ability, capacity, skill and financial resources** to perform the work or provide the service required.
- 3.7 As part of its proposal, each proposer must furnish contact information of at least four current references on **Attachment E**. The reference information should include the client’s name, contact name and title, phone number, email address, type of work provided and the effective dates for each contract with their largest clients of similar size and scope of services, as specified in this RFP. The Offeror must document, through their references, they have the experience required to meet the minimum vendor requirements. These minimum qualifications are in addition to a minimum score of six (6) on Reference Score Sheet (**Attachment F & G**) from reference interviews by MDOR with **two** proposer references (for a total minimum passing score of twelve (12), as well as other requirements of this RFP.

## **SECTION 4 SPECIFICATIONS ( Scope of Work)**

The successful warehouse operator shall provide the services to the State of Mississippi in accordance with the specifications as provided in this Section and according to all requirements contained within SB2844. The Offeror (prospective operator) shall address each specification in this Section within their proposal.

All items listed in this section are Mandatory Specifications. Offerors must indicate either “yes” or “no” to each requirement in their Proposals and provide a response as to how the specification is met. By indicating “yes” an Offeror agrees that it shall comply with that specification throughout the full term of the Contract if the Offeror is successful. Merely repeating the specifications or requirements may be considered non-responsive and may disqualify the Offeror. In addition, if specified by the requirements or if the context otherwise requires, the Offeror shall provide references and/or supportive materials to verify the Offeror’s compliance with the specification. The MS ABC Division shall have the right to determine whether the supportive information and materials submitted by the Offeror demonstrates that the Offeror will be able to comply with the Mandatory Specifications. If the MS ABC Division determines that the responses and supportive materials do not demonstrate the Offeror will be able to comply with the Mandatory Specifications, the MS ABC Division may reject the Proposal.

*In preparing proposal responses, all responses should be straightforward, detailed and precise.*

### **4.1 Warehouse Operations**

This section documents the MS ABC requirements for data flow, order fulfillment, and general administrative tasks associated with warehousing and order processing.

#### **4.1.1 Information Technology Requirements (Data Flow)**

MARS will continue to be the platform for order management, route planning and invoicing the permittees. While operating within the current facility, the Offeror can utilize the existing Warehouse Management System (WMS) capability within MARS or provide a robust WMS capable of integration with the MARS and Bastian systems. If Offeror intends to provide a WMS (to replace the MARS WMS functions), they will be responsible for the interface programming, the performance of the interface, and the cost of interfacing to MARS and Bastian Systems. When moving to the new facility, the Offeror will be responsible for providing a robust WMS capable of integration with MARS and any new material handling equipment (MHE) warehouse controls system (WCS). Offeror needs to define requirements for connectivity within the existing warehouse for computers, printers and all peripherals that will be implemented for systems intended to operate warehouse. This includes internet connectivity and network connectivity requirements.

If the Offeror intends to provide a WMS, the Offeror’s WMS must have the following capability:

- 4.1.1.1** Interfaces with the MARS for route planning and invoicing.
- 4.1.1.2** In the current facility, integrate with the automated sortation system (Bastian Solutions conveyor controls system) for label printing.
- 4.1.1.3** Maintains near-real time inventory visibility from receipt of goods to shipment of goods from the MS ABC Division warehouse and tracks out of stocks, and under/overstocks.
- 4.1.1.4** Has the ability to track length of time product has been in the Distribution Center and flag once it has reached a specific amount of days

- 4.1.1.5 Contains System Access/Security protocols to comply with MS ABC Information Technology policies and procedures.
- 4.1.1.6 Provides systems/procedures to ensure data integrity and recovery. Data should be backed-up nightly in the event of data loss, data corruption, etc. Built in system/data redundancy should also be provided in the event of a catastrophic event to limit downtime to no greater than 24 hours. If system is down for greater than a 24-hour period, vendor will be out of compliance with contract.
- 4.1.1.7 Ability to transmit completed order and route information to MS ABC, licensees and delivery partners.

#### 4.1.2 **Order Fulfillment Requirements**

The Operator must be responsible for the following order fulfillment requirements:

##### 4.1.2.1 **Inventory Management**

Prompt receiving and put away of inbound shipments (within same shift) – approximately 81,000 cases per average week in FY2022 growing to approximately 98,000 cases per average week in FY2027, and peak weeks that are approximately 25%-30% higher than average week volumes.

- Bar coded reserve and picking locations
- Cycle counting on a fixed schedule
- Inventory adjustments
- Annual audit
- Process all store returns on a timely basis, returning to inventory or processing as damage.

