

Notice of Amendment # 3

Request for Proposal

RFP# 3120002542

3rd Party Warehouse Operator



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

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

Question # 1

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

Answer:

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

Question # 2

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

Answer:

Please refer to Attachment A.

Question # 2.1

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

Answer:

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

Question # 3

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

Answer:

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

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

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

Question # 3.1

Any responsibilities as far as building, grounds maintenance?

Answer:

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

Question # 3.2

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

Answer:

No additional cost components have been identified at this time.

Question # 4

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

Answer:

No, not currently.

Question # 5

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

Answer:

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

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

Question # 6

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

Answer:

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

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

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

Question # 7

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

Answer:

No.

Question # 7.1

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

Answer:

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

Question # 8

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

Answer:

Please refer to the response to Question # 6.

Question # 8.1

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

Answer:

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

Question # 9

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

Answer:

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

Question # 10

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

Answer:

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

Question # 11

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

Answer:

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

Question # 12

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

Answer:

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

Question # 12.1

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

Answer:

Please refer to Question # 12.

Question # 13

How will daily orders be communicated from State to Operator?

Answer:

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

Question # 13.1

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

Answer:

Yes.

Question # 13.2

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

Answer:

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

Question # 14

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

Answer:

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

Question # 14.1

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

Answer:

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

Question # 14.2

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

Answer:

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

Question # 14.3

What is minimum order?

Answer:

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

Question # 14.4

Can that be changed?

Answer:

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

Question # 15

Old warehouse has conveyor system, who will be responsible for selection and purchase of similar equipment for new warehouse?

Answer:

The State will be responsible for providing all material handling equipment in the new warehouse. Senate Bill 2844 does provide that the new operator shall be consulted so that the warehouse may, so far as possible, suite the preferences of the operator.

Question # 16

Please provide details on conveyor system including age, repair history, number of personnel currently on staff to maintain and ensure operation of conveyor system.

Answer:

The current conveyor system was procured from W & H systems in 2003. The last major upgrades were made in FY 2014 and FY 2015. We do not maintain a repair history. We have a project to rebuild the extend conveyors and to make repairs to the sorter in process, but we are awaiting parts to arrive. The Department currently employs (4) four maintenance technicians and is in the process of hiring (2) two additional technicians.

Question # 17

Will operator have say/input in engineering/design/architecture of new facility?

Answer:

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

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

Question # 18

When will the new facility be completed?

Answer:

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

Question # 19

Will the Operator or the State be responsible in regard to payments – payments to vendors or collection from license holders?

Answer:

The State will be responsible for this.

Question # 20

What resources will the state provide with regard to training on existing systems including the current warehouse management system, MARS, any other systems?

Answer:

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

Question # 21

If a new warehouse management system is chosen, what resources will the state provide to integrate with MARS?

Answer:

Please refer to the response to Question # 20.

Question # 21.1

When can an operator expect to receive required services from the state to accomplish this?

Answer:

Once the awarded Operator has decided to move forward with a new warehouse management system and communicated all necessary details of the system to the DOR.

Question # 22

What processes/procedures can be changed to the existing system – from license holder ordering, ordering inventory from vendors/suppliers, headcount, software, equipment, shipping times, shift times to make operation more efficient. What can and can't be done or changed?

Answer:

The permittee ordering process cannot be changed. The Department does place supply orders for special order products and this process will not be changed. The awarded vendor may change headcount, software, equipment, shipping times and shift times. Any changes to the software and equipment will be at the operator's expense and may require time to allow for interfacing into the Department's MARS system.

Question # 23

What is the age of the roof on the existing building?

Answer:

The new roof was installed on the original building in 2008. The new wine room was added 2002/2003 and has its original roof.

Question # 23.1

Who is responsible for repairs?

Answer:

The Department is responsible for the maintenance and upkeep of the existing building roof.

Question # 23.2

What is the repair history for the roof?

Answer:

The roof is inspected periodically and needed repairs are performed. Current roof over original section of warehouse is covered under warranty.

Question # 23.3

Any issues an operator should be aware of?

Answer:

We are in the process of procuring for repairs for the roof of the new wine room to alleviate leaks.

Question # 24

Please provide copy of current organizational chart of all warehouse and personnel effected by this RFP. The organizational chart as it stands today. Please provide job descriptions for all positions.

Answer:

Please refer to Attachment A.

Question # 24

Please provide current compensation rate for all positions.

Answer:

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

Question # 25

Can the operator be provided applications/resumes of current employees?

Answer:

We will not be releasing applications and resumes as a part of this process. The awarded vendor may obtain, upon request, copies of applications and resumes after the award of the contract and upon obtaining consent from the employee.

