

**AMENDMENT NO. 3 TO CONTRACT NO. 20191104
BETWEEN THE PENNSYLVANIA LIQUOR CONTRAOL BOARD
AND
FEDEX SUPPLY CHAIN, INC.**

This AMENDMENT No. 3 TO CONTRACT NO. 20191104 (this “Amendment No. 3”) is made and agreed upon this 1 day of June , 2023 by and between the Commonwealth of Pennsylvania, Pennsylvania Liquor Control Board with offices at Capitol and Forster Streets, Harrisburg, Pennsylvania, 17124-0001 (“PLCB”), and FedEx Supply Chain, Inc. with offices located at 145 Lt George W. Lee Ave, Memphis, TN 38103 (“FSC”), acting through its authorized officials. PLCB and FSC are hereinafter collectively referred to as “the Parties.”

RECITALS

WHEREAS, PLCB awarded FSC Contract No. 20191104 (the “Contract”) pursuant to an RFP for Warehousing and Transportation Services in Western Pennsylvania issued on April 30, 2020. The Contract was effective February 12, 2021, with performance to begin on March 1, 2022;

WHEREAS, this Amendment is issued under and in accordance with the terms of the Contract;

WHEREAS, the Contract provides that FSC would provide a warehouse management system (WMS) meeting certain requirements, in accordance with, *inter alia*, Negotiated Appendix L to the Contract;

WHEREAS, the Contract contemplated that the PLCB may make changes to the services required in accordance with Provision 33, *Change Orders and Amendments*, of the Contract, including making changes to the WMS requirements;

WHEREAS, the PLCB is transforming its business technology with the implementation of an enterprise resource planning (ERP) suite of programs, requiring certain changes to the WMS; and

WHEREAS, PLCB is willing to pay for certain customizations and changes to the WMS where necessitated directly by the ERP implementation; and

WHEREAS, the increasingly automated connection between PLCB’s systems and the WMS require PLCB to ensure the security of the WMS and the accountability of FSC as its licensee / manager.

NOW THEREFORE, in consideration of the promises and agreements that follow, and intending to be legally bound, the Parties agree as follows:

1. The recitals above are hereby integrated into this Amendment No. 3.
2. The Parties agree that Section 35(a.) Notice is updated to reflect the below as the

appropriate notice addresses for FSC.

- a. If to the Contractor:
FedEx Supply Chain, Inc.
145 Lt. George W. Lee Ave
Memphis, TN 38103
Attn: Vice President Consumer and Industrial

With a copy to:

FedEx Logistics Legal Department
145 Lt. George W Lee Avenue
Memphis, TN 38103
Attn: Managing Director, FSC Commercial Transactions

3. The Parties agree that Negotiated Appendix L, *WMS Requirements*, is hereby supplemented with the added language in Attachment 1, herein.
4. The Parties agree that upon the effective date of this Amendment No. 3, FSC may bill for services as indicated in Attachment 1 where those services are agreed to and incorporated into the Contract by way of a written Change Order that is approved by both Parties.
5. Parties acknowledge that Change Orders exceeding \$50,000 (or other amount as indicated in writing by the PLCB Executive Director) must have PLCB Board approval prior to affixation of PLCB signature.
6. The Parties agree that the changes made to the Contract by this Amendment No. 3 will be effective on the date this Amendment No. 3 is approved by the Commonwealth of Pennsylvania Office of Attorney General.
7. Except as expressly set forth herein, all Contract rates, terms and conditions, as previously amended, shall remain unchanged and in full force and effect.

Signature Page Follows

The Parties to this Contract have executed it through their respective duly authorized representatives as follows:

FedEx Supply Chain, Inc.:

E-SIGNED by Elizabeth Koziol
on 2023-05-05 07:11:36 CDT

May 05, 2023

Signature _____ Date

Elizabeth Koziol _____

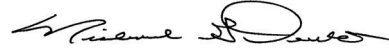
Printed Name

SVP, Operations _____

Title

Approved by FXL Legal P.B. M.K. m.S. G.G. A.H.

Pennsylvania Liquor Control Board:



May 9, 2023

Signature _____ Date

Michael Demko _____

Printed Name

Executive Director _____

Title

APPROVED AS TO FORM AND LEGALITY:



PLCB Office of Chief Counsel



Digitally signed by David E. Stover,
Assistant Chief Deputy Attorney
General
Date: 2023.06.01 12:03:46 -04'00'

Office of Attorney General Date

APPROVED FOR FISCAL RESPONSIBILITY AND BUDGETARY APPROPRIATENESS:

Christina M. Geegee-
Dugan _____

Comptroller

Digitally signed by Christina M.
Geegee-Dugan
Date: 2023.05.16 00:37:41 -04'00'

ATTACHMENT No. 1

to

AMENDMENT No. 3 to CONTRACT No. 20191104

Supplement to:

**NEGOTIATED APPENDIX L, WAREHOUSE MANAGEMENT SYSTEM
SPECIFICATIONS AND REQUIREMENTS**

6. WMS Changes

Changes to the WMS required directly by PLCB's ERP implementation may be made by FedEx via a mutually-agreed-upon Change Order at the following rates:

	Role	Cost / Rate
1	Development	225.00/hr
2	Design and Testing	225.00/hr
3	Internal Testing	185.00/hr
4	Project Management	185.00/hr

Roles and rates unaccounted for in the chart above may be negotiated within the subject Change Order as necessary. Deliverables-based or lump sum pricing may also be negotiated.

Each Change Order is issued under, incorporates, and is subject to the terms and conditions of, the Contract as amended, and to prior Change Orders except insofar as the prior Change Orders are explicitly changed. The mutually-signed Change Order will serve to add the roles, rates, deliverables, and lump sums to the Contract. Change Orders exceeding \$50,000 (or other amount as indicated in writing by the PLCB Executive Director) must have PLCB Board approval prior to affixation of PLCB signature.

Work completed and accepted by PLCB is warranted to meet the Change Order change description for the duration of the Contract. Bug fixes, upgrades and other corrective measures to ensure the change description continues to be met will be performed at no additional charge.

**AMENDMENT 2 TO CONTRACT NO. 20191104
BETWEEN THE PENNSYLVANIA LIQUOR CONTROL BOARD
AND FEDEX SUPPLY CHAIN, INC.**

This AMENDMENT 2 TO CONTRACT NO. 20191104 (this “Amendment 2”) is made and agreed upon this 6 day of December , 2022, by and between the Commonwealth of Pennsylvania, Pennsylvania Liquor Control Board with offices at Capitol and Forster Streets, Harrisburg, Pennsylvania, 17124-0001 (“PLCB”), and FedEx Supply Chain, Inc. with offices located at 700 Cranberry Woods Drive, Cranberry Township, Pennsylvania 16066 (“FSC” or “Contractor”), acting through its authorized officials. PLCB and FSC are hereinafter collectively referred to as “the Parties.”

RECITALS

WHEREAS, PLCB awarded FSC Contract No. 20191104 (the “Contract”) pursuant to an RFP issued on April 30, 2020 for Warehousing and Transportation Services in Western Pennsylvania. The Contract was effective February 12, 2021 and was subsequently amended on March 28, 2022. A copy of the Contract, as amended, is attached hereto as Exhibit A;

WHEREAS, the Contract provides that FSC will provide warehousing and transportation services for PLCB delivery points located in Western Pennsylvania;

WHEREAS, due to the COVID-19 pandemic and its significant impact on the cost of fuel and labor specifically, the Parties desire to amend the Contract to provide for additional temporary rate elements to offset these increased costs.

NOW THEREFORE, in consideration of the promises and agreements that follow, the Parties hereby agree as follows:

1. The Fuel Surcharge Rate Schedule attached hereto as Exhibit B shall be incorporated into the Contract as Negotiated Appendix Q.
2. Paragraph 10 of the Contract shall be deleted in its entirety and replaced as follows:

10. **COMPENSATION**

- a. *The Contractor will be compensated at the rates set forth in the Contractor's Cost Submittal. The Contractor shall be compensated only for work performed to the standards set forth in Appendix P- Key Performance Indicators and Service Levels and paragraph 13 below.*

The rates offered by the Contractor shall be fixed for a period of four years beginning on March 1, 2022 ("Rate Hold Period"). Thereafter, Contractor will be compensated at a rate mutually agreed to by the Parties based on the annual review required by Deliverable 3.2. It is understood and agreed that the quantities listed in the Contract are estimates based on PLCB's historical data and may vary in accordance with the actual requirements of the PLCB.

- b. *Beginning on the effective date of Amendment 2 and continuing through the Rate Hold Period, the PLCB will pay a temporary fuel surcharge ("Fuel Surcharge") to Contractor at a per case rate for its delivery rates as set forth in the Contractor's Cost Submittal, to be calculated weekly utilizing the Central Atlantic Gasoline and Diesel Retail Prices for On-Highway Diesel, all types, published by the Department of Energy ("DOE") every Monday at the Energy Information Administration's website at: [Central Atlantic \(PADD 1B\) Gasoline and Diesel Retail Prices \(eia.gov\)](https://www.eia.gov), and using a base rate per gallon of \$3.51.*

Contractor shall calculate the applicable per gallon Fuel Surcharge based on the DOE website referenced above and the corresponding fuel surcharge per case rate for delivery on Negotiated Appendix Q on Monday of each week for deliveries to be made on Tuesday through Monday of the published week.

- c. *The PLCB will pay a temporary wage surcharge ("Wage Surcharge") to the Contractor beginning on the effective date of Amendment 2 and continuing through the Rate Hold Period. The Contractor shall apply the Wage Surcharge against the total of the following case rate elements*

provided in Contractor's Cost Submittal: Receiving, Storing, Outbound Order Processing, Reconditioning, Case Labeling, Case Inspection (interior and exterior), and Returns to Warehouse (collectively, "Base Wage Cost Elements").

The Contractor shall calculate the Wage Surcharge monthly based on the monthly percentage change in Consumer Price Index ("CPI") for the Middle Atlantic Region, all items, not seasonally adjusted (1982–1984=100 reference base), for the prior month as provided at the following Bureau of Labor Statistics website: <https://www.bls.gov/regions/mid-atlantic/data/xg-tables/ro3xg01.htm>

The Contractor agrees to incur the first 3% of any monthly CPI increase. The Parties agree that in no event shall the PLCB be responsible for more than a 9.0% increase over the Base Wage Cost Elements per month (the "ceiling"). The Parties further agree that the Wage Surcharge will decrease according to the same proportions in the event that the applicable monthly index decreases (the "floor").

3. The Parties agree that the following additional reports will be added to Section 1 – "Reports," in the Negotiated Appendix M – Required Reports and Documents:

- n. Monthly total cases shipped & total cases received*
- o. Percentage of warehouse capacity filled at end of month*
- p. Total SKUs in the building at end of month*
- q. Total available locations with capacity % for active and reserve at end of month*
- r. Monthly Cycle Count totals with discrepant location count and accuracy percentage*
- s. Total monthly inbound misses (lates, no-shows, cancel, etc.)*
- t. Year to Date totals by delivery method (cases, orders, and order accuracy):*
 - 1. direct licensee delivery*
 - 2. licensee pickup at DC*
 - 3. licensee DC to DC delivery*

4. *FWGS pallet drop*
5. *FWGS hand off delivery*

4. The Parties agree that the changes made to the Contract by this Amendment 2 will be effective on the date this Amendment 2 is approved by the Commonwealth of Pennsylvania Office of Attorney General.
5. Except as expressly set forth herein, all Contract rates, terms and conditions, as previously amended, shall remain unchanged and in full force and effect.