##### 4.1.2.2 **Order Processing**

- Pick orders, ensuring that all case picks and special-order picks are completed for each order – approximately 85,000 cases per average week in FY2022 growing to approximately 103,000 cases per average week in FY2027, and peak weeks that are approximately 25%-30% higher than average week volumes.
- Label each case with pick label which contains the pick location, description barcode, route number and delivery stop number – approximately 140-150 loads per average week with 700-800 stops.
- Load all outbound order cases onto delivery trailers and ensure all routes are complete and loaded in reverse stop sequence.
- Stabilize and secure all outbound loads
- Process orders within a one-day window (orders are placed one day, picked that night and delivered the following day)

#### 4.1.3 **Administrative Requirements**

The Operator must be responsible for the following warehousing administrative management requirements:

##### 4.1.3.1 **Warehouse Associate Management**

- Recruiting, qualification and hiring of warehouse associates and administration
- Orientation and training - Associates utilized in the operation must be trained in MS ABC processes and procedures

#### **4.1.3.2 Warehouse Facility Management**

- Maintain a clean and dry facility.
- Adequately secure the facility to prevent pilferage, theft, break-in or damage.
- Provide security 24-hours per day, seven days per week.
- Offeror must indicate whether they intend to continue using the material handling equipment (MHE) systems conveyor and automated sortation system currently in place in the MS ABC warehouse OR if not, what alternative MHE systems and methods will be implemented to accomplish the requirements.
- Provide the required lift truck equipment and mobile equipment for warehouse operations.

#### **4.1.3.3 Reporting - Performance Metrics Reporting**

The contracted warehouse operator (“operator”) will be measured by key performance indicators (“KPIs”) for service, cost, and exceptions. On a weekly basis, the supplier will supply MS ABC with results from the prior week. Recommended KPIs include:

- Cost metric – provide cost metrics - cost/case, cost/order, etc.
- Productivity metric – receiving rate per hour, pick rate per hour measured against established goals and mis-picks.
- Inventory Count Accuracy by Location on a weekly basis – performed utilizing cycle counts,
  - Fill rate for licensee orders measured against an established metric:
    - % of orders that are shipped complete, with no item exceptions.
    - % of deliveries that are shipped with no exceptions.
- Warehouse exceptions
  - Shortages measured by cases short on a delivery.
  - Overages measured by cases over on a delivery.
  - Breakage/Damage measured by product value in dollars. Note: Operator will be required to reimburse MS ABC Division for breakage/damage within the Warehouse Operations.

On a monthly basis, the operator will meet with the MS ABC Division to review the performance metrics listed above, the results, and have a general discussion of the operation. The monthly review should be utilized for a general evaluation of the operator performance, issue resolution and vetting of improvement opportunities. At each monthly review, there will be discussions of the KPIs listed above, with improvement plans for performance below acceptable levels and recognition noted for exceeding requirements.

#### **4.1.3.4 Financial & Other Reporting**

Operator is to maintain and produce reports to the MS ABC Division on request at no additional fee to include but not limited to the following, including all documentation required by federal and state laws:

- Annual Financial Audit including Management Letter.
- Annual Inventory Reports.

- Stock status – Out of Stock/Low stock reports, Over Stock/Under Stock reports.
- Cases shipped/extra loads reports.
- Monthly shipments and comparison reports.

#### **4.1.3.5 Warehouse Operations Requirements - Implementation Plan**

- Offeror is to describe recommended implementation strategy including on-site coordination and support services, best practice consulting options and professional services. Please provide an implementation schedule, based on weekly milestones (not dates).
- Offeror is to identify any third-party Offerors involved in Offeror’s implementation strategy and describe these relationships.
- Offeror is to describe the skills and time required by Mississippi DOR and ABC personnel for initial installation and implementation of any proposed systems.
- Offeror is to provide an estimate of Mississippi DOR and ABC staff time required to complete the installation. Describe the documentation provided for implementation.
- Describe experience in implementing a warehouse operation plan similar in size.

#### **4.1.3.6 Warehouse Operations Requirements - Ongoing Operations Plan**

- Describe recommended warehouse operations plan for ongoing operations after implementation is complete.
- Provide detailed information regarding the facility management and operation plan, as it relates to this RFP. At a minimum, warehouse operations plan must address the following:

##### **Staffing and Management**

- Staffing
- Personnel
- Employee Training
- Employee Services
- Employee Conduct
- Contingency Plans for staff turnover

##### **Operations**

- Receiving
- Picking
- Facility – hours of operations, seasonal changes for days and hours, cleaning, and maintenance
- Equipment and supplies
- Communication systems
- Use reports
- Garbage and waste management
- Site Hazards – signage
- Improvements

- Other services
- Special Conditions

## **Insurance**

### **4.1.3.7 Warehouse Operations Requirements - Business Continuity Plan**

- Offeror is to develop and detail a business continuity plan for warehouse operations for disaster recovery and other potential business interruption situations. This plan should be strategic in nature with tactical details supplied to address above business interruption situations and is not intended for dealing with ordinary daily distribution and fulfillment challenges, such as staffing and/or other ordinary warehouse operating activities.
- Offeror must provide a contingency plan as well as their commitment to assist MS ABC in re-assuming warehouse operations in the event of operator contract failure or default.