Question # 26

Are any senior management personnel planning on staying in current roles if offered employment by operator?

Answer:

We have not had any discussions with current warehouse personnel concerning continuation of their roles or as an employee of the operator.

Question # 27

Does the current facility have a generator?

Answer:

The generator is currently not operational due to multiple failed electrical components. The generator is old (1978) and the number of qualified technicians trained to service are limited. ABC has been told by these technicians that it would cost more to repair the generator than the generator is worth.

Question # 28

Is there a written process/procedure manual for warehouse? Safety manual? Please provide if so.

Answer:

The selected vendor will receive procedure and safety information after the award of the contract.

Question # 29

What is the Bastian system?

Answer:

Bastian is the system that operates the conveyor system.

Question # 30

Please explain, post RFP, the workflow from the standpoint of a license holder ordering product until that product is delivered and paid for by the license holder clarifying what the operator is responsible for and what the state is responsible for.

Answer:

Permittees place an order through our TAP system. Once the order is in line for shipment, the order is included in the cut for the day. The order will be picked that night and put on a truck for delivery. The permittee is then billed for the product in a nightly process and a debit is made against the permittee's bank account. The operator will be responsible for receiving a file containing the orders for shipment for the day. Order labels will be printed from the Bastian system, and then placed on the cases. The cases are then placed on the line.

Question # 30.1

Please provide same data from supply side – from identifying need for inventory, placing order, scheduling delivery, receipt and payment – clarifying what the operator is responsible for vs. the state.

Answer:

Suppliers employ brokers to represent them in Mississippi. Brokers and suppliers are responsible for maintaining the supplier's bailment inventory in the warehouse. The top 30+ suppliers are given standing monthly appointments. All other suppliers will schedule receiving appointments as needed. The operator will be responsible for the unloading of trucks and the stocking inventory.

Question # 31

How many cases were delivered to the warehouse in the past 12 months that did not get shipped to license holders?

Answer:

The state currently has a backlog of approximately 150,000 cases. This varies on a daily basis. We work with the suppliers to maintain an inventory of 6-10 weeks. Some products that come from overseas may be allowed longer times due to supply issues.

Question # 31.1

Please provide an aging of the inventory on the floor.

Answer:

We do not maintain a report on the age of the inventory. The Department has a bailment agreement with each supplier which requires that the supplier maintain six (6) weeks of inventory on hand for all bailment SKUs. The inventory is rotated as it is depleted.

Question # 31.2

Who is responsible for slow-moving inventory in the warehouse and what happens to it?

Answer:

Slow moving product may be subject to a delisting. We do a delisting process in February and August. Bailment items that are delisted with inventory on hand must either be picked up by the supplier or it may be destroyed at the direction of the supplier.

Question # 32

Please clarify and explain how damages will be handled and what the Operator is responsible for vs. the state.

Answer:

The operator will be responsible for paying for any product damages that occur while the product is in their possession. Once the product has been loaded, damages to products will be handled pursuant to the terms of the existing shipping contracts.

Question # 33

How many cases were delivered “late” in past 12 months?

Answer:

All cases delivered to licensed retailers in the past 12 months have taken anywhere from one week to two weeks after the order was placed by the retailer. The awarded operator will be required to make next day delivery per the RFP.

Question # 34

For clarity, the initial term of the contract is 4 years if that entire 4 years is in the old warehouse, BUT it is less than 4 years and terminates upon move to the new facility. Is the initial term shorter of 4 years or when the move is made from old warehouse to new warehouse.

Answer:

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

Question # 35

Who is responsible for moving inventory from old warehouse to new warehouse?

Answer:

The operator.

Question # 36

Please describe MDOR's vision for how the operations will transition from the current facility to the new. Contractually, physically, and potential pricing adjustments.

Answer:

Post-award, MDOR will participate in discussions with the awarded operator to facilitate a successful transition. MDOR and the operator will enter into an operating agreement after approval by the Public Procurement Review Board (PPRB). This agreement will list the obligations of both parties, and incorporate the RFP, winning proposal and any amendments to the RFP. The actual transition will begin once the parties have entered into the agreement.

All pricing and potential price adjustments shall be based on the proposal submitted by the awarded operator and the price-adjustment clause included in the agreement. The price adjustment clause is listed in the RFP for your review. Pricing cannot be changed outside the per case fee and annual price adjustment (if any) listed by the operator in its RFP without PPRB approval.

Question # 37

When was the last time the facility was inspected by Occupational Safety and Health Administration and what deficiencies were identified, if any?