Signature Page Follows

IN WITNESS WHEREOF, the Parties to this Amendment 2 have executed it through their respective duly authorized officers. This Amendment 2 shall not be fully executed and will not be binding on the Parties unless and until all signatures required below are affixed hereto.

FEDEX SUPPLY CHAIN, INC.
FED ID [REDACTED]

By: E-SIGNED by Elizabeth Koziol
on 2022-11-07 09:30:14 CST

Name: Elizabeth Koziol
Title: SVP, Operations November 07, 2022

Approved by FXL Legal

 K.G.

M.K. m.S. G.G. A.H.

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LIQUOR CONTROL BOARD

By: 

Name: MICHAEL DEMKO
Title: EXECUTIVE DIRECTOR

APPROVED FOR FORM AND LEGALITY:


OFFICE OF CHIEF COUNSEL (PLCB)


Digitally signed by David E. Stover,
Senior Deputy Attorney General
Date: 2022.12.06 10:07:48 -05'00'

OFFICE OF ATTORNEY GENERAL DATE

Approved as to Fiscal Responsibility and Budgetary Appropriateness


COMPTROLLER

EXHIBIT B**NEGOTIATED APPENDIX Q – FUEL SURCHARGE RATES**

Price per Gallon	DC4
\$3.50 or less	\$0.00
\$3.51 to \$3.75	\$0.0071
\$3.76 to \$4.00	\$0.0142
\$4.01 to \$4.25	\$0.0213
\$4.26 to \$4.50	\$0.0284
\$4.51 to \$4.75	\$0.0355
\$4.76 to \$5.00	\$0.0426
\$5.01 to \$5.25	\$0.0497
\$5.26 to \$5.50	\$0.0568
\$5.51 to \$5.75	\$0.0639
\$5.76 to \$6.00	\$0.0710
\$6.01 to \$6.25	\$0.0781
\$6.26 to \$6.50	\$0.0852
\$6.51 to \$6.75	\$0.0923
\$6.76 to \$7.00	\$0.0994

CONTRACT FOR WAREHOUSING AND TRANSPORTATION SERVICES

This Contract for Warehousing and Transportation Services (“Contract”) is made and entered into as of February 12, 2021 by and between the Pennsylvania Liquor Control Board (“PLCB” or “Customer”), with offices located at 901 Capital Street, Harrisburg, Pennsylvania 17124, and FedEx Supply Chain, Inc. (“Contractor”) (each, a “Party” and collectively, the “Parties”).

WHEREAS, PLCB issued RFP#20191104 for Warehousing and Transportation Services in Western Pennsylvania on April 30, 2020 (“RFP”);

WHEREAS, Contractor provides, among other service offerings, warehousing, managed transportation, transportation, and inventory management services;

WHEREAS, PLCB has selected Contractor to be awarded this Contract pursuant to the RFP. The PLCB desires to engage Contractor, and Contractor agrees to perform the services described herein pursuant to the terms and conditions of this Contract.

THEREFORE, in consideration of the covenants and agreements set forth below, Customer and Contractor (herein each a “Party” or collectively the “Parties”), intending to be legally bound, agree as follows:

1. SCOPE OF SERVICES

During the term of this Contract, Contractor agrees to provide the Services as set forth in the Negotiated Appendices attached hereto (collectively, the “Services”) and as described in the RFP. In the event of a conflict between an Appendix to the RFP and a Negotiated Appendix, the Negotiated Appendix shall prevail. The Negotiated Appendices to this Contract are as follows:

- Negotiated Appendix I - Western Pennsylvania Service Region
- Negotiated Appendix J - Operational/Service Requirements
- Negotiated Appendix K - Facility Requirements
- Negotiated Appendix L - WMS Requirements
- Negotiated Appendix M - Required Reports and Documents
- Negotiated Appendix N - Bailment Program
- Negotiated Appendix O - Equipment Detail
- Negotiated Appendix P- Key Performance Indicators and Service Levels

The RFP and the Contractor’s Response to the RFP, including the Cost Submittal, are incorporated into this Contract by reference and made a material part thereof. In the event a conflict exists, the order of precedence shall be as follows: This Contract, including the above-referenced appendices; the Contractor’s Cost Submittal; the RFP; and the Contractor’s Technical Submittal to the RFP.

The Standard of Care observed by Contractor shall be that of the Commonwealth of Pennsylvania’s Commercial Code at 13 Pa.C.S.A. sections 1302 and 7204.

At its sole option and discretion, the PLCB may make changes to the Services required of the Contractor, e.g., add, delete, or relocate delivery points, modify delivery days and times, increase or decrease volumes and codes handled, and change the items to be delivered.

To the extent additional terms are needed to perform such services, the Parties will use best efforts to define those terms and document them in a Change Order or via an Amendment to this Contract, as set forth in Section 33 of this Contract, as necessary. Delivery rates for new, relocated or additional points shall be determined by mutual agreement of the Parties. The PLCB will advise the Contractor, in writing, whenever it opens a new store or relocates a store. The Contractor shall advise the Contact Person in writing of the Contractor's proposed delivery rate for the new or relocated store. Upon approval of the rate, the store shall be added to the Contractor's payment list and become a part of this Contract. Upon deletion of any store or delivery point, no further compensation shall be due the Contractor.

The Services will be performed from the Facility as defined below and only at other facilities when approved by the PLCB, subject to all provisions of this Contract and such conditions as the Parties shall establish by mutual agreement.

The PLCB reserves the right to purchase materials and services covered under the Contract through a separate procurement procedure, whenever the PLCB deems it to be in its best interest.

2. TERM OF CONTRACT

The initial term of this Contract shall commence on the Effective Date (as defined below) and continue for twelve years. The Effective Date shall be after the Contract has been fully executed by the Contractor and by the Commonwealth and all approvals required by Commonwealth contracting procedures have been obtained. The Contract shall not be a legally binding contract until after Contractor is issued a Notice to Proceed directing the Contractor to start performance on a date which is on or after the Effective Date. The Contractor shall not start the performance of any work prior to the date set forth in the Notice to Proceed and the Board shall not be liable to pay the Contractor for any service or work performed or expenses incurred before the date set forth in the Notice to Proceed. No PLCB employee has the authority to verbally direct the commencement of any work under this Contract.

3. EXTENSION OF CONTRACT TERM

The PLCB and the Contractor may mutually agree to extend the initial term in single- or multiple-year increments, for up to an additional eight years beyond the initial term.

4. DEFINITIONS

As used in this Contract, these words shall have the following meanings unless otherwise defined in the RFP or Appendices:

- a. Agency: the Pennsylvania Liquor Control Board (“PLCB”).
- b. Amendment: amendments are issued for any change to the terms, conditions, requirements, or costs of the Contract and require the signatures of the Contractor and the same Commonwealth officials as the Contract.
- c. Change Order: change orders are notices of a change which one or both Parties have the option to change under the Contract. They can also be used as a notification of a correction.
- d. Commonwealth: refers collectively to the government of the Commonwealth of Pennsylvania as a whole, inclusive of the PLCB.
- e. Contracting Officer: the person authorized to administer this Contract for the PLCB and to make written determinations with respect to the Contract.
- f. Contractor: the Offeror selected by the PLCB pursuant to RFP# 20191104.
- g. Days: unless specifically indicated otherwise, days mean calendar days.
- h. Deliverable: a required Deliverable as set forth in RFP# 20191104.
- i. Documentation: all materials required to support and convey information about the services required by this Contract. Documentation includes, but is not necessarily restricted to, written reports and analyses, diagrams, maps, logical and physical designs, system designs, computer programs, flow charts, disks, and/or other machine-readable storage media.
- j. Facility: the distribution center from which the Services will be provided located at 100 Papercraft Park, Blawnox, PA, or any other facility when approved by the PLCB. The Facility and/or Facilities may also be referred to in this Contract or any Appendix as the DC.
- k. KPI: Key Performance Indicators as set forth in the Key Performance Indicators and Service Levels Appendix
- l. Phase: Phases 1 through 4, either individually or collectively, as described in more detail in Part III-3 of the RFP.
- m. PLCB Point of Contact: a designated PLCB employee that is responsible for all administrative matters related to this Contract, including but not limited to receipt of invoices.
- n. PLCB Project Manager: the designated PLCB employee that will be responsible for making management level decisions related to major projects.
- o. Selected Offeror: the Contractor.
- p. Services: all Contractor activity necessary to satisfy the Contract.

- q. WMS: the Warehouse Management System

5. INDEPENDENT PRIME CONTRACTOR

In performing its obligations under the Contract, the Contractor will act as an independent contractor and not as an employee or agent of the Commonwealth. The Contractor will be responsible for all services in this Contract whether or not Contractor provides them directly. Further, the Contractor is the sole point of contact with regard to all contractual matters, including payment of any and all charges resulting from the Contract.

6. WARRANTY

- a. Contractor warrants that it will comply with applicable laws, rules, regulations of governmental authorities in performing Services.
- b. Contractor also warrants that all employees performing the Services shall have the necessary training, experience and skills required to perform the Services and the responsibilities of the position to which such employees are assigned.

7. OWNERSHIP RIGHTS

Contractor shall provide, dedicate, purchase or lease the equipment, software systems, Facility, and any related items required to deliver the Services. Contractor shall at all times be considered the owner or lessee of the equipment and the Facility and be responsible for the maintenance thereof.

8. COMPLIANCE WITH LAW

The Contractor shall comply with all applicable federal and state laws and regulations and local ordinances in the performance of the Contract.

9. ENVIRONMENTAL PROVISIONS

In the performance of the Contract, the Contractor shall minimize pollution and shall strictly comply with all applicable environmental laws and regulations, including, but not limited to, the Clean Streams Law Act of June 22, 1937 (P.L. 1987, No. 394), as amended 35 P.S. § 691.601 et seq.; the Pennsylvania Solid Waste Management Act, Act of July 7, 1980 (P.L. 380, No. 97), as amended, 35 P.S. § 6018.101 et seq.; and the Dam Safety and Encroachment Act, Act of November 26, 1978 (P.L. 1375, No. 325), as amended, 32 P.S. § 693.1.

10. COMPENSATION

The Contractor will be compensated at the rates set forth in the Contractor's Cost Submittal. The Contractor shall be compensated only for work performed to the standards set forth in Appendix P- Key Performance Indicators and Service Levels and paragraph 13 below.