**Appendix A - Proposal Package**

**3<sup>rd</sup> Party Warehouse Operator**

*Be sure to answer and complete each question as requested. All responses must follow the instructions provided.*



**ATTACHMENT A - Proposal Cover Sheet**

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

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

**PLEASE MARK YOUR ENVELOPE:**

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

NAME OF COMPANY \_\_\_\_\_

QUOTED BY \_\_\_\_\_ SIGNATURE \_\_\_\_\_

ADDRESS \_\_\_\_\_ CITY/STATE/ZIP \_\_\_\_\_

PHONE: \_\_\_\_\_ EMAIL \_\_\_\_\_ FEIN # or SS #: \_\_\_\_\_

***NAME AND PHONE NUMBER OF COMPANY REPRESENTATIVE IF DIFFERENT FROM ABOVE***

NAME: \_\_\_\_\_ PHONE NUMBER: \_\_\_\_\_

**Please answer the following questions regarding your company:**

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

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

Yes	No
-----	----

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

Yes	No
-----	----

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

Yes	No
-----	----

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

Yes	No
-----	----

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

Yes	No
-----	----

**ATTACHMENT B – Certification**

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

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

*Please sign and return with Proposal Materials.*

Company: \_\_\_\_\_ Signature: \_\_\_\_\_

Date: \_\_\_\_\_ Title: \_\_\_\_\_

Printed Name: \_\_\_\_\_

**ATTACHMENT C – Supplier Registration**

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

Are you currently registered as a Supplier in MAGIC? \_\_\_\_ YES \_\_\_\_ NO

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

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

If known, what is your supplier number? \_\_\_\_\_

Are you currently registered with Pay Mode? \_\_\_\_ YES \_\_\_\_ NO

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

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

*Please sign and return with Proposal Materials.*

Company: \_\_\_\_\_ Signature: \_\_\_\_\_

Date: \_\_\_\_\_ Title: \_\_\_\_\_

Printed Name: \_\_\_\_\_

**ATTACHMENT D – Proposal Form**

**3<sup>rd</sup> Party Warehouse Operator**

**Proposal Number: 3120002542**

Gentlemen:

Pursuant to the advertisement for proposals to be received, I/We \_\_\_\_\_  
\_\_\_\_\_ located at \_\_\_\_\_

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

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

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

- Year 1 – 4,423,127
- Year 2 – 4,555,821
- Year 3 – 4,692,495
- Year 4 – 4,833,270

**3<sup>rd</sup> Party Operator’s price per case fee** \_\_\_\_\_

*The price submitted shall reflect the price per case fee.*

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

Year 2: \_\_\_\_\_

Year 3: \_\_\_\_\_

Year 4: \_\_\_\_\_

OR

Annual percentage increase: \_\_\_\_\_

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

Exceptions and/or Deviations?            Yes\_\_\_ No\_\_\_

Please list and describe exceptions if applicable:

\_\_\_\_\_

Company: \_\_\_\_\_

Signature: \_\_\_\_\_

Address: \_\_\_\_\_

Printed name: \_\_\_\_\_

\_\_\_\_\_

Title: \_\_\_\_\_

Phone: \_\_\_\_\_

Date: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

**ATTACHMENT E - References**

<b>Client Name</b>	
<b>Reference Name and Title</b>	
<b>Contact Address</b>	
<b>Contact Telephone Number</b>	
<b>Email Address</b>	
<b>Type of service provided</b>	
<b>Effective dates of service</b>	

<b>Client Name</b>	
<b>Reference Name and Title</b>	
<b>Contact Address</b>	
<b>Contact Telephone Number</b>	
<b>Email Address</b>	
<b>Type of service provided</b>	
<b>Effective dates of service</b>	

<b>Client Name</b>	
<b>Reference Name and Title</b>	
<b>Contact Address</b>	
<b>Contact Telephone Number</b>	
<b>Email Address</b>	
<b>Type of service provided</b>	
<b>Effective dates of service</b>	

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

**ATTACHMENT F – Procurement Reference Score Sheet  
3<sup>rd</sup> Party Warehouse Operator**

*(Return with packet unsigned)*

**TO BE COMPLETED BY AGENCY STAFF ONLY**

**Company Name:** \_\_\_\_\_ **Reference Name:** \_\_\_\_\_

**Person Contacted, Title/Position:** \_\_\_\_\_

**Date/Time Contacted:** \_\_\_\_\_ **Service From/To Dates:** \_\_\_\_\_

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

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

**Score:** Pass/Fail

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

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

Notes:

\_\_\_\_\_  
\_\_\_\_\_.