Answer:

The state is not under the purview of the Occupational Safety and Health Administration and as such, the facility is not subject to OSHA inspections.

Question # 38

In what state will the new building be delivered? Will the tenant be required to make improvements? Who is responsible for office furniture and racking?

Answer:

The new facility will be delivered in a “ready to go” state.

Question # 39

What is the timing of the construction RFP to be released and completion of the building?

Answer:

We do not have a timeframe for the construction RFP. Although MDOR is working with the Department of Finance and Administration on this project, DFA has control over this construction project and its procurement process.

Question # 39.1

Who will be responsible for transition costs to the new building?

Answer:

The operator.

Question # 40

Who will be responsible for maintenance in the current facility? As well, the new facility?

Answer:

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

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

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

Question # 41

Is it the DOR's expectation to own the new facility?

Answer:

The State will own the new facility.

Question # 41.1

Will the DOR be charging rent to the operator and what will be included in the rent?

Answer:

No. The State will not be charging rent.

Question # 41.2

Tenant improvement, insurance, taxes, or Common Area Maintenance?

Answer:

The Department cannot interpret the substance of this question in a manner that allows it to be properly responded to. Therefore, the Department cannot provide an answer to this question.

Question #42

If there are scope or operating parameter changes made by the DOR will the opportunity to review and adjust pricing be present?

Answer:

Yes, if it falls within the parameters of the "Change in Scope of Work" and "Price Adjustment" clauses that will be included in the agreement for these services. Please see Appendix C of the RFP for examples of these clauses. However, any changes to the price will be subject to approval by PPRB.

Question #43

Can you provide the existing building layout.

Answer:

Please refer to Attachment F for the existing building layout.

Question #44

Can you provide the list of MHE and their age.

Answer:

See response to Question #5.

Question # 45

What is the clear height of the current building and slope to each corner?

Answer:

The clear height varies. Typical clear height in the majority of the warehouse is 24'-8." Typical clear height in the new wine room that was added in 2003 is 28'-0." Roof is sloped at a minimum 1/8" per foot to the nearest roof drain.

Question # 46

What is the current turnover rate in the warehouse?

Answer:

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

Question # 47

Could you provide headcount by shift and by working function?

Answer:

Please refer to Attachment A.

Question # 48

What is the starting wage for employees, what is their wage progression, and what has been the last 3 years % increase to wages?

Answer:

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

Question # 49

What is the historic outbound volume on Fridays?

Answer:

We do not ship on Fridays, except during the holiday season of October through January. Average Friday case count is 15,000. Friday shifts have been added as determined by the Department. The operator may choose their shift schedule to best service the terms of the contract.

Question # 50

Can you provide all delivery points and avg quantity per shipment per location?

Answer:

As of November 1, 2022, the total number of licensed permittees is in excess of 2,400. The average quantity per shipment per location is 30-35 cases. This varies drastically depending on the account type and size. There is a 10-case minimum to place a liquor (bailment) order.

Question # 51

Is the MDOR currently picking any outbound orders on first shift?

Answer:

The only outbound orders that are picked on the first shift are bulk drop shipments.

Question # 52

Will the RFP scoring for the Technical and Project Management portions be a force rank of providers or could multiple score a 30 out of 30, for example.

Answer:

It is not a forced rank. There could be multiple proposals that receive all possible points.

Question # 53

What % of SKU's are 60 proof or higher?

Answer:

We do not maintain the proof of each product.

Question # 54

Can we get existing layout?

Answer:

See response to Question #43.

Question # 55

Can we get proposed location/layout of new racking and any other anticipated changes?

Answer:

The scope of work for the racking expansion project includes additions to the following pick modules on both A & B levels:

- Pick Module 1 – east side, 13 bays extending app. 5ft
- Pick Module 3 – west side, all bays extending app. 5ft
- Pick Module 4 – east side, all bays extending app. 6ft
- Pick Module 6
 - east (2 bays) and west side (3 bays), extending app. 9ft
 - east and west side, 6 bays each extending app. 14ft

Question # 56

What is the height of new building?

Answer:

The new building has not been designed.

Question # 57

Do we pay for breakage inventory or just the cost to repair it?

Answer:

The operator will be responsible for paying for any product damage that occurs while the product is in their possession. Once the products have been loaded, damages to the products will be handled pursuant to the terms of the shipping contracts.

Question # 58

Can we get a list of contracts for all equipment such as: MHE, Bailers, conveyors, HVAC along with maintenance schedules? Is there anything that we would be responsible for?