The rates offered by the Contractor shall be fixed for a period of four years beginning in Phase 2 with the first receipt of goods into the DC, which is expected to be on or before January 18, 2022. Thereafter, Contractor will be compensated at a rate mutually agreed to by the Parties based on the annual review required by Deliverable 3.2. It is understood and agreed that the quantities listed in the Contract are estimates based on PLCB's historical data and may vary in accordance with the actual requirements of the PLCB.

11. BILLING REQUIREMENTS

The Contractor shall include in all of its invoices the following minimum information:

- a. Vendor name and "Remit to" address, including Oracle supplier number;
- b. Ship To Address, including name of PLCB location;
- c. Description of the supplies/services delivered;
- d. Quantity provided;
- e. Unit price;
- f. Price extension;
- g. Total price; and
- h. Date of services.
- i. Line item charges to include:
 - 1) Receiving (unloading, sorting, putaway)
 - 2) Storing (physical storage, building, rack)
 - 3) Full-case outbound order processing (including returns to vendors)
 - 4) Reconditioning
 - 5) Shipping/Delivery
 - 6) Case labeling
 - 7) Exterior case inspection
 - 8) Interior case inspection
 - 9) Returns to Warehouse

If an invoice does not contain the minimum information set forth in this paragraph, the PLCB may return the invoice as improper. If the PLCB returns an invoice as improper, the time for processing a payment will be suspended until the PLCB receives a correct invoice. The Contractor may not receive payment until the PLCB has received a correct invoice.

In no instance shall any payment be made for services to the Contractor that are not in accordance with the contracted prices.

12. PAYMENT

- a. The PLCB shall put forth reasonable efforts to make payment of undisputed amounts billed, less applicable credits, within 30 days of receipt of a proper invoice. A “proper” invoice is not received until the PLCB accepts the service as satisfactorily performed.

Payment may be delayed if the payment amount on an invoice is not based upon the price(s) as stated in the Contract. If any payment is not made within 15 days after the required payment date, the PLCB may pay interest as determined by the Secretary of Budget in accordance with Act No. 266 of 1982 and regulations promulgated pursuant thereto.

- b. The PLCB will make contract payments through Automated Clearing House (ACH).
 - 1) Within 10 days of award of the contract the Contractor must submit or must have already submitted their ACH information within their user profile in the PLCB’s procurement system (Oracle).
 - 2) The Contractor must submit a unique invoice number with each invoice submitted. The unique invoice number will be listed on the PLCB’s ACH remittance advice to enable the Contractor to properly apply the state agency’s payment to the invoice submitted.
 - 3) It is the responsibility of the Contractor to ensure that the ACH information contained in Oracle is accurate and complete. Failure to maintain accurate and complete information may result in delays in payments.

13. CREDIT MEMOS, OFFSETS, AND FEES

In addition to the remedies set forth in this paragraph 13, the PLCB reserves all rights under the terms of this Contract and in accordance with applicable law to impose other remedies, including but not limited to triggering the default provisions in this Contract, should Contractor exhibit a pattern of unexcused inadequate, improper and/or untimely performance. For the avoidance of doubt, the remedies set forth in this paragraph 13 are intended as liquidated damages for Contractor’s failure to meet agreed-upon performance metrics as set forth in the Key Performance Indicator and Service Levels Appendix and are not intended to conflict with or limit any damages that may be recovered for an insurable event.

a. Credit Memos

- 1) If the average of the Contractor's daily performance over a 30-day rolling consecutive period fails to meet the associated service level as indicated on the Key Performance Indicator and Service Level Appendix, the PLCB may, as liquidated damages, issue and apply a credit memo against the next monthly invoice.
- 2) If the aggregate of the Offeror's daily performance over each calendar month evaluation period fails to meet the associated service level for each KPI, the PLCB may issue and apply escalating liquidated damages in the form of a credit memo against the next monthly invoice in the amounts set forth in the Key Performance Indicator and Service Level Appendix.
- 3) Contractor is liable and financially responsible for the non-promotional retail value of all product damaged or lost while in its control, due to violation of the Standard of Care, including but not limited to damage resulting from lack of appropriate temperature controls and/or shrinkage. The PLCB may offset such actual damages from Selected Offeror's invoices via credit memo as damage or loss is identified.

b. Offsets and Fees

- 1) Should Contractor fail to timely complete labeling services (within two days) or product reconditioning (within one week), the PLCB may, as liquidated damages and not as a penalty, decrement the amount it pays Contractor by a percentage of the established case rate for such work per day that the work remains unfinished beyond established timeframes, as set forth in Appendix P. Such percentage is set forth in the Key Performance Indicator and Service Level Appendix P. Should Contractor fail to complete labelling or product reconditioning services before rate decrementation results in zero payment per case, the PLCB may assess an administrative fee for such delinquent and untimely service, as is set forth in Appendix P.
- 2) The Commonwealth reserves the right to set-off the amount of any liability or other debt or obligation of the Contractor or its subsidiaries that is owed to the PLCB and is not being contested on appeal against any payments due the Contractor under this Contract or any other contract with the Commonwealth.

14. INSURANCE REQUIREMENTS

Contractor shall procure and maintain at all times during the term of the Agreement the following:

- Commercial general liability insurance with minimum limits of five million dollars (\$5,000,000) bodily injury and property damage per occurrence, including contractual liability, personal injury and completed operations.
- Auto liability insurance with a minimum combined single limit for bodily injury and property damage in the amount of five million dollars (\$5,000,000) each accident;
- Warehouseman's legal liability insurance of a minimum of fifteen million dollars (\$15,000,000) per occurrence, including coverage for Product sitting in trailers at the warehouse;
- Workers' compensation coverage in an amount equal to that which is required by statute in the State in which the Facility is located; and
- Cargo liability insurance of a minimum of five hundred thousand dollars (\$500,000) per occurrence.

Contractor must provide annually proof of valid insurance coverage of the types and limits (i) specified above and (ii) all risk property insurance for inventory during storage, while in Contractor's care, custody and control in a mutually agreed upon amount of \$85,000,000. PLCB shall be endorsed as additional insured on the auto and general liability insurance policies in connection with the services performed under the Agreement and to the extent provided for in the Contractor's indemnity. Valid certificates of insurance shall be issued to PLCB.

Contractor shall name the PLCB's Bailment Vendors as loss payees on such all-risk property insurance policy. Contractor all risk property insurance coverage on the inventory shall be on a rateable proportional basis with any and all other inventory insurance covering the same loss damage or liability placed on the inventory including that placed by the Vendors under the Bailment Agreements.

15. TAXES

The Contractor will be responsible for the payment of any applicable taxes, licenses, charges and assessments imposed by any governmental authority upon the Contractor in relation to the performance of the Services. This includes, but is not limited to, local property taxes, municipal fees, licensing fees, and all taxes related to the employment of personnel required to perform the Services.

The Commonwealth may set-off the amount of any state tax liability or other debt or obligation of the Contractor or its subsidiaries that is owed to the Commonwealth and is not being contested on appeal against any payments due the Contractor under this Contract or any other contract with the Commonwealth.

16. ASSIGNMENT OF ANTITRUST CLAIMS

The Contractor and the PLCB recognize that in actual economic practice, overcharges by the Contractor's suppliers resulting from violations of state or federal antitrust laws are in fact borne by the PLCB. As part of the consideration for the award of the Contract, and intending to be legally bound, the Contractor assigns to the PLCB all right, title and interest in and to any claims the Contractor now has, or may acquire, under state or federal antitrust laws relating to the products and services which are the subject of this Contract.

17. HOLD HARMLESS PROVISION

- a. The Contractor shall hold the PLCB harmless from and indemnify the PLCB against any and all third-party claims, demands and actions based upon or arising out of any activities performed by the Contractor and its employees and agents under this Contract, provided the PLCB gives Contractor prompt notice of any such claim of which it learns. Pursuant to the Commonwealth Attorneys Act (71 P.S. Section 732-101, et seq.), the Office of Attorney General (OAG) has the sole authority to represent the Commonwealth in actions brought against the Commonwealth. The OAG may, however, in its sole discretion and under such terms as it deems appropriate, delegate its right of defense. If OAG delegates the defense to the Contractor, the Commonwealth will cooperate with all reasonable requests of Contractor made in the defense of such suits.
- b. Notwithstanding the above, neither Party shall enter into any settlement without the other Party's written consent, which shall not be unreasonably withheld nor unduly delayed. The PLCB may, in the discretion and at the direction of the OAG, allow the Contractor to control the defense and any related settlement negotiations.

18. AUDIT PROVISIONS

The PLCB shall have the right, at reasonable times and at a site designated by the PLCB, to audit the books, documents and records of the Contractor to the extent that the books, documents and records relate to costs or pricing data for the Contract. The Contractor agrees to maintain records which will support the prices charged and costs incurred for the Contract. The Contractor shall preserve books, documents, and records that relate to costs or pricing data for the Contract for a period of 3 years from date of final payment. The Contractor shall give full and free access to all records to the PLCB and/or their authorized representatives.

19. DEFAULT

- a. The PLCB may, subject to the Force Majeure provisions of this Contract, and in addition to its other rights under the Contract, declare the Contractor in default by written notice thereof to the Contractor, and terminate (as provided in the Termination Provisions of this Contract) the whole or any part of this Contract for any of the following reasons:

- 1) Failure to begin work within the time specified in the Contract or as otherwise specified to ensure timely progression through each Phase.
 - 2) Failure to perform the work with sufficient labor, equipment, or material to insure the completion of the specified work in accordance with the Contract.
 - 3) Continued unsatisfactory performance of the work in accordance with the Key Performance Indicators and Service Levels identified in Appendix P.
 - 4) Discontinuance of work without approval and/or failure to resume discontinued work after notice to do so.
 - 5) If the Contractor is adjudicated bankrupt, is determined to be insolvent, files a voluntary petition in bankruptcy, makes an assignment for the benefit of creditors or seeks protection against creditors under any applicable federal or state laws, or if there is a commencement of any bankruptcy, insolvency, receivership or other similar proceeding against Contractor that is not dismissed within sixty days after such filing.
 - 6) Breach of any material provision of the Contract, including failure to comply with representations made in the Contractor's bid/proposal.
 - 7) Failure to comply with the Standard of Care set forth in paragraph 1 above.
- b. The PLCB will provide written notice to Contractor upon determining that the Contractor is in default pursuant to Subparagraph a above. The notice will include a description of the nature of the default and a reasonable cure period for Contractor to correct the default. Failure by Contractor to cure the default within the time period provided in any such notice may result in termination of this Contract pursuant to the Termination Provisions of paragraph 21.
- c. In the event that the PLCB terminates this Contract in whole or in part as provided in Subparagraph a. above, the PLCB may procure, upon such terms and in such manner as it determines, services similar or identical to those so terminated, and the Contractor shall be liable to the PLCB for any reasonable excess costs for such similar or identical services included within the terminated part of the Contract. These costs are in the nature of cover damages as set forth in 13 Pa.C.S.A. §§ 2711(a), 2712.
- d. The rights and remedies of the PLCB provided in this paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

- e. The PLCB's failure to exercise any rights or remedies provided in this paragraph shall not be construed to be a waiver by the PLCB of its rights and remedies in regard to the event of default or any subsequent event of default.
- f. Following exhaustion of the Contractor's administrative remedies as set forth in the Contract Controversies Provision at paragraph 22 of this Contract, the Contractor's exclusive remedy shall be to seek damages in the Board of Claims.