Called by: \_\_\_\_\_  
Signature Title Date

**ATTACHMENT G – Procurement Reference Score Sheet  
3<sup>rd</sup> Party Warehouse Operator**

*(Return with packet unsigned)*

**TO BE COMPLETED BY AGENCY STAFF ONLY**

**Company Name:** \_\_\_\_\_ **Reference Name:** \_\_\_\_\_

**Person Contacted, Title/Position:** \_\_\_\_\_

**Date/Time Contacted:** \_\_\_\_\_ **Service From/To Dates:** \_\_\_\_\_

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

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

**Score:** Pass/Fail

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

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

Notes:

\_\_\_\_\_  
\_\_\_\_\_.

Called by: \_\_\_\_\_  
Signature Title Date





**ATTACHMENT I - Secretary of State Acknowledgement**

\_\_\_\_\_, acknowledges that we  
(Vendor Name)

\_\_\_\_\_ are registered with the Secretary of State's Office  
(attach proof)

\_\_\_\_\_ are not registered with the Secretary of State's Office

---

---

We, \_\_\_\_\_  
(Vendor Name)

\_\_\_\_\_ will register before the start of the contract and provide proof

\_\_\_\_\_ will not register

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Printed Name**

**ATTACHMENT J - Conflict of Interest, Disclosure Statement**

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

\_\_\_\_\_, acknowledges that we

(Vendor Name)

\_\_\_\_\_ do not have a conflicting interest to report.

\_\_\_\_\_ do have a conflicting interest (please disclose below).

Describe the Nature of the Conflicting Interest:

---

---

---

---

---

---

---

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Printed Name**

## Appendix B

The following documents and responses must be tabbed in the order as stated in Section 2.4 Proposal Submission Format.

*Responses to the following sections should also be drafted in such a way that the evaluation committee can properly evaluate the proposal. The following sections will be redacted prior to being provided to the evaluation committee composed of DOR staff:*

*Section 1.0 Warehouse Operations;*

*Section 2.0 Order Fulfillment Requirements;*

*Section 3.0 Administrative Requirements;*

*Section 4.0 Warehouse Operations Requirements- Implementation Plan*

*Section 5.0 Warehouse Operations Requirements- Ongoing Operations Plan*

*Section 6.0 Warehouse Operations Requirements- Business Continuity Plan*

*Section 8.0 Cost Factor*

*Since, these tabs will be redacted, it is imperative that offerors draft their proposals in such a way that the evaluation committee can properly evaluate its proposal.*

## Technical Proposal

### Technical Factors (34 points, or 34%)

#### Warehouse Operations

##### 1.0 Information Technology Requirements

As stated in **Section 4.1.1** of the Specifications, the Offeror can utilize the existing Warehouse Management System (WMS) or provide a robust WMS capable of integration with the MARS and Bastian systems. Do you plan to utilize the existing WMS system? Or do you plan to provide a WMS? If so, please provide a detailed plan of work for interface programming, the performance of the interface and the cost of interfacing with the MARS and Bastian systems, including, interfacing with the MARS for route planning and invoicing, integrating with the automated sortation system (Bastian Solutions conveyor controls system) for label printing, maintaining near-real time inventory visibility from receipt of goods to shipment of goods from the MS ABC Division warehouse, tracking out of stock/low stock, and under/overstocks, tracking length of time product has been in the Distribution Center and flagging it once it has reached a specific amount of days, system access/security protocols to comply with MS ABC Information technology policies and procedures, systems/procedures to ensure data integrity and recovery, backing up data nightly in the event of data loss, data corruption, etc., building in system/data redundancy in the event of a catastrophic event to limit downtime to no greater than 24 hours, transmitting completed orders and route information to MS ABC, licensees and delivery partners. If the system is down for greater than a 24-hour period, the vendor will be out of compliance with the contract.

## **2.0 Order Fulfillment Requirements**

### **2.1 Inventory Management**

Describe your capabilities in inventory management, including promptly receiving and storing inbound shipment, barcoded reserve and pick locations, cycle counting on a fixed schedule, inventory adjustments, annual audits, processing store returns, inventory returns and processing damages.

### **2.2 Order Processing**

Discuss your plan for daily order processing, including, pick orders, labeling cases, loading and securing outbound orders and processing orders within a one-day window.

## **3.0 Administrative Requirements**

### **3.1 Warehouse Facility Management**

Describe in detail your plan for warehouse facility management, including maintaining a clean facility, securing the warehouse and providing 24/7 security.

Discuss your plan for the material handling equipment (MHE) systems. Do you plan to continue using the sorter and extend conveyor systems or if not, what alternative systems and methods will be implemented?