Answer:

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

In relation to owned equipment, the operator may use all owned equipment and batteries. The operator will be responsible for repairs and maintenance on Department-owned equipment.

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

Question # 59

Please provide current staffing by function.

Answer:

Please refer to Attachment A, for staffing by job title.

Question # 60

We know there is a delivery company handling delivery, who owns routing?

Answer:

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

Question # 61

When is new building projected to be completed?

Answer:

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

Question # 62

Do we need a new WMS in the new building, or can we use MARS WMS?

Answer:

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

Question # 62.1

Is there an inbound schedule for supplier loads and how will it be adhered to, if not, when do trucks typically show up inside the 1st shift?

Answer:

The top 30+ suppliers have standing appointments. All other suppliers, schedules delivery appointments as needed. We do have some suppliers that miss appointments and some that are late. The first trucks begin arriving at 6:00 a.m.

Question # 63

What type of work is Pull off the system?

Answer:

The Department cannot interpret the substance of this question in a manner that allows it to be properly responded to. Therefore, the Department cannot provide an answer to this question.

Question # 64

What is the current capacity of the building and how many cases are being held today?

Answer: The optimal operating capacity is 425,000 cases maximum. Today there are 446,000 cases on hand. The current inventory levels are elevated due to holiday items arriving and shipping out in October through December.

Question # 65

How many open locations by month?

Answer: The Department cannot interpret the substance of this question in a manner that allows it to be properly responded to. Therefore, the Department cannot provide an answer to this question.

Question # 66

Does Mars WMS support RF?

Answer:

The Department cannot interpret the substance of this question in a manner that allows it to be properly responded to. Therefore, the Department cannot provide answers to this question.

Question # 67

Is humidity an issue with the conveyer system?

Answer:

High humidity levels can contribute to packaging unable to maintain integrity. However, this is not a common occurrence throughout the year. The Department is in the process of installing high-velocity, low-speed fans to help circulate the air, moderate temperature, and provide a better working environment.

Question # 68

If current facility is out of capacity or becomes out of capacity, what type improvements/changes will the state do to get back under capacity?

Answer:

If inventory levels get too high, we begin canceling receiving appointments and/or requiring the supplier to pick up excess inventory.

Question # 68.1

Can we refuse loads or cancel loads if we are out of space?

Answer:

The Department has measures in place to control inbound inventory and will work with the Operator if/when the need arises.

Question # 68.2

Is there a price increase when the inventory goes above functional capacity?

Answer:

No.

Question # 69

Data shows about 6 stops a truck and 600 cases per truck. This results in 100 cases per delivery. This seems high. Is this a mix of some very large orders and a lot of trucks that are 10+ stops and less than 20 cases/delivery?

Answer:

The size of deliveries will vary widely depending on the type and size of each account that orders wine and spirits from the Department.

Question # 69.1

What is the average number of SKUs per delivery?

Answer:

We do not maintain this information.

Question # 69.2

Can we get a break down of average delivery for liquor store vs on premise.

Answer:

No, we do not maintain this information. However, approximately 88% of all cases are delivered to off-premise package store accounts.

Question # 70

Is next day delivery consistent with current timeliness of orders and deliveries managed by the state?

Answer:

Next day delivery was common practice by the Department prior to the escalated demand due to the pandemic which began in early 2020.

Question # 71

If there is any backlog at the start of the contract, what are the responsibilities, expectations, and processes with regards to backlog?

Answer:

This will be addressed once the new operator is selected.

Question # 72

If any backlog exists, is there a time for catchup (e.g., 'grace period')?

Answer:

Performance metrics will go into effect upon the date the contract is awarded and operation begins, however, the Department will make allowances to account for any backlog of orders existing as of the date the operator begins operations.

Question # 73

Is it possible to see the operation processes while they are running? i.e., sorting, loading on trucks?

Answer:

No.

Question # 74

Are there certain breakage policies?

Answer:

See responses to Questions #32 and #75.

Question # 75

Can the state further explain how breakage and shrinkage is handled? Is the awarded operator responsible for the costs--if yes, at what costs? i.e., FOB

Answer:

Operator will be responsible for breakage that occurs prior to the product being loaded onto the shipping companies' trucks. Per the RFP, Section 1.6.3, "Damage Process" the selected operator will be required to credit the Department for each bottle damages in receiving, put away, warehousing, picking and loading. The cost is FOB.

Question # 76

Is routing the responsibility of the awarded operator?

Answer:

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

Question # 77

Are there any warehouse pickups by legally licensed retailers?

Answer:

No.

Question # 78

What is the current process for truck loading? E.g., on the floor, on pallets?