20. FORCE MAJEURE

Neither Party will incur any liability to the other if its performance of any obligation under this Contract is prevented or delayed by causes beyond its control and without the fault or negligence of either Party. Causes beyond a Party's control may include, but are not limited to, acts of God or war, changes in controlling law, regulations, orders or the requirements of any governmental entity, severe weather conditions, civil disorders, natural disasters, fire, epidemics and quarantines, general strikes throughout the trade, terrorism, and freight embargoes.

The Contractor shall notify the PLCB orally within 3 days and in writing within 7 days of the date on which the Contractor becomes aware, or should have reasonably become aware, that such cause would prevent or delay its performance. Such notification shall (i) describe fully such cause(s) and its effect on performance, (ii) state whether performance under the contract is prevented or delayed and (iii) if performance is delayed, state a reasonable estimate of the duration of the delay. The Contractor shall have the burden of proving that such cause(s) delayed or prevented its performance despite its diligent efforts to perform and shall produce such supporting documentation as the PLCB may reasonably request. After receipt of such notification, the PLCB may elect to cancel the Contract or to extend the time for performance as reasonably necessary to compensate for the Contractor's delay.

In the event of a declared emergency by competent governmental authorities, the PLCB by notice to the Contractor, may: suspend all or a portion of the Contract, or request that the Contractor perform alternative or modified Services to mitigate the effects of the applicable Force Majeure event. In the event that such alternative Services are requested by the PLCB, the Parties will use best efforts to establish agreeable terms for the provision of such Services, which shall be documented in a written Change Order that is approved and executed by both Parties.

21. TERMINATION PROVISIONS

The PLCB has the right to terminate this Contract for any of the following reasons. Termination shall be effective 90 days after written notice to the Contractor except in the event of egregious misconduct whereby such termination will be effective at the discretion of the PLCB.

- a. **TERMINATION FOR CONVENIENCE:** The PLCB shall have the right to terminate the Contract in whole or in part for its convenience if the PLCB determines termination to be in its best interest. The Contractor shall be paid for work satisfactorily completed prior

to the effective date of the termination, but in no event shall the Contractor be entitled to recover loss of profits.

- b. **NON-APPROPRIATION:** The PLCB's obligation to make payments during any Commonwealth fiscal year succeeding the current fiscal year shall be subject to availability and appropriation of funds. When funds (state and/or federal) are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal year period, the PLCB shall have the right to terminate the Contract. The Contractor shall be reimbursed for Services rendered, accepted and undisputed up to the date of termination and for any nonrecurring costs incurred but not amortized in the price of supplies or Services delivered under the contract. Such reimbursement shall not include loss of profit, loss of use of money, or administrative or overhead costs. The reimbursement amount may be paid from any appropriations available for that purpose
- c. **TERMINATION FOR CAUSE:** The PLCB shall have the right to terminate the Contract for Contractor default under the Default Clause upon written notice to the Contractor. The PLCB shall also have the right, upon written notice to the Contractor, to terminate the Contract for other cause as specified in the Contract or by law. If it is later determined that the PLCB erred in terminating the Contract for cause, then, at the PLCB's discretion, the Contract shall be deemed to have been terminated for convenience under Subparagraph a.

22. **CONTRACT CONTROVERSIES**

- a. In the event of a controversy or claim arising from the Contract, the Contractor must, within six months after the cause of action accrues, file a written claim with the Contracting Officer for a determination. The claim shall state all grounds upon which the Contractor asserts a controversy exists. If the Contractor fails to file a claim or files an untimely claim, the Contractor is deemed to have waived its right to assert a claim in any forum. At the time the claim is filed, or within 60 days thereafter, either Party may request mediation through the Commonwealth Office of General Counsel Dispute Resolution Program.
- b. If the Contractor or the Contracting Officer requests mediation and the other Party agrees, the Contracting Officer shall promptly make arrangements for mediation. Mediation shall be scheduled so as to not delay the issuance of the final determination beyond the required 120 days after receipt of the claim if mediation is unsuccessful. If mediation is not agreed to or if resolution is not reached through mediation, the Contracting Officer shall review timely-filed claims and issue a final determination, in writing, regarding the claim. The final determination shall be issued within 120 days of the receipt of the claim, unless extended by consent of the Contracting Officer and the Contractor. The Contracting Officer shall send his/her written determination to the Contractor. If the Contracting Officer fails to issue a final determination within the 120 days (unless extended by consent of the parties), the claim shall be deemed denied. The Contracting Officer's determination shall be the final order of the PLCB.

- c. Within 15 days of the mailing date of the determination denying a claim or within 135 days of filing a claim if, no extension is agreed to by the parties, whichever occurs first, the Contractor may file a statement of claim with the Commonwealth Board of Claims. Pending a final judicial resolution of a controversy or claim, the Contractor shall proceed diligently with the performance of the Contract in a manner consistent with the determination of the Contracting Officer and the PLCB shall compensate the Contractor for such continuous performance pursuant to the terms of the Contract.

23. ASSIGNABILITY AND SUBCONTRACTING

- a. Subject to the terms and conditions of this Paragraph, this Contract shall be binding upon the parties and their respective successors and assigns.
- b. The Contractor shall not subcontract with any person or entity to perform all or any part of the work to be performed under this Contract without the prior written consent of the Contracting Officer, which consent may be withheld at the sole and absolute discretion of the Contracting Officer.
- c. The Contractor may not assign, in whole or in part, this Contract or its rights, duties, obligations, or responsibilities hereunder without the prior written consent of the Contracting Officer, which consent may be withheld at the sole and absolute discretion of the Contracting Officer.
- d. Notwithstanding the foregoing, the Contractor may, without the consent of the Contracting Officer, assign its rights to payment to be received under the Contract, provided that the Contractor provides written notice of such assignment to the Contracting Officer together with a written acknowledgement from the assignee that any such payments are subject to all of the terms and conditions of this Contract.
- e. For the purposes of this Contract, the term “assign” shall include, but shall not be limited to, the sale, gift, assignment, pledge, or other transfer of any ownership interest in the Contractor provided, however, that the term shall not apply to the sale or other transfer of stock of a publicly traded company.
- f. Any assignment consented to by the Contracting Officer shall be evidenced by a written assignment agreement executed by the Contractor and its assignee in which the assignee agrees to be legally bound by all of the terms and conditions of the Contract and to assume the duties, obligations, and responsibilities being assigned.
- g. A change of name by the Contractor, following which the Contractor’s federal identification number remains unchanged, shall not be considered to be an assignment hereunder. The Contractor shall give the Contracting Officer written notice of any such change of name.

24. OTHER CONTRACTORS

The PLCB may undertake or award other contracts for additional or related work, and the Contractor shall fully cooperate with other contractors and PLCB employees and coordinate its work with such additional work as may be required. The Contractor shall not commit or permit any act that will interfere with the performance of work by any other contractor or by PLCB employees. This paragraph shall be included in the contracts of all contractors with which this Contractor will be required to cooperate. The PLCB shall equitably enforce this paragraph as to all contractors to prevent the imposition of unreasonable burdens on any contractor.

25. NONDISCRIMINATION/SEXUAL HARASSMENT CLAUSE

The Contractor agrees:

- a. In the hiring of any employee(s) for the manufacture of supplies, performance of work, or any other activity required under the contract or any subcontract, the Contractor, each subcontractor, or any person acting on behalf of the Contractor or subcontractor shall not discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the Pennsylvania Human Relations Act (PHRA) and applicable federal laws, against any citizen of this Commonwealth who is qualified and available to perform the work to which the employment relates.
- b. Neither the Contractor nor any subcontractor nor any person on their behalf shall in any manner discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the PHRA and applicable federal laws, against any employee involved in the manufacture of supplies, the performance of work, or any other activity required under the contract, or subject any such employee to a hostile work environment as defined by the PHRA and applicable federal laws.
- c. Neither the Contractor nor any subcontractor nor any person on their behalf shall in any manner discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the PHRA and applicable federal laws, in the provision of services under the contract.
- d. Neither the Contractor nor any subcontractor nor any person on their behalf shall in any manner discriminate against employees by reason of participation in or decision to refrain from participating in labor activities protected under the *Public Employee Relations Act*, *Pennsylvania Labor Relations Act* or *National Labor Relations Act*, as applicable and to the extent determined by entities charged with such Acts' enforcement, and shall comply with any provision of law establishing organizations as employees' exclusive representatives.
- e. The Contractor and each subcontractor shall establish and maintain a written nondiscrimination and sexual harassment policy and shall inform their employees in writing of the policy. The policy must contain a provision that sexual harassment will not

be tolerated and employees who practice it will be disciplined. Posting this Nondiscrimination/Sexual Harassment Clause conspicuously in easily-accessible and well-lighted places customarily frequented by employees and at or near where the contracted services are performed shall satisfy this requirement for employees with an established work site.

- f. The Contractor and each subcontractor shall not discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of PHRA and applicable federal laws, against any subcontractor or supplier who is qualified to perform the work to which the contract relates.
- g. The Contractor and each subcontractor represent that it is presently in compliance with and will maintain compliance with all applicable federal, state, and local laws, regulations and policies relating to nondiscrimination and sexual harassment. The Contractor and each subcontractor further represent that it is in compliance with all requirements imposed by the U.S. Equal Employment Opportunity Commission (“EEOC”) to file a Standard Form 100 Employer Information Report (“EEO-1”) with the EEOC and shall file an annual EEO-1 report with the EEOC as required for employers’ subject to *Title VII* of the *Civil Rights Act of 1964*, as amended, that have 100 or more employees and employers that have federal government contracts or first-tier subcontracts and have 50 or more employees. The Contractor and each subcontractor shall, upon request and within the time periods requested by the Commonwealth, furnish all necessary employment documents and records, including EEO-1 reports, and permit access to their books, records, and accounts by the contracting agency and the Bureau of Diversity, Inclusion and Small Business Opportunities for purpose of ascertaining compliance with provisions of this Nondiscrimination/Sexual Harassment Clause.
- h. The Contractor shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subcontract so that those provisions applicable to subcontractors will be binding upon each subcontractor.
- i. The Contractor’s and each subcontractor’s obligations pursuant to these provisions are ongoing from and after the effective date of the contract through the termination date thereof. Accordingly, the Contractor and each subcontractor shall have an obligation to inform the Commonwealth if, at any time during the term of the contract, it becomes aware of any actions or occurrences that would result in violation of these provisions.
- j. The Commonwealth may cancel or terminate the contract and all money due or to become due under the contract may be forfeited for a violation of the terms and conditions of this Nondiscrimination/Sexual Harassment Clause when an agency (EEOC or PHRC) issues a probable cause finding, or a court enters judgment against the Contractor. In addition, the agency may proceed with debarment or suspension and may place the Contractor in the Contractor Responsibility File.