Describe your plan for providing the required lift truck equipment for warehouse operations.

### **3.2 Performance Metrics Reporting**

On a monthly basis, the supplier will supply MS ABC with key performance indicator (kpi) results from the prior week. The warehouse operator will be measured by cost metrics – cost/case, cost/order, etc., productivity metric – receiving rate per hour, pick rate per hours measured against established goals and mis-picks, inventory accuracy by location on a weekly basis – performed using cycle counts, % of orders that are shipped complete with no item exceptions and % of deliveries that are shipped with no exceptions and warehouse exceptions – shortages measured by cases short on a delivery, overages measured by cases over on a delivery and breakages/damages measured by product value in dollars. Describe your experience with performance metrics reporting as well as your plan to minimize performance issues.

### **3.3 Financial & Other Reporting**

Describe your experience with financial reporting required by federal and state laws such as: annual financial audit including management letter, annual inventory reports, stock status – out of stock/ low stock, overstock/understock, cases shipped, extra load reports and monthly shipments and comparison reports.

## **4.0 Warehouse Operations Requirements- Implementation Plan**

**4.1** Describe recommended implementation strategy including on-site coordination and support

services, best practice consulting options and professional services. Vendor should provide a detailed implementation strategy for this project as stated in this RFP, including an implementation schedule, based on weekly milestones (not dates).

- 4.2 Identify any third-party offerors involved in offerors implementation strategy and describe these relationships.
- 4.3 Describe the skills and time required by Mississippi DOR and ABC personnel for initial installation and implementation of any proposed systems.
- 4.4 Describe your experience in installing and implementing warehouse operations plan similar in size.

## **5.0 Warehouse Operations Requirements- Ongoing Operations Plan**

- 5.1 Describe recommended warehouse operations plan for ongoing operations after implementation is complete.
- 5.2 Provide detailed plan regarding the facility management and operation plan, as it relates to this RFP. At a minimum, warehouse operations plan must address the following:

### **5.2.1 Staffing and Management**

- 5.2.1.1 Staffing
- 5.2.1.2 Personnel
- 5.2.1.3 Employee Training
- 5.2.1.4 Employee Services
- 5.2.1.5 Employee Conduct
- 5.2.1.6 Contingency Plans for staff turnover

### **5.2.2 Operations**

- 5.2.2.1 Receiving
- 5.2.2.3 Picking
- 5.2.2.3 Loading
- 5.2.2.4 Facility – hours of operations, seasonal changes for days and hours, cleaning, and maintenance
- 5.2.2.5 Equipment and supplies
- 5.2.2.6 Communication systems
- 5.2.2.7 Use reports
- 5.2.2.8 Garbage and Waste Management
- 5.2.2.9 Site Hazards – signage
- 5.2.2.10 Improvements
- 5.2.2.11 Other services
- 5.2.2.12 Special Conditions

### **5.2.3 Insurance**

## **6.0 Warehouse Operations Requirements – Business Continuity Plan**

- 6.1** Offeror is to develop a detailed business continuity plan for warehouse operations for disaster recovery and other potential business interruption situations. This plan should be strategic in nature with tactical details supplied to address above business interruption situations and is not intended for dealing with ordinary daily distribution and fulfillment challenges, such as staffing and/or other ordinary warehouse operating activities.
- 6.2** Offeror must provide a contingency plan for and commitment to assist MS ABC in re-assuming warehouse operations in the event of operator contract failure or default.

### **Definition of Technical Factors**

*The overall quality of the proposed plan (the plan should reflect an understanding of the project and its objectives) and the ability to perform the services as reflected by the completion of the technical proposal and submission of redacted resumes of the key personnel. Consideration will be given to the completeness of the responses to the specific requirements of the solicitation.*

## **Project Management Proposal**

### **7.0 Project Management Factor (30 points, or 30%)**

**7.1 Letter of Introduction:** An individual authorized to legally bind the Vendor must submit and sign a Letter of Introduction. The person who signs the letter will be considered the contact person for all matters pertaining to the Offer unless the Vendor designates another person in writing. The letter should include a very brief overview of what your company has to offer and why you think your company should be selected as the Vendor to provide the services relative to the RFP.

**7.2 Executive Summary:** The Vendor must prepare an Executive Summary to include a more detailed overview of the services of its offering. This will include a general description about the company, including the nature of the business, years in operation, number of employees, types of services offered and any experience in similar situations. The Vendor should include statements that demonstrate the understandings of services required as noted in the Section 2.0 Minimum Qualifications and Section 3.0 Scope of Services/Specifications.