Answer:

Trucks are loaded by stacking cases on the floor of the truck.

Question # 79

Can the state provide monthly inventory on hand for the last three years?

Answer: See Section 1.6.5 Inventory in the RFP.

Question # 80

Other than pallet and cardboard recycling listed in section 1.6.6, does the state have any requirements around sustainable disposal and/or recycling? If yes, are they required?

Answer:

No.

Question # 81

Please provide a list of vendors that received the RFP?

Answer:

The Department cannot provide an exhaustive list because the RFP can be received by vendors via downloading through the DOR website.

Question # 82

If non-3rd party resources will work in the building, is the State of Mississippi responsible for insuring those individuals /employees?

Answer:

For purposes of this response, MDOR is defining “3rd party resources” as individuals who are either employed by the awarded operator or for whom the awarded operator is responsible. Based on this definition, MDOR responds that it will be responsible for self-insuring against the actions of individuals who are employed by the State to the extent required by law and subject to the Mississippi Tort Claims Act. Additionally, MDOR provides worker compensation coverage for its employees as required by law.

Question # 83

How will insurance be segregated/separated from the area of the building that the State of Mississippi is using?

Answer:

The Department cannot interpret the substance of this question in a manner that allows it to be properly responded to. Therefore, the Department cannot provide an answer to this question.

Question # 84

Will a 3rd party entity assist the State, in any capacity, in making the final selection? If yes, please provide the expected responsibilities and activities provided by the 3rd party entity?

Answer:

Yes. MDOR has retained the services of Johnson Stephens Consulting, which, amongst other responsibilities, will be supporting MDOR as a non-voting member of the evaluation committee during evaluation of submitted proposals.

Question # 85

As part of the submission, can pictures and videos of our facilities be included?

Answer:

Pictures may be included so long as they are submitted in a manner that conforms with RFP requirements.

Question # 86

What is the current WMS, and what interface capabilities are available?

Answer:

The current WMS is a Gentax application we have named MARS. Our MARS WMS is part of the MARS system used by Department of Revenue and is a configurable, off the shelf system. There could potentially be requested changes that cannot be made due to the nature of the system. The MARS WMS which is utilized by ABC was designed by ABC management, developed by FAST Enterprises and implemented by FAST and DOR’s Information Technology Department based off of current business process needs. The current preferred methods supported for interfacing with this system is RESTful web services and SFTP file transfers.

Question # 87

If the awarded operator decides to migrate to a new system, after contract (but before termination), can/will Mississippi provide necessary resources / technical support? i.e., new WMS, new software, etc. to assist with migration and interface into MARS?

Answer:

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

Question # 88

Should the awarded operator continue to use the existing technology that is currently implemented, what resource availability is available for corrections, fixes, etc., should there be downtime?

Answer:

The MARS system is the WMS for the ABC as well as the computer system used by the Department of Revenue. The system is a configurable, off the shelf system. Any changes that strictly require configurability can be made. However, any changes to the core portions of the software must be approved by the vendor and the vendor may not approve these changes. Corrections to software and bug fixes can be made through the Department's established processes. Any changes to the current business processes will have to be approved by DOR, developed by FAST and tested prior to implementation. This process is lengthy and could take a significant amount of time to implement. For this reason, the awarded operator should ensure they understand the current processes when proposing a solution.

Question # 89

Does the WMS provided by the state provide near real-time inventory in the MARS system?

Answer:

Yes

Question # 90

Will a physical inventory count occur at the time of conversion /start of the operator's contract? If yes, by whom?

Answer:

There will be a physical inventory count conducted by both the Department and the Operator upon award of contract.

Question # 91

When was the last full inventory and what were the results?

Answer:

The selected vendor will receive inventory information after the award of the contract.

Question # 92

What are the rules for inventory management that the winner will be responsible for?

Answer:

The Operator will be responsible for stocking inventory and rotating inventory stock. The Department will audit inventory periodically to maintain accuracy.

Question # 93

What is the inventory policy that the state manages to?

Answer:

See response to Question #92.

Question # 94

Can the awarded operator expect that the inventory will remain consistent for the next four years (i.e., consistent with facility volume throughout)?

Answer:

The Operator will be responsible for stocking inventory and rotating inventory stock. The Department will audit inventory periodically to maintain accuracy.

Question # 95

Who is responsible for inventory reconciliations?

Answer:

The Operator will be responsible for stocking inventory and rotating inventory stock. The Department will audit inventory periodically to maintain accuracy.

Question # 96

Who is responsible to manage inventory discrepancies before the transfer / contract date?

Answer:

See response to Question #90.