26. CONTRACTOR INTEGRITY PROVISIONS

It is essential that those who seek to contract with the Commonwealth of Pennsylvania (“Commonwealth”) observe high standards of honesty and integrity. They must conduct themselves in a manner that fosters public confidence in the integrity of the Commonwealth contracting and procurement process.

DEFINITIONS. For purposes of these Contractor Integrity Provisions, the following terms shall have the meanings found in this Section:

- a. **“Affiliate”** means two or more entities where (a) a parent entity owns more than 50% of the voting stock of each of the entities; or (b) a common shareholder or group of shareholders owns more than 50% of the voting stock of each of the entities; or (c) the entities have a common proprietor or general partner.
- b. **“Consent”** means written permission signed by a duly authorized officer or employee of the Commonwealth, provided that where the material facts have been disclosed, in writing, by prequalification, bid, proposal, or contractual terms, the Commonwealth shall be deemed to have consented by virtue of the execution of this contract.
- c. **“Contractor”** means the individual or entity, that has entered into this contract with the Commonwealth.
- d. **“Contractor Related Parties”** means any affiliates of the Contractor and the Contractor’s executive officers, Pennsylvania officers and directors, or owners of 5% or more interest in the Contractor.
- e. **“Financial Interest”** means either:
 - (1) Ownership of more than a 5% interest in any business; or
 - (2) Holding a position as an officer, director, trustee, partner, employee, or holding any position of management.
- f. **“Gratuity”** means tendering, giving, or providing anything of more than nominal monetary value including, but not limited to, cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind. The exceptions set forth in the [*Governor’s Code of Conduct, Executive Order 1980-18*](#), the *4 Pa. Code §7.153(b)*, shall apply.
- g. **“Non-bid Basis”** means a contract awarded or executed by the Commonwealth with Contractor without seeking bids or proposals from any other potential bidder or offeror.

In furtherance of this policy, Contractor agrees to the following:

- a. Contractor shall maintain the highest standards of honesty and integrity during the performance of this contract and shall take no action in violation of state or federal laws or regulations or any other applicable laws or regulations, or other requirements applicable to Contractor or that govern contracting or procurement with the Commonwealth.
- b. Contractor shall establish and implement a written business integrity policy, which includes, at a minimum, the requirements of these provisions as they relate to the Contractor activity with the Commonwealth and Commonwealth employees and which is made known to all Contractor employees. Posting these Contractor Integrity Provisions conspicuously in easily-accessible and well-lighted places customarily frequented by employees and at or near where the contract services are performed shall satisfy this requirement.
- c. Contractor, its affiliates, agents, employees and anyone in privity with Contractor shall not accept, agree to give, offer, confer, or agree to confer or promise to confer, directly or indirectly, any gratuity or pecuniary benefit to any person, or to influence or attempt to influence any person in violation of any federal or state law, regulation, executive order of the Governor of Pennsylvania, statement of policy, management directive or any other published standard of the Commonwealth in connection with performance of work under this contract, except as provided in this contract.
- d. Contractor shall not have a financial interest in any other contractor, subcontractor, or supplier providing services, labor, or material under this contract, unless the financial interest is disclosed to the Commonwealth in writing and the Commonwealth consents to Contractor's financial interest prior to Commonwealth execution of the contract. Contractor shall disclose the financial interest to the Commonwealth at the time of bid or proposal submission, or if no bids or proposals are solicited, no later than Contractor's submission of the contract signed by Contractor.
- e. Contractor certifies to the best of its knowledge and belief that within the last 5 years Contractor or Contractor Related Parties have not:
 - (1) been indicted or convicted of a crime involving moral turpitude or business honesty or integrity in any jurisdiction;
 - (2) been suspended, debarred or otherwise disqualified from entering into any contract with any governmental agency;
 - (3) had any business license or professional license suspended or revoked;
 - (4) had any sanction or finding of fact imposed as a result of a judicial or administrative proceeding related to fraud, extortion, bribery, bid rigging, embezzlement, misrepresentation or anti-trust; and

(5) been, and is not currently, the subject of a criminal investigation by any federal, state or local prosecuting or investigative agency and/or civil anti-trust investigation by any federal, state or local prosecuting or investigative agency.

If Contractor cannot so certify to the above, then it must submit along with its bid, proposal or contract a written explanation of why such certification cannot be made and the Commonwealth will determine whether a contract may be entered into with the Contractor. The Contractor's obligation pursuant to this certification is ongoing from and after the effective date of the contract through the termination date thereof. Accordingly, the Contractor shall have an obligation to immediately notify the Commonwealth in writing if at any time during the term of the contract it becomes aware of any event which would cause the Contractor's certification or explanation to change. Contractor acknowledges that the Commonwealth may, in its sole discretion, terminate the contract for cause if it learns that any of the certifications made herein are currently false due to intervening factual circumstances or were false or should have been known to be false when entering into the contract.

- f. Contractor shall comply with the requirements of the *Lobbying Disclosure Act (65 Pa.C.S. §13A01 et seq.)* regardless of the method of award. If this contract was awarded on a Non-bid Basis, Contractor must also comply with the requirements of the *Section 1641 of the Pennsylvania Election Code (25 P.S. §3260a)*.
- g. When Contractor has reason to believe that any breach of ethical standards as set forth in law, the Governor's Code of Conduct, or these Contractor Integrity Provisions has occurred or may occur, including but not limited to contact by a Commonwealth officer or employee which, if acted upon, would violate such ethical standards, Contractor shall immediately notify the Commonwealth contracting officer or the Office of the State Inspector General in writing.
- h. Contractor, by submission of its bid or proposal and/or execution of this contract and by the submission of any bills, invoices or requests for payment pursuant to the contract, certifies and represents that it has not violated any of these Contractor Integrity Provisions in connection with the submission of the bid or proposal, during any contract negotiations or during the term of the contract, to include any extensions thereof. Contractor shall immediately notify the Commonwealth in writing of any actions for occurrences that would result in a violation of these Contractor Integrity Provisions. Contractor agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of the State Inspector General for investigations of the Contractor's compliance with the terms of this or any other agreement between the Contractor and the Commonwealth that results in the suspension or debarment of the Contractor. Contractor shall not be responsible for investigative costs for investigations that do not result in the Contractor's suspension or debarment.
- i. Contractor shall cooperate with the Office of the State Inspector General in its investigation of any alleged Commonwealth agency or employee breach of ethical standards and any

alleged Contractor non-compliance with these Contractor Integrity Provisions. Contractor agrees to make identified Contractor employees available for interviews at reasonable times and places. Contractor, upon the inquiry or request of an Inspector General, shall provide, or if appropriate, make promptly available for inspection or copying, any information of any type or form deemed relevant by the Office of the State Inspector General to Contractor's integrity and compliance with these provisions. Such information may include, but shall not be limited to, Contractor's business or financial records, documents or files of any type or form that refer to or concern this contract. Contractor shall incorporate this paragraph in any agreement, contract or subcontract it enters into in the course of the performance of this contract/agreement solely for the purpose of obtaining subcontractor compliance with this provision. The incorporation of this provision in a subcontract shall not create privity of contract between the Commonwealth and any such subcontractor, and no third-party beneficiaries shall be created thereby.

- j. For violation of any of these Contractor Integrity Provisions, the Commonwealth may terminate this and any other contract with Contractor, claim liquidated damages in an amount equal to the value of anything received in breach of these Provisions, claim damages for all additional costs and expenses incurred in obtaining another contractor to complete performance under this contract, and debar and suspend Contractor from doing business with the Commonwealth. These rights and remedies are cumulative, and the use or non-use of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the Commonwealth may have under law, statute, regulation, or otherwise.

27. CONTRACTOR RESPONSIBILITY PROVISIONS

For the purpose of these provisions, the term contractor is defined as any person, including, but not limited to, a bidder, offeror, loan recipient, grantee or lessor, who has furnished or performed or seeks to furnish or perform, goods, supplies, services, leased space, construction or other activity, under a contract, grant, lease, purchase order or reimbursement agreement with the Commonwealth. The term contractor includes a permittee, licensee, or any agency, political subdivision, instrumentality, public authority, or other public entity in the Commonwealth.

- a. The Contractor certifies, in writing, for itself and its subcontractors required to be disclosed or approved by the Commonwealth, that as of the date of its execution of this Bid/Contract, that neither the Contractor, nor any such subcontractors, are under suspension or debarment by the Commonwealth or any governmental entity, instrumentality, or authority and, if the Contractor cannot so certify, then it agrees to submit, along with its Bid/Contract, a written explanation of why such certification cannot be made.
- b. The Contractor also certifies, in writing, that as of the date of its execution of this Bid/Contract it has no tax liabilities or other Commonwealth obligations, or has filed a timely administrative or judicial appeal if such liabilities or obligations exist, or is subject to a duly approved deferred payment plan if such liabilities exist.

- c. The Contractor's obligations pursuant to these provisions are ongoing from and after the effective date of the Contract through the termination date thereof. Accordingly, the Contractor shall have an obligation to inform the Commonwealth if, at any time during the term of the Contract, it becomes delinquent in the payment of taxes, or other Commonwealth obligations, or if it or, to the best knowledge of the Contractor, any of its subcontractors are suspended or debarred by the Commonwealth, the federal government, or any other state or governmental entity. Such notification shall be made within 15 days of the date of suspension or debarment.
- d. The failure of the Contractor to notify the Commonwealth of its suspension or debarment by the Commonwealth, any other state, or the federal government shall constitute an event of default of the Contract with the Commonwealth.
- e. The Contractor agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of State Inspector General for investigations of the Contractor's compliance with the terms of this or any other agreement between the Contractor and the Commonwealth that results in the suspension or debarment of the contractor. Such costs shall include, but shall not be limited to, salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. The Contractor shall not be responsible for investigative costs for investigations that do not result in the Contractor's suspension or debarment.
- f. The Contractor may obtain a current list of suspended and debarred Commonwealth contractors by either searching the PA Department of General Services [website](#) or by contacting:

Department of General Services
Office of Chief Counsel
603 North Office Building
Harrisburg, PA 17125
Telephone No: (717) 783-6472
FAX No: (717) 787-9138

28. AMERICANS WITH DISABILITIES ACT

- a. Pursuant to federal regulations promulgated under the authority of The Americans With Disabilities Act, 28 C.F.R. § 35.101 et seq., the Contractor understands and agrees that it shall not cause any individual with a disability to be excluded from participation in this Contract or from activities provided for under this Contract on the basis of the disability. As a condition of accepting this contract, the Contractor agrees to comply with the “General Prohibitions Against Discrimination,” 28 C.F.R. § 35.130, and all other regulations promulgated under Title II of The Americans With Disabilities Act which are applicable to all benefits, services, programs, and activities provided by the Commonwealth of Pennsylvania through contracts with outside contractors.

- b. The Contractor shall be responsible for and agrees to indemnify and hold harmless the Commonwealth of Pennsylvania from all losses, damages, expenses, claims, demands, suits, and actions brought by any party against the Commonwealth of Pennsylvania as a result of the Contractor's failure to comply with the provisions of subparagraph a above.