**7.3 Business and Directory Information:** Vendor must provide the following:

- a. Name of Business (Official Name and D/B/A)
- b. Business Headquarters (include Address, Telephone, and Facsimile)
- c. If a Division or Subsidiary of another organization provide the name and address of the parent
- d. Billing address
- e. Name of Chief Executive Officer
- f. Customer Contact (include name, title, address, telephone, toll-free number, facsimile and e-mail)
- g. Company web site
- h. Type of Organization (i.e., Sole Proprietor, Corporation, Partnership, etc. – should be the same as on the Taxpayer ID Form)

- i. Length of time in business
- j. Annual Sales (for the two most recently completed Fiscal Years)
- k. Number of full-time employees (average from the two most recent Fiscal Years)
- l. Type of and description of business
- m. State of incorporation, state of formation or state of organization
- n. Identify and specify the location(s) and telephone numbers of the major offices and other facilities that relate to the Vendor's performance under the terms of the RFP
- o. Identify the Vendor's accounting firm
- p. Identify your State vendor number
- q. Identify your Dunn & Bradstreet Number

**7.4** Provide the number of years of experience in providing the services within this RFP. Describe your experience with services similar in size.

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

**7.6 Personnel:** The Vendor must provide resumes for all key personnel, including the account manager, who will be involved in providing the services contemplated by this RFP. Resumes must include the full name, education background, and years of experience and employment history particularly as it relates to the scope of services specified herein.

**7.7 Financial Capacity Information:** Vendor must submit either a comparative audit, which would include data from prior year and the year previous to that, audits for the past two (2) years if a comparative is not available, or end of year financial statements for the last two (2) years if an audit has not occurred. Vendor may also be required to provide additional financial information upon request.

**Definitions of Project Management Factors**

*The personnel, equipment, facilities and financial resources to perform the services currently available or demonstrated to be made available at the time of contracting as well as a record of past performance of similar work as exhibited by references from other companies serviced within the past two (2) years and other documentation related to vendor's capabilities.*

**Cost Proposal**

**8.0 Cost Factor: (36 points, or 36%)**

**8.1 Price**

Per Senate Bill 2844, Section 3(3)(a) provides that the department shall pay the operator cost-plus on these operations at a set dollar amount per case of alcoholic beverages sold.



“Cost-plus” should be considered to be the amount set by the vendor that covers all costs associated with providing services under this RFP, including any fixed costs, as well as any profit. All of this should be considered by the vendor when submitting its per case fee.

A case is considered sold when it is shipped. The following estimated cases to be shipped will be used to determine the total cost of the initial term of the contract.

Year 1 – 4,423,127

Year 2 – 4,555,821

Year 3 – 4,692,495

Year 4 – 4,833,270

Please identify your price per case fee. If you wish to include a yearly change in price over the course of the agreement, you may either list the per case fee by year or provide a set percentage rate at which the per case fee will increase on an annual basis. Additionally, if you wish to charge an additional monthly fee, this must be listed. You must also complete all parts of the cost proposal form, Attachment D, in a clear and accurate manner.

**Definition of Cost Factors**

The price submitted shall reflect the total cost of providing these services.

## APPENDIX C

### Terms and Conditions

#### **Acknowledgement of Amendments**

Proposers shall acknowledge receipt of any amendment to the solicitation by signing and returning the amendment with the proposal, by identifying the amendment number and date in the space provided for this purpose on the proposal form, or by letter. The acknowledgment must be received by the Department of Revenue by the time and at the place specified for receipt of proposals.

#### **Anti-Assignment/Subcontracting**

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

#### **Applicable Law**

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

#### **Approval**

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

#### **Authority to Contract**

Contractor warrants: (a) that it is a validly organized business with valid authority to enter into this agreement; (b) that it is qualified to do business and in good standing in the State of Mississippi; (c) that entry into and performance under this agreement is not restricted or prohibited by any loan, security, financing, contractual, or other agreement of any kind; and, (d) notwithstanding any other provision of this agreement to the contrary, that there are no existing legal proceedings or prospective legal proceedings, either voluntary or otherwise, which may adversely affect its ability to perform its obligations under this agreement.

#### **Availability of Funds**

It is expressly understood and agreed that the obligation of the Mississippi Department of Revenue to proceed under this agreement is conditioned upon the appropriation of funds by the Mississippi State Legislature and the receipt of state and/or federal funds. If the funds anticipated for the continuing fulfillment of the agreement are, at any time, not forthcoming or insufficient, either through the failure of the federal government to provide funds or of the State of Mississippi to appropriate funds or the discontinuance or material alteration of the program under which funds were provided or if funds are not otherwise available to the Mississippi Department of Revenue, the Mississippi Department of Revenue

shall have the right upon ten (10) working days written notice to Contractor, to terminate this agreement without damage, penalty, cost or expenses to the Mississippi Department of Revenue of any kind whatsoever. The effective date of termination shall be as specified in the notice of termination.