Question # 97

How will inventory transfer be managed at the transfer/contract start date?

Answer:

See response to Question #90.

Question # 98

Can you provide any reporting with current KPIs for warehouse operations?

Answer:

Please refer to Section 4.1.3.3 which provides the performance metrics/kpis that will be used to measure the 3rd Party Operator. The awarded operator may use any applicable performance metrics stated in Section 4.1.3.3 to develop performance metrics for their warehouse workers.

Question # 99

Are there performance targets for each of the metrics listed?

Answer:

See response to Question # 98.

Question # 100

If a backlog exists at the contract start, will the backlog inventory count towards performance metrics?

Answer:

Performance metrics will go into effect upon the date the contract is awarded, and operation begins, however, the Department will make allowances to account for any backlog of orders existing as of the date the operator begins operations.

Question # 101

What is the responsibility of the awarded operator as it relates to property/facility (interior and exterior) maintenance? E.g., roof, mechanical, yard and concrete pad repairs?

Answer:

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

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

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

Question # 102

What is the responsibility of the awarded operator as it relates to MHE maintenance? E.g., conveyors, POCs, computers, lift equipment, handheld?

Answer:

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

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

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

Question # 103

Will the awarded operator be appropriated a portion of the office area? i.e., will office area be set aside for awarded operator?

Answer:

The operator will be allowed to use 2,650 square feet of office space on the second floor of the warehouse.

Question # 104

Is there balance remaining/available on the \$1M grant for the awarded 3rd party to continue projects? i.e., for pending / in process CapEx.

Answer:

The use of any monies in Capital Expense Funds appropriated by the legislature will be determined by the Department of Revenue.

Question # 105

Is the awarded operator responsible for disposal of old equipment? Or can it be returned to the State at the end of the agreement?

Answer:

All State-owned equipment must be disposed in a manner compliant with Mississippi law. Therefore, the operator will need to return old equipment to MDOR for proper disposal.

Question # 106

Will non-3rd party staff be located in the building? If yes, how many?

Answer:

The Department of Revenue does not plan on utilizing any temporary staffing services after the Operator assumes control of the warehouse operations.

Question # 107

What is total complement of annual hourly and salary headcount at the facility?

Answer:

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

Question # 108

What are the current hourly rates for employees at the facility, by job classification?

Answer:

Please refer to Question 107.

Question # 109

What is the budgeted headcount, by job classification or function, at the facility?

Answer:

Please refer to Question 107.

Question # 110

What is the past two-years raise authority? What are the historical raises over the last three years?

Answer:

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

Question # 111

Are WARN Notices required? If yes, who is responsible for managing this process?

Answer:

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

Question # 112

How will workman's compensation be managed? Will the awarded operator be responsible (post contract start date) for any liabilities, should the operator retain the employees?

Answer:

The awarded operator will be responsible for providing workers compensation coverage as required by law to its employees.

Question # 113

What is the standard set of benefits for government employees? (SGWS to compare against our current benefits)

Answer:

MDOR employees are provided the option to purchase medical, vision, dental, life and other forms of insurance through the Department's third-party administrator. Further, employees can participate in Flexible Spending Accounts (FSAs) for qualified health care expenses. Finally, MDOR employees participate in the State's retirement plan through matched wage contributions. Additional information may be found at www.dfa.ms.gov/insurance and www.pers.ms.gov/Content/Handbooks/Member_Handbook.pdf.

Question # 114

Please provide any other contracts, related to facilities, equipment, normal repair/maintenance, that extend beyond the initial 4-year contract period.

Answer:

The Department is not aware of any contracts between it and a vendor solely relating to the current Warehouse that will extend beyond 4 years from the date of this response.

Question # 115

Are there any safety requirements that the awarded operator needs to meet?

Answer:

Please see the RFP for all requirements of the awarded operator. Additionally, the awarded operator will agree to meet all safety requirements mandated by Mississippi law and federal law.

Question # 116

For privately held entities, would failure to provide (at the time of submission) the last two years of audited financials or end of year financials result in disqualification?

Answer:

Vendors are required to submit all documents as listed in the subject RFP. If a vendor fails to submit a required document, this could result in the proposal being deemed non-responsive.

Question # 117

To support the 'Cost-plus' approach, can you provide the all-inclusive financials for the last three years?

Answer:

Please refer to Attachment B for operating expenses for the warehouse for the previous two fiscal years.

Question # 118

Please confirm if there are any rent / charge backs to the entity, for any portion of the building that is used by the awarded operator.

Answer:

The operator will not be charged rent or be charged any costs for the use of any portion of the building.