29. COVENANT AGAINST CONTINGENT FEES

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the Commonwealth shall have the right to terminate the Contract without liability or in its discretion to deduct from the Contract price or consideration, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

30. APPLICABLE LAW

This Contract shall be governed by and interpreted and enforced in accordance with the laws of the Commonwealth of Pennsylvania (without regard to any conflict of law provisions) and the decisions of the Pennsylvania courts. The Contractor consents to the jurisdiction of any court of the Commonwealth of Pennsylvania and any federal courts in Pennsylvania, waiving any claim or defense that such forum is not convenient or proper. The Contractor agrees that any such court shall have in personam jurisdiction over it, and consents to service of process in any manner authorized by Pennsylvania law.

31. INTEGRATION

This Contract, including all referenced documents, constitutes the entire agreement between the parties. No agent, representative, employee or officer of either the Commonwealth or the Contractor has authority to make, or has made, any statement, agreement or representation, oral or written, in connection with the Contract, which in any way can be deemed to modify, add to or detract from, or otherwise change or alter its terms and conditions. No negotiations between the parties, nor any custom or usage, shall be permitted to modify or contradict any of the terms and conditions of the Contract. No modifications, alterations, changes, or waiver to the Contract or any of its terms shall be valid or binding unless accomplished by a written Change Order or Amendment signed by both parties.

32. CONTROLLING TERMS AND CONDITIONS

The terms and conditions of this Contract shall be the exclusive terms of agreement between the Contractor and the PLCB. Other terms and conditions or additional terms and conditions included or referenced in the Contractor's quotations, invoices, business forms, or other documentation shall

not become part of the parties' agreement and shall be disregarded by the parties, unenforceable by the Contractor and not binding on the PLCB.

33. CHANGE ORDERS AND AMENDMENTS

- a. Change Orders: The PLCB reserves the right to make changes at any time during the term of the Contract or any renewals or extensions thereof: 1) to increase or decrease the quantities resulting from variations between any estimated quantities in the Contract and actual quantities; 2) to make changes to the Services within the scope of the Contract, including but not limited to changes in delivery locations and changes in Facilities used for the Services; 3) to notify the Contractor that the PLCB is exercising any Contract renewal or extension option; or 4) to modify the time of performance or extend the completion date of any existing change order, as long as the scope of the Contract is not thereby altered.
- b. Amendments: An Amendment will be required when additional funds or terms increase the monetary value of the original approved amount of this Contract, unless it is appropriate to use a Change Order or funding adjustment. Extensions of this Contract beyond the term and any extension terms contemplated herein will require an Amendment. The PLCB reserves the right to require an Amendment for any change to this Contract in its sole discretion.

All changes to this Contract shall be initiated by the PLCB upon notification to the Contractor in writing. The change shall be effective as of the date indicated on the Change Order or Amendment, as applicable. Such increases, decreases, changes, or modifications will not invalidate the Contract, nor, if performance security is being furnished in conjunction with the Contract, release the security obligation. The Contractor agrees to provide the service in accordance with the Change Order or Amendment. Any dispute by the Contractor in regard to the performance required by any notification of change shall be handled through the Contract Controversies Provision.

34. CONFIDENTIALITY

The Contractor agrees to guard the confidentiality of the Commonwealth's confidential information with the same diligence with which it guards its own proprietary information. If the Contractor needs to disclose all or part of project materials to third parties to assist in the work or service performed for the Commonwealth, it may do so only if such third parties sign agreements containing substantially the same provisions as contained in this Section. The Commonwealth agrees to protect the confidentiality of Contractor's confidential information.

In order for information to be deemed to be confidential, the Party claiming confidentiality must designate the information as "confidential" in such a way as to give notice to the other Party. The parties agree that such confidential information shall not be copied, in whole or in part, except when essential for authorized use under this Contract. Each copy of such confidential information shall be marked by the Party making the copy with all confidentiality notices appearing in the original. Upon termination or cancellation of this Contract or any license granted hereunder, the

receiving Party will return to the disclosing Party all copies of the confidential information in the receiving Party's possession, other than one copy, which may be maintained for archival purposes only. Both parties agree that a material breach of these requirements may, after failure to cure within the time frame specified in this Contract, and at the discretion of the non-breaching Party, result in termination for default.

- a. The obligations stated in this Section do not apply to information:
 - 1) already known to the recipient at the time of disclosure other than through the contractual relationship;
 - 2) independently generated by the recipient and not derived from the information supplied by the disclosing Party;
 - 3) known or available to the public, except where such knowledge or availability is the result of unauthorized disclosure by the recipient of the proprietary information;
 - 4) disclosed to the recipient without a similar restriction by a third party who has the right to make such disclosure; or
 - 5) required to be disclosed by the recipient by law, regulation, court order, or other legal process.
- b. There shall be no restriction with respect to the use or disclosure of any ideas, concepts, know-how, or data processing techniques developed alone or jointly with the Commonwealth in connection with services provided to the Commonwealth under this Contract.

35. NOTICE

Any written notice to any Party under this Contract shall be deemed sufficient if delivered personally, or by telecopy, electronic or digital transmission (provided such delivery is confirmed), or by a recognized overnight courier service (e.g., DHL, Federal Express, etc.) with confirmed receipt, or by certified or registered United States mail, postage prepaid, return receipt requested, and sent to following:

- a. If to the Contractor:
FedEx Supply Chain, Inc.
700 Cranberry Woods Drive
Cranberry Township, PA 16066
Attn: Vice President Consumer and Industrial

With a copy to:

FedEx Logistics Legal Department
145 Lt. George W Lee Ave,
Memphis, TN 38103
Attn: Managing Director, FSC Commercial Transactions

b. If to the PLCB:

PLCB Director of Supply Chain Operations
505 Northwest Office Building
Harrisburg, Pennsylvania 17124

With a copy to:

PLCB Office of Chief Counsel
401 Northwest Office Building
Harrisburg, Pennsylvania 17124
ra-lblegal@pa.gov

36. RIGHT TO KNOW LAW

- a. The Pennsylvania Right-to-Know Law, 65 P.S. §§ 67.101-3104, (“RTKL”) applies to this Contract. For the purpose of these provisions, the term “the Commonwealth” shall refer to the contracting Commonwealth agency.
- b. If the Commonwealth needs the Contractor’s assistance in any matter arising out of the RTKL related to this Contract, it shall notify the Contractor using the legal contact information provided in this Contract. The Contractor, at any time, may designate a different contact for such purpose upon reasonable prior written notice to the Commonwealth.
- c. Upon written notification from the Commonwealth that it requires the Contractor’s assistance in responding to a request under the RTKL for information related to this Contract that may be in the Contractor’s possession, constituting, or alleged to constitute, a public record in accordance with the RTKL (“Requested Information”), the Contractor shall:
 - 1) Provide the Commonwealth, within 10 calendar days after receipt of written notification, access to, and copies of, any document or information in the Contractor’s possession arising out of this Contract that the Commonwealth reasonably believes is Requested Information and may be a public record under the RTKL; and
 - 2) Provide such other assistance as the Commonwealth may reasonably request, in order to comply with the RTKL with respect to this Contract.

- d. If the Contractor considers the Requested Information to include a request for a Trade Secret or Confidential Proprietary Information, as those terms are defined by the RTKL, or other information that the Contractor considers exempt from production under the RTKL, the Contractor must notify the Commonwealth and provide, within 7 calendar days of receiving the written notification, a written statement signed by a representative of the Contractor explaining why the requested material is exempt from public disclosure under the RTKL.
- e. The Commonwealth will rely upon the written statement from the Contractor in denying a RTKL request for the Requested Information unless the Commonwealth determines that the Requested Information is clearly not protected from disclosure under the RTKL. Should the Commonwealth determine that the Requested Information is clearly not exempt from disclosure, the Contractor shall provide the Requested Information within 5 business days of receipt of written notification of the Commonwealth's determination.
- f. If the Contractor fails to provide the Requested Information within the time period required by these provisions, the Contractor shall indemnify and hold the Commonwealth harmless for any damages, penalties, costs, detriment or harm that the Commonwealth may incur as a result of the Contractor's failure, including any statutory damages assessed against the Commonwealth.
- g. The Commonwealth will reimburse the Contractor for any costs associated with complying with these provisions only to the extent allowed under the fee schedule established by the Office of Open Records or as otherwise provided by the RTKL if the fee schedule is inapplicable.
- h. The Contractor may file a legal challenge to any Commonwealth decision to release a record to the public with the Office of Open Records, or in the Pennsylvania Courts, however, the Contractor shall indemnify the Commonwealth for any legal expenses incurred by the Commonwealth as a result of such a challenge and shall hold the Commonwealth harmless for any damages, penalties, costs, detriment or harm that the Commonwealth may incur as a result of the Contractor's failure, including any statutory damages assessed against the Commonwealth, regardless of the outcome of such legal challenge. As between the parties, the Contractor agrees to waive all rights or remedies that may be available to it as a result of the Commonwealth's disclosure of Requested Information pursuant to the RTKL.
- i. The Contractor's duties relating to the RTKL are continuing duties that survive the expiration of this Contract and shall continue as long as the Contractor has Requested Information in its possession.

37. ADVERSE INTEREST ACT AND LIQUOR CODE

The Contractor agrees to maintain compliance with the State Adverse Interest Act Sections 776.1 through 776.8 (71 P.S. Sections 776.1 – 776.8), and Liquor Code Sections 210 and 214 (47 P.S. §§ 2-210, 2-214).

38. SIGNATURES

The parties agree that: (1) a record or signature may not be denied legal effect or enforceability solely because it is in electronic form; (2) a contract may not be denied legal effect or enforceability solely because an electronic record was used in its formation; (3) if a law requires a record to be in writing, an electronic record satisfies the law; and (4) if law requires a signature, an electronic signature satisfies the law.

The Parties to this Contract have executed it, through their respective duly authorized representatives.

FedEx Supply Chain, Inc.:

E-SIGNED by Stephen Smith February 09, 2021
on 2021-02-09 15:50:32 CST
Signature Date

Stephen Smith

Printed Name

SVP & COO

Title

FSC03844

Approved by FSC Legal C.S.