#### **Certification of Independent Price Determination**

The proposer certifies that the prices submitted in response to the solicitation have been arrived at independently and without, for the purpose of restricting competition, any consultation, communication, or agreement with any other proposer or competitor relating to those prices, the intention to submit a proposal, or the methods or factors used to calculate the prices proposal.

#### **Change in Scope of Work**

The Mississippi Department of Revenue may order changes in the work consisting of additions, deletions, or other revisions within the general scope of the contract. No claims may be made by Contractor that the scope of the project or of Contractor's services has been changed, requiring changes to the amount of compensation to Contractor or other adjustments to the contract, unless such changes or adjustments have been made by written amendment to the contract signed by the Mississippi Department of Revenue and Contractor.

If Contractor believes that any particular work is not within the scope of the project, is a material change, or will otherwise require more compensation to Contractor, Contractor must immediately notify the [agency] in writing of this belief. If the [agency] believes that the particular work is within the scope of the contract as written, Contractor will be ordered to and shall continue with the work as changed and at the cost stated for the work within the contract.

#### **Compliance with Laws**

Contractor understands that the Mississippi Department of Revenue is an equal opportunity employer and therefore, maintains a policy which prohibits unlawful discrimination based on race, color, creed, sex, age, national origin, physical handicap, disability, genetic information, or any other consideration made unlawful by federal, state, or local laws. All such discrimination is unlawful and Contractor agrees during the term of the agreement that Contractor will strictly adhere to this policy in its employment practices and provision of services. Contractor shall comply with, and all activities under this agreement shall be subject to, all applicable federal, State of Mississippi, and local laws and regulations, as now existing and as may be amended or modified.

#### **Confidentiality**

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

#### **Contractor Personnel**

The Mississippi Department of Revenue shall, throughout the life of the contract, have the right of reasonable rejection and approval of staff or subcontractors assigned to the work by Contractor. If the Mississippi Department of Revenue reasonably rejects staff or subcontractors, Contractor must provide replacement staff or subcontractors satisfactory to the Mississippi Department of Revenue in a timely

manner and at no additional cost to the Mississippi Department of Revenue. The day-to-day supervision and control of Contractor's employees and subcontractors is the sole responsibility of Contractor.

### **Debarment and Suspension**

Contractor certifies to the best of its knowledge and belief, that it:

- (1) is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transaction by any federal department or agency or any political subdivision or agency of the State of Mississippi;
- (2) has not, within a three-year period preceding this proposal, been convicted of or had a civil judgment rendered against it for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction;
- (3) has not, within a three-year period preceding this proposal, been convicted of or had a civil judgment rendered against it for a violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (4) is not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of these offenses enumerated in paragraphs two (2) and (3) of this certification; and,
- (5) has not, within a three-year period preceding this proposal, had one or more public transactions (federal, state, or local) terminated for cause or default.

### **Disclosure of Confidential Information**

In the event that either party to this agreement receives notice that a third-party requests divulgence of confidential or otherwise protected information and/or has served upon it a subpoena or other validly issued administrative or judicial process ordering divulgence of confidential or otherwise protected information that party shall promptly inform the other party and thereafter respond in conformity with such subpoena to the extent mandated by law. This section shall survive the termination or completion of this agreement. The parties agree that this section is subject to and superseded by Mississippi Code Annotated §§ 25-61-1 et seq.

### **E- Payment**

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

### **E-Verification**

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

a copy of each such verification. Contractor further represents and warrants that any person assigned to perform services hereafter meets the employment eligibility requirements of all immigration laws. The breach of this agreement may subject Contractor to the following:

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

### **Failure to Deliver**

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

### **Failure to Enforce**

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

### **Force Majeure**

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

### **Independent Contractor**

Contractor shall, at all times, be regarded as and shall be legally considered an independent contractor and shall at no time act as an agent for the State. Nothing contained herein shall be deemed or construed by the State, Contractor, or any third party as creating the relationship of principal and agent, master and servant, partners, joint ventures, employer and employee, or any similar such relationship between the State and Contractor. Neither the method of computation of fees or other charges, nor any other provision contained herein, nor any acts of the State or Contractor hereunder creates or shall be deemed to create a relationship other than the independent relationship of the State and Contractor. Contractor’s personnel shall not be deemed in any way, directly or indirectly, expressly or by implication, to be employees of the State. Neither Contractor nor its employees shall, under any circumstances, be considered servants, agents, or employees of the Mississippi Department of Revenue, and the Mississippi Department of Revenue shall be at no time legally responsible for any negligence or other wrongdoing by Contractor, its servants, agents, or

employees. The Mississippi Department of Revenue shall not withhold from the contract payments to Contractor any federal or state unemployment taxes, federal or state income taxes, Social Security tax, or any other amounts for benefits to Contractor. Further, the Mississippi Department of Revenue shall not provide to Contractor any insurance coverage or other benefits, including Worker's Compensation, normally provided by the State for its employees.