Question # 119

Please provide a list of all forklift and powered equipment currently owned/leased.

Answer:

Please refer to Attachment C.

Question # 120

In the existing camera system how many cameras are currently in operation and who is the manufacturer and provider of all camera equipment?

Answer:

The camera system in use at the warehouse has 32 camera and 2 DVRs. The cameras are VTC THBB22fe-2 cameras and the DVRs are Hikvision TVIMR16, 16 channel DVRs.

Question # 121

What is the latest inventory shortage number in cases and dollars?

Answer:

The Department currently employs cycle counts by sku. Any adjustments that are necessary are made at that time. A full inventory will be performed prior to the operator assuming the operations.

Question # 122

How many split cases are currently being shipped a week on average?

Answer:

None

Question # 123

Do you currently know how much the monthly spending limit for improvements will be as referenced in SB2844 Section 3(2)?

Answer:

This amount has not been determined.

Question # 124

The RFP states 45-day payment terms, is this a negotiable item when the contract is awarded? Will the state consider 30-day payment terms?

Answer:

Payment terms are “net 45.” These terms are governed by the E-Payment Clause.

Question # 125

When transitioning to the new facility will the MS ABC pay for integration costs between the existing systems and a new WMS that the awarded supplier brings into the operation?

Answer:

The Department will be responsible for providing the resources necessary to make modifications to its MARS system to handle any interfaces needed with a new WMS in the new facility. The operator will be responsible for any resources to make modifications to its WMS.

Question # 126

Who will be responsible for the costs surrounding the transition of product from the existing ABC facility to the new ABC facility when it comes on-line? These costs would include manhours for picking, shipping, transportation/shuttle costs, receiving and restocking the existing inventory from the existing warehouse to the new warehouse.

Answer:

The operator is responsible.

Please sign and return with Attachment H.

Company: _____ Signature: _____

Date: _____

Attachment C

Equipment - Rental	Qty	End Date
Baler	1	4/25/2025
Dry Box Trailers	2	5/15/2023
Reach Truck Forklifts	6	12/31/2024
Standup Rider Forklifts	2	12/31/2024
Stock Pickers	16	12/31/2024

Equipment - Owned	Qty	Age or Year Purchased	Maintenance Agreement	End Date
Conveyor	1	2003	Remote Support	6/30/2025
Electric Pallet Jack	1	2013		
Medium Duty Conveyors				
Reach Truck Forklifts	6	2019-2021		
Scrubber	1	2017	Maintenance Agreement	11/17/2023
Sorter	1	2003	Software for Logical Control System	12/31/2024
Standup Rider Forklifts	3	2014-2021		
Stock Pickers	17	2011-2022		
Sit-down Forklifts	2	2000		

Batteries	Qty	Age or Year Purchased
12-125-15	33	2020-2022
18-125-13	15	2020-2022
18-125-17	2	2020-2022
18-85-23	1	2020-2022
18-85-19	1	2020-2022

Attachment D

Computer Equipment/Copiers/Printers/Label Printers/Scanners/Mail Machines/Software

Equipment - Rental (this refers to equipment in the warehouse)	Quantity	Rental End Date
Ricoh Copier	1	8/31/2027
Xerox D95	1	5/31/2023

Equipment - Owned (this refers to equipment in the Warehouse)		Purchase Date
Cisco Switches - 9200	6	6/23/2020
Dell Optiplex Micro	5	3/31/2022
Dell Optiplex Micro 3070S	9	5/5/2020
Dell Optiplex SFF	2	3/31/2022
HP LaserJet 600	1	6/30/2014
HP LaserJet 600	1	6/30/2014
HP LaserJet 4250	2	4/1/2005
HP LaserJet P451n	1	5/25/2015
Meraki Dual-Band Omni Antennas	20	10/27/2021
Meraki Dual Band Sector Antennas	8	10/27/2021
Meraki MR86 Wi-Fi 6 Outdoor APs	14	10/27/2021
Virtual Servers - SHIP, Bastian and Voiteq	2	4/20/2021
Voiteq Hand scanners Zebra TC51	4	5/31/20218
Voiteq Headsets Zebra HS3100	6	5/31/2018
Zebra Charging Cradle	18	2/22/2018
Zebra Hand Scanners MC92N0 Series	18	2/22/2018
Zebra Label Printer ZT61042-T210000Z	2	1/29/2021
Zebra Label Printer ZT41142-T210000Z	4	4/4/2022

Equipment - Owned (this refers to equipment in the Warehouse)	Quantity	Maintenance Agreement Term End Date
Small Label Machine	1	11/9/2023