APPROVED AS TO FORM AND LEGALITY:

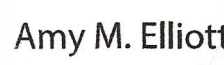

PLCB Office of Chief Counsel

Pennsylvania Liquor Control Board:

 2-10-2021
Signature Date

Michael G Demko
Printed Name

Executive Director


Office of Attorney General Date

Digitally signed by Amy M. Elliott
DN: cn=Amy M. Elliott, o=Pennsylvania Office of
Attorney General, ou=Chief Deputy Attorney
General, email=[REDACTED]
c=US
Date: 2021.02.10 16:11:42 -05'00'

APPROVED FOR FISCAL RESPONSIBILITY AND BUDGETARY APPROPRIATENESS:

Tami L Mellott Digitally signed by Tami L Mellott
Date: 2021.02.12 09:04:12 -05'00'
Comptroller

STORE #	ADDRESS	CITY	ZIP	SPECIAL REQUIREMENTS
503	9613 LINCOLN HWY, STE 105	BEDFORD	15522	Pallet Drop
256	1020 VILLAGE CENTER DR, STE N2B	TARENTUM	15084 - 3848	Pallet Drop
286	PINES PLZ	PITTSBURGH	15237-2142	Pallet Drop, 7 a.m. Deliveries
2001	DOWNTOWN MALL	MEADVILLE	16335-3428	Pallet Drop
2002	126 S MARTIN ST	TITUSVILLE	16354-1850	
2004	211 E ERIE ST	LINESVILLE	16424-0424	
2006	19017 PARK AVENUE PLZ	MEADVILLE	16335-4008	
3701	LAWRENCE VILLAGE PLZ	NEW CASTLE	16101-6299	Thursday Deliveries
3702	729 LAWRENCE AVE	ELLWOOD CITY	16117-1931	
3001	WIDEWATERS CMNS	WAYNESBURG	15370-1707	
3002	BRODAK CMNS	CARMICHAELS	15320-1204	Biweekly Deliveries
3201	215 E MARKET ST	BLAIRSVILLE	15717-1120	
3202	575 PHILADELPHIA ST	INDIANA	15701-3901	
3203	560 FRANKLIN ST	CLYMER	15728-1183	Biweekly Deliveries
3301	160 MAIN ST	BROOKVILLE	15825-1234	
3302	567 W MAHONING ST	PUNXSUTAWNEY	15767-1909	
3303	445 MAIN ST	BROCKWAY	15824-1337	Monthly Deliveries
3305	410 MAIN ST	REYNOLDSVILLE	15851-1251	Monthly Deliveries
212	959 LIBERTY AVE	PITTSBURGH	15222-3701	
213	217 ATWOOD ST	PITTSBURGH	15213-4001	
214	THE WATERWORKS	PITTSBURGH	15238-3123	Pallet Drop, 6 a.m. Deliveries
215*	1601 LIBERTY AVE	PITTSBURGH	15222-4301	Pallet Drop, 6 a.m. Deliveries
216	102 E MAIN ST	CARNEGIE	15106-2429	
217	1110 4TH AVE	CORAOPOLIS	15108-1616	
218	2947 W LIBERTY AVE	PITTSBURGH	15216-2543	
219	KENNYWOOD SHOPS	WEST MIFFLIN	15122-2303	
220	624 ALLEGHENY RIVER BLVD	OAKMONT	15139-1539	
222*	98 VANADIUM RD, BLDG D	BRIDGEVILLE	15017-3034	Pallet Drop
223	129 LINCOLN AVE	PITTSBURGH	15209-2673	
224	1824 MURRAY AVE	PITTSBURGH	15217-1606	7 a.m. Deliveries

226	132 BEN AVON HEIGHTS RD	PITTSBURGH	15237-1202	
228	EDGEWOOD TOWNE CENTRE	PITTSBURGH	15218-1865	
2513	EAST ERIE PLZ	ERIE	16507-1808	
2514	YORKTOWN CENTRE	ERIE	16505-4507	
2515	PERRY PLZ	ERIE	16503-2513	
2516	LIBERTY PLZ	ERIE	16508-2537	
2517	3412 W LAKE RD	ERIE	16505-3612	
231	ROBINSON PLAZA TOWN CTR	PITTSBURGH	15205-4808	Pallet Drop
234	WEST VIEW PARK SHOPPING CTR	PITTSBURGH	15229-1771	
236	820 MCKEESPORT RD	ELIZABETH	15037-1917	
238	SHADY HILL CTR	PITTSBURGH	15206-4013	
242	HAYMAKER VILLAGE SHOPS	MONROEVILLE	15146-4745	Pallet Drop
244	739 MONONGAHELA AVE	GLASSPORT	15045-1624	
247	5956 CENTRE AVE, STE 201	PITTSBURGH	15206-3815	6 a.m. Deliveries
249	519 TOWNE SQUARE WAY	PITTSBURGH	15227-3256	
263	418 E OHIO ST	PITTSBURGH	15212-5558	6 a.m. Deliveries
264	SHALER PLZ	PITTSBURGH	15223-1338	
265	DEER LAKES PLZ	RUSSELLTON	15076-0295	Pallet Drop
266	521 BEAVER ST	SEWICKLEY	15143-1701	6 a.m. Deliveries
267	MOON PLZ	CORAOPOLIS	15108-4229	
270	3643 CALIFORNIA AVE	PITTSBURGH	15212-1869	
271	3408 MAIN ST	MUNHALL	15120-3257	
272	233 SHILOH ST	PITTSBURGH	15211-1623	
273	3202 BRIGHTON RD	PITTSBURGH	15212-2340	
274	LEBANON SHOPS	PITTSBURGH	15234-1577	7 a.m. Deliveries
279	722 BROOKLINE BLVD	PITTSBURGH	15226-2102	
280	2800 ROBINSON BLVD	PITTSBURGH	15235-1461	Pallet Drop
4301	SHARON CENTER CITY SHOPPING CTR	SHARON	16146-1356	
4303	GREENVILLE PLZ	GREENVILLE	16125-1240	
4304	535 GREENVILLE RD	MERCER	16137-0300	
4306	HERMITAGE TOWNE PLZ	HERMITAGE	16148-2725	

4308	33 PINE GROVE SQUARE DR	GROVE CITY	16127-9735	
201	3239 WASHINGTON PIKE	BRIDGEVILLE	15017-1460	
202	RIVER TOWN SHOPS	VERONA	15147-1046	
203	BRADDOCK HILLS SHOPPING CTR	PITTSBURGH	15221-4818	
205	149 5TH AVE	MCKEESPORT	15132-2721	
206	136 MCKEES ROCKS PLZ	MCKEES ROCKS	15136-3801	
210	THE BAVARIAN VLG	SOUTH PARK	15129-8522	Pallet Drop
211	354 NORTH TOWNE SQ	GIBSONIA	15044-9552	
252	4643 CENTRE AVE	PITTSBURGH	15213-1552	
260	1955 WHARTON ST	PITTSBURGH	15203-1915	Pallet Drop, 7 a.m. Deliveries
261	2629 BROWNSVILLE RD	PITTSBURGH	15227-2005	7 a.m. Deliveries
2501	SUMMIT TOWNE CTR	ERIE	16509-4759	
2502	105 W 18TH ST	ERIE	16501-2103	
2503	ASBURY SQ	ERIE	16506-1403	
2504	10720 W MAIN ST	NORTH EAST	16428-2228	
2506	CORRY PLZ	CORRY	16407-1002	
2509	GIANT EAGLE PLZ	ERIE	16510-2228	
2511	737 E 38TH ST	ERIE	16504-1763	
1111	3670 PORTAGE ST, STE 3	PORTAGE	15946-6540	Biweekly Deliveries
1115	20TH WARD SHOPPING CTR	JOHNSTOWN	15906-1643	
6523	1038 LATROBE 30 PLZ, STE 311	LATROBE	15650-2855	
6524	321 TRI-COUNTY LN	BELLE VERNON	15012-1991	
6525	6041 RTE 30, STE 55	GREENSBURG	15601-1587	
6503	925 DONNER AVE	MONESSEN	15062-1002	
6504	114 S 5TH ST	JEANNETTE	15644-2112	
1118	GEISTOWN SHOPPING CTR	JOHNSTOWN	15904-1438	Pallet Drop
1002	9 NORTHGATE PLZ, UNIT 5	HARMONY	16037-9207	
1003	608 MORAINES POINTE PLZ	BUTLER	16001-2414	
1004	102 MAIN ST	PETROLIA	16050-0263	Biweekly Deliveries
1005	110 BON AIRE PLZ	BUTLER	16001-1944	
1006	340 GREATER BUTLER MART	BUTLER	16001-3284	

1007	CRANBERRY MALL 20111 RTE 19	CRANBERRY TWP	16066-6207	Pallet Drop
1008	SLIPPERY ROCK PLZ,	SLIPPERY ROCK	16057-8524	
1009	240 BUFFALO PLZ	SARVER	16055-8302	
1010	206 SEVEN FIELDS BLVD	SEVEN FIELDS	16046-4346	Pallet Drop
1101	426 MAIN ST	JOHNSTOWN	15901-1802	
1102	EAST HILLS PLZ	JOHNSTOWN	15904-3315	
1103	910 PHILADELPHIA AVE, STE 1	NORTHERN CAMBRIA	15714-1321	
9205	1602 COCHRAN RD	PITTSBURGH	15220-1001	
6312	524 FRONT ST	FREDERICKTOWN	15333-0874	Biweekly Deliveries
6314	980 JEFFERSON AVE	WASHINGTON	15301-3868	
6315	DONALDSON'S CROSSROADS SHOPPING CTR	MCMURRAY	15317-2532	Pallet Drop
6316	WASHINGTON MALL	WASHINGTON	15301-2966	
6501	105 HARRISON AVE	GREENSBURG	15601-2304	
6502	313 DEPOT ST	LATROBE	15650-1556	
6505	328 CENTRAL CITY PLZ	NEW KENSINGTON	15068-6441	
6506	656 W MAIN ST	MOUNT PLEASANT	15666-1815	
6507	613 W MAIN ST	LIGONIER	15658-1017	
6508	310 MAIN ST	IRWIN	15642-3439	
1104	101 PARK AVE	CRESSON	16630-1166	
1107	513 CHESTNUT ST	CONEMAUGH	15909-1920	Biweekly Deliveries
6509	208 COUNTRYSIDE PLZ	MOUNT PLEASANT	15666-2122	
6510	HILLCREST SHOPPING CTR	LOWER BURRELL	15068-3506	
6511	WILLOWBROOK PLZ	ROSTRAVER TOWNSHIP	15012-4016	
6513	214 5TH ST, PO BOX 38	AVONMORE	15618-0038	Biweekly Deliveries
6514	147 COLUMBIA AVE	VANDERGRIFT	15690-1101	
6516	PENN CROSSING SHOPPING CTR	JEANNETTE	15644-4304	
6517	WESTMORELAND MALL	GREENSBURG	15601-3546	Pallet Drop
6518	NORWIN HILLS SHOPPING CTR	IRWIN	15642-2744	Pallet Drop
6201	44 MARKET ST	WARREN	16365-2508	
6202	212 S MAIN ST	SHEFFIELD	16347-0372	Monthly Deliveries
6302	43 E PIKE ST	CANONSBURG	15317-1311	