### **Integrated Agreement/Merger**

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

### **Ownership of Documents and Work Papers**

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

### **Paymode**

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

### **Price Adjustment Clause**

I. Price Adjustment Methods. Any adjustments to price, pursuant to a clause in this contract, shall be made in one or more of the following ways:

- a. by agreement on fixed price adjustment before the commencement of the additional performance;
- b. by unit prices specified in the contract;
- c. by the costs attributable to the event or situation covered by the clause, plus appropriate profit or fee, all as specified in the contract; or,
- d. by the price escalation clause.

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

### **Procurement Regulations**

The contract shall be governed by the applicable provisions of the Mississippi Public Procurement Review Board Office of Personal Service Contract Review Rules and Regulations, a copy of which is available at

501 North West Street, Suite 701E, Jackson, Mississippi 39201 for inspection, or downloadable at <http://www.DFA.ms.gov>.

### **Prospective Contractor's Representation Regarding Contingent Fees**

The prospective Contractor represents as a part of such Contractor's proposal that such Contractor has not retained any person or agency on a percentage, commission, or other contingent arrangement to secure this contract.

### **Record Retention and Access to Records**

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

### **Recovery of Money**

Whenever, under the contract, any sum of money shall be recoverable from or payable by Contractor to the Mississippi Department of Revenue, the same amount may be deducted from any sum due to Contractor under the contract or under any other contract between Contractor and the Mississippi Department of Revenue. The rights of the Mississippi Department of Revenue are in addition and without prejudice to any other right the Mississippi Department of Revenue may have to claim the amount of any loss or damage suffered by the Mississippi Department of Revenue on account of the acts or omissions of Contractor.

### **Representation Regarding Contingent Fees**

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

### **Representation Regarding Gratuities**

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

### **Severability**

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

### **Stop Work Order**

**(1) Order to Stop Work:** The procurement officer, may, by written order to Contractor at any time, and without notice to any surety, require Contractor to stop all or any part of the work called for by this contract. This order shall be for a specified period not exceeding 90 days after the order is delivered to Contractor unless the parties agree to any further period. Any such order shall be identified specifically as a stop work

order issued pursuant to this clause. Upon receipt of such an order, Contractor shall forthwith comply with its terms and take all reasonable steps to minimize the occurrence of costs allocable to the work covered by the order during the period of work stoppage. Before the stop work order expires, or within any further period to which the parties shall have agreed, the procurement officer shall either:

(a) cancel the stop work order; or,

(b) terminate the work covered by such order as provided in the Termination for Default clause or the Termination for Convenience clause of this contract.

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

(a) the stop work order results in an increase in the time required for, or in Contractor's properly allocable to, the performance of any part of this contract; and,

(b) Contractor asserts a claim for such an adjustment within 30 days after the end of the period of work stoppage; provided that, if the procurement officer decides that the facts justify such action, any such claim asserted may be received and acted upon at any time prior to final payment under this contract.

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

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

#### **Termination for Convenience Clause**

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

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

#### **Termination for Default Clause**

(1) *Default.* If Contractor refuses or fails to perform any of the provisions of this contract with such diligence as will ensure its completion within the time specified in this contract or any extension thereof, or otherwise fails to timely satisfy the contract provisions, or commits any other substantial breach of this



contract, the Agency Head or designee may notify Contractor in writing of the delay or nonperformance and if not cured in ten (10) days or any longer time specified in writing by the Agency Head or designee, such officer may terminate Contractor's right to proceed with the contract or such part of the contract as to which there has been delay or a failure to properly perform. In the event of termination in whole or in part, the Agency Head or designee may procure similar supplies or services in a manner and upon terms deemed appropriate by the Agency Head or designee. Contractor shall continue performance of the contract to the extent it is not terminated and shall be liable for excess costs incurred in procuring similar goods or services.

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

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

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

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

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

### **Termination Upon Bankruptcy**

This contract may be terminated in whole or in part by the Mississippi Department of Revenue upon written notice to Contractor, if Contractor should become the subject of bankruptcy or receivership proceedings,

whether voluntary or involuntary, or upon the execution by Contractor of an assignment for the benefit of its creditors. In the event of such termination, Contractor shall be entitled to recover just and equitable compensation for satisfactory work performed under this contract, but in no case shall said compensation exceed the total contract price.

### **Third Party Action Notification**

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

### **Trade Secrets, Commercial and Financial Information**

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

### **Transparency**

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

### **Unsatisfactory Work**

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

### **Waiver**

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