Attachment E

ABC Monthly Hires and Separations Past 12 Months Prepared November 3, 2022

2021			
Month		New Hires	Separations

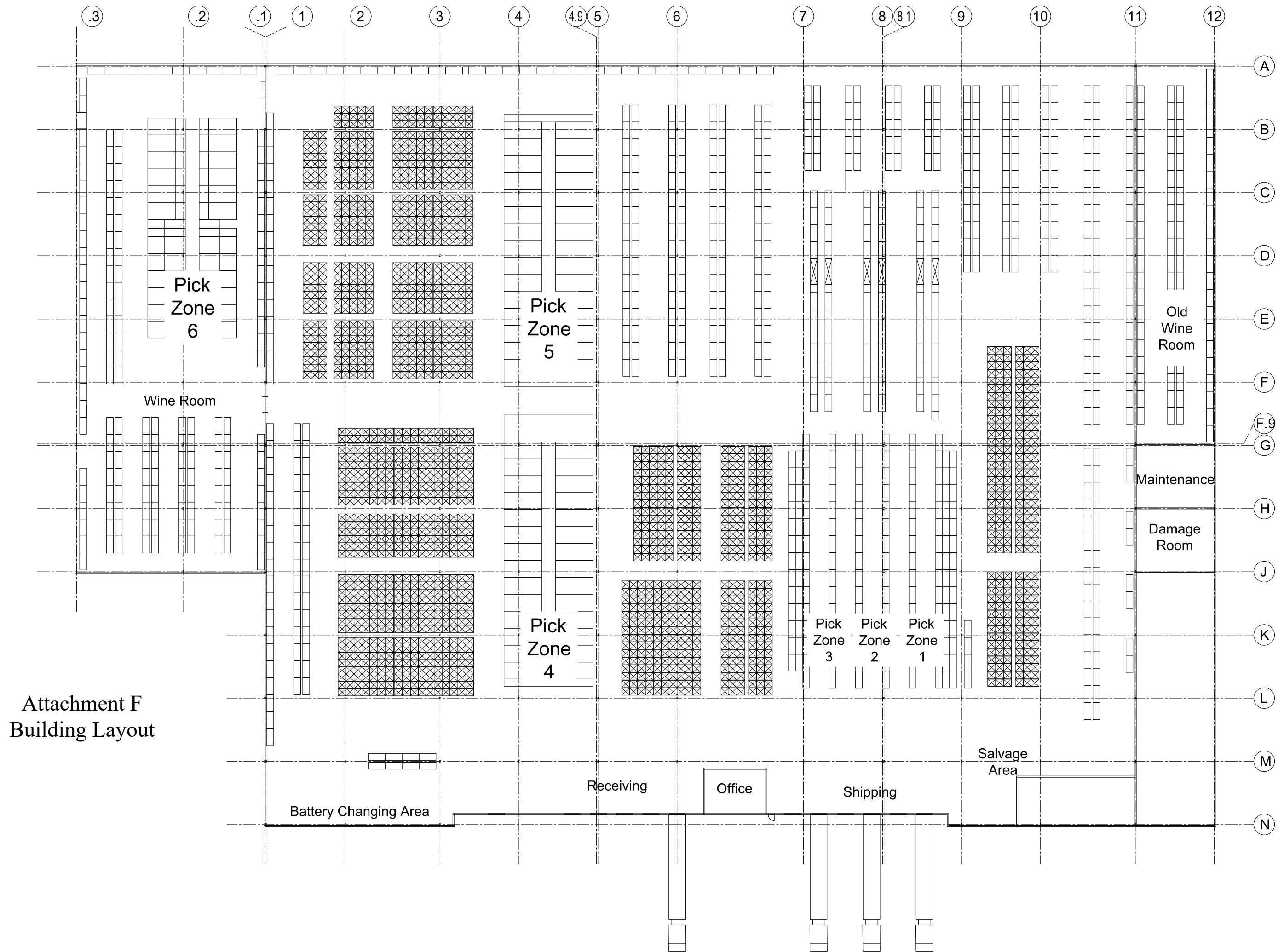
Jan			
Feb			
March			
April			
May			
June			
Jul		4	7
Aug		10	13
Sept		10	4
Oct		9	2
Nov		14	3
Dec		4	5

Total		51	34
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2022			
Month		New Hires	Separations

Jan		6	9
Feb		14	2
March		10	15
April		15	7
May		4	12
June		16	19
Jul		4	4
Aug		23	20
Sept		20	10
Oct		13	16
Nov			
Dec			

Total		125	114
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Attachment F
Building Layout