6304	105 3RD ST	CHARLEROI	15022-1425	
6305	MCDONALD PLZ	MCDONALD	15057-1423	
6306	245 W MAIN ST	MONONGAHELA	15063-2442	
6307	KWIK STOP PLZ	BURGETTSTOWN	15021-9703	Biweekly Deliveries by 11 a.m.
6311	327 3RD ST	CALIFORNIA	15419-1133	7 a.m. Deliveries
9203	3 QUAKER VILLAGE SHOPPING CTR	LEETSDALE	15056-1206	
5601	686 MARKET SQ	MEYERSDALE	15552-1180	Monthly Deliveries
5602	SOMERSET CMNS, STE 110	SOMERSET	15501-7041	
5603	1607 JEFFERSON AVE	WINDBER	15963-1737	
5606	212 OHIO ST	BOSWELL	15531-1233	Biweekly Deliveries
3206	TOWNFAIR PLZ	INDIANA	15701-2347	Pallet Drop
6101	SENECA STREET PLZ	OIL CITY	16301-1314	Pallet Drop
6102	541 ALLEGHENY BLVD	FRANKLIN	16323-2919	
6103	17 KIMBERLY LANE	CRANBERRY	16319-3141	
281	1706 MOUNT ROYAL BLVD	GLENSHAW	15116-2115	
282	OAK PARK MALL	WHITE OAK	15131-2419	
284	BILL GREEN'S SHOPPING CTR	PITTSBURGH	15236-3905	Pallet Drop
285	HAMPTON HOME CENTER	ALLISON PARK	15101-2413	
288	CASTE VILLAGE SHOPPING CTR	PITTSBURGH	15236-1514	
290	NOBLE MANOR SHOPPING CTR	PITTSBURGH	15205-4148	
292	NORTH HILLS VILLAGE MALL	PITTSBURGH	15237-3412	Pallet Drop
294	OLYMPIA SHOPPING CTR	MCKEESPORT	15132-6128	
295	GREAT VALLEY MART	NORTH VERSAILLES	15137-1524	
296	5249 LIBRARY RD	BETHEL PARK	15102-2714	Pallet Drop
297	THE VILLAGE SHOPPING CTR	WEST MIFFLIN	15122-3650	
298	CHARTIERS VALLEY SHOPPING CTR	BRIDGEVILLE	15017-2702	Pallet Drop
9251	PLCB EVENT STORE	PITTSBURGH	15262	
704	1260 PENNSYLVANIA AVE	TYRONE	16686-1618	
705	CHESTNUT PLZ	ALTOONA	16601-5204	
707	VALLEY VIEW SHOPPING CTR	ALTOONA	16602-4803	
709	PLEASANT VALLEY SHOPPING CTR	ALTOONA	16602-6413	Pallet Drop

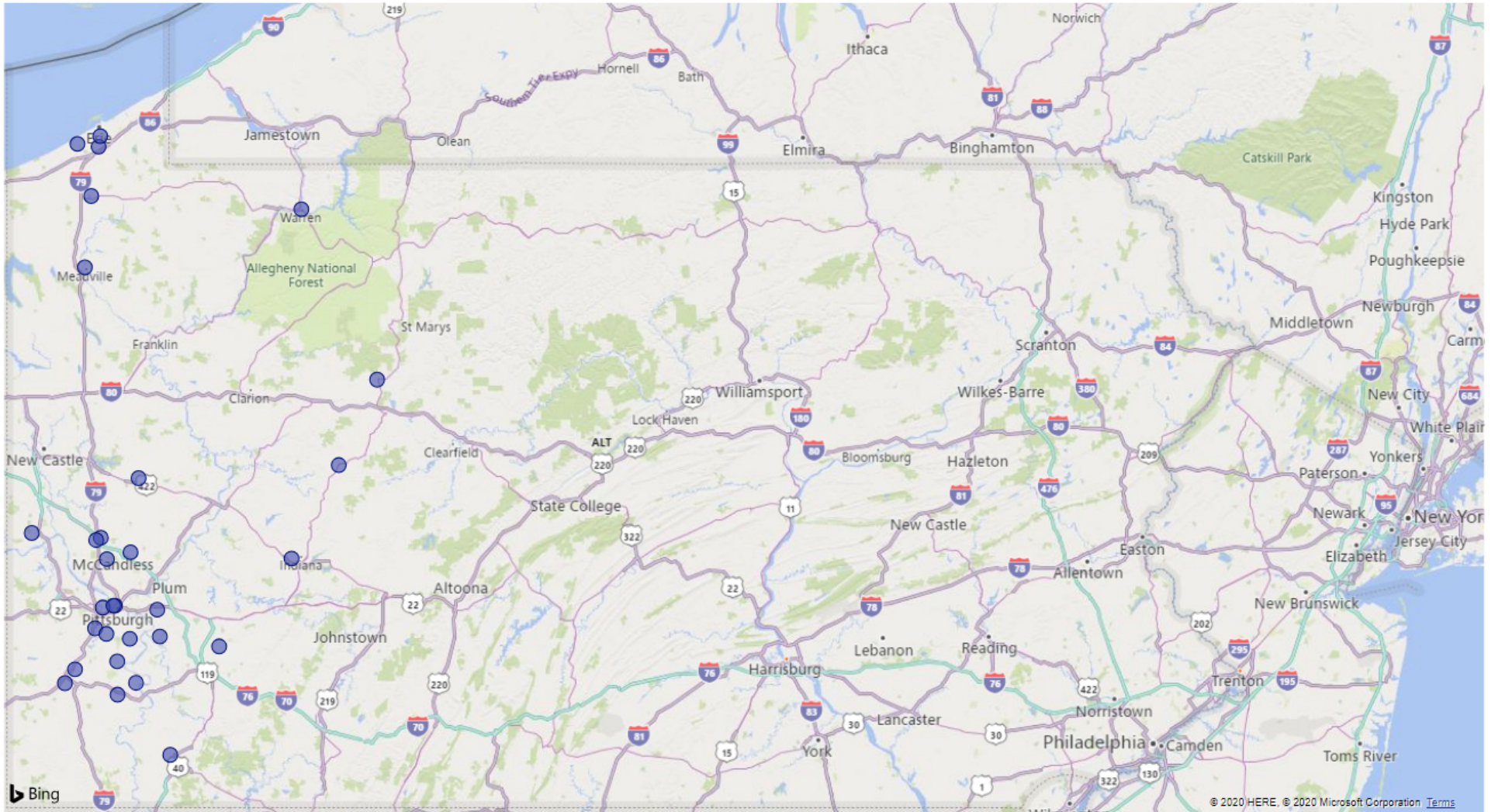
9206	KENMAWR PLZ	MCKEES ROCKS	15136-1659	
9210	COMMUNITY PLZ	VERONA	15147-3716	
9211	VILLAGE SQ	BETHEL PARK	15102-1824	7 a.m. Deliveries
6519	CROSSROADS PLZ	LOWER BURRELL	15068-3060	
2606	140 WALNUT HILL RD	UNIONTOWN	15401-5090	Pallet Drop
227	3845 NORTHERN PIKE	MONROEVILLE	15146-2132	Pallet Drop
9208	125 TOWNE CENTRE DR, STE 500	WEXFORD	15090-5090	
9212	PENN LINCOLN CTR	IMPERIAL	15126-9781	
9213	2356 GOLDEN MILE HWY	PITTSBURGH	15239-2710	
2512	66 N MAIN ST	UNION CITY	16438-1032	
703	202 HOLLIDAYSBURG PLZ	DUNCANSVILLE	16635-9345	Pallet Drop
299	PENN HILLS CTR	PITTSBURGH	15235-3329	
302	137 S JEFFERSON ST	KITTANNING	16201-2409	
303	163 3RD ST	LEECHBURG	15656-1261	
308	FRANKLIN VLG	KITTANNING	16201-8803	
402	GREEN GARDEN SHOPPING CTR	HOPEWELL TOWNSHIP	15001-1000	
403	999 MERCHANT ST	AMBRIDGE	15003-2327	
405	508 MIDLAND AVE	MIDLAND	15059-1313	Biweekly Deliveries
408	816 3RD AVE	NEW BRIGHTON	15066-1915	
409	CHIPPEWA CTR	BEAVER FALLS	15010-1252	
410	ALIQUIPPA SHOPPING CTR	ALIQUIPPA	15001-2793	7 a.m. Deliveries
9250	Pittsburgh Area	Pittsburgh	15262	
2518	WASHINGTON TOWNE PLZ	EDINBORO	16412-1254	
2520	IMPERIAL POINT	GIRARD	16417-9625	
2601	111 W FAYETTE ST	UNIONTOWN	15401-3207	
2603	808 VANDERBILT RD	CONNELLSVILLE	15425-6241	
2604	1890 MCCLELLANTOWN RD	MASONTOWN	15461-2508	Biweekly Deliveries
2605	213 PENN ST	POINT MARION	15474-1235	Monthly Deliveries
2608	3532 PITTSBURGH RD, STE A	PERRYOPOLIS	15473-1306	Biweekly Deliveries
2610	FAYETTE PLAZA SHOPPING CTR	UNIONTOWN	15401-2200	10 a.m. Deliveries
2701	121 CHESTNUT ST	MARIENVILLE	16239-0433	Biweekly Deliveries

2702	644 ELM ST	TIONESTA	16353-0055	Biweekly Deliveries
412	NORTHERN LIGHTS SHOPPERS CITY	BADEN	15005-1218	Pallet Drop
414	1476 OLD BRODHEAD RD	MONACA	15061-2315	
502	600 MAIN ST	SAXTON	16678-1024	Biweekly Deliveries
1601	800 CENTER	CLARION	16214-1124	
1602	452 BROAD ST	NEW BETHLEHEM	16242-1103	Biweekly Deliveries
1603	78 CLARION PLZ	CLARION	16214-8575	
1604	506 MAIN ST	KNOX	16232-0460	Biweekly Deliveries
1702	5720 SHAFFER RD	DUBOIS	15801-3872	Pallet Drop
1703	821 CENTENNIAL ST	HOUTZDALE	16651-1317	Monthly Deliveries
1704	449 STATE ST	CURWENSVILLE	16833-1240	Monthly Deliveries
1705	CLEARFIELD MALL	CLEARFIELD	16830-3209	
1706	PEEBLES PLZ	PHILIPSBURG	16866-3001	
6526	109 BLUE SPRUCE WAY	MURRYSVILLE	15668-1801	Pallet Drop
6527	HOLLYWOOD SQ	DELMONT	15626-2400	Pallet Drop
1108	300 WALMART DR, STE 130	EBENSBURG	15931-4212	Pallet Drop
6528	250 S THIRD ST, STE 1000	YOUNGWOOD	15697	Pallet Drop
1120	1910 MINNO DR, STE 280	JOHNSTOWN	15905-1142	Pallet Drop
245	330 E WATERFRONT DR	HOMESTEAD	15120-5004	Pallet Drop
250	56 HIGHLANDS MALL	NATRONA HEIGHTS	15065-1972	Pallet Drop
3711	UNION SQUARE SHOPPING CTR	NEW CASTLE	16101-1240	Pallet Drop
237	339 FIFTH AVE	PITTSBURGH	15222	Pallet Drop, 5 a.m. Deliveries
232	MCINTYRE SQUARE	PITTSBURGH	15237	Pallet Drop
6308*	102 FOUR COINS DRIVE	CANONSBURG	15317	Pallet Drop
3710	3326 WILMINGTON RD, UNIT 4	NEW CASTLE	16105-1039	Pallet Drop
415	ROCHESTER PLZ	ROCHESTER	15074-1413	Pallet Drop
278	4065 BUTLER ST	PITTSBURGH	15201	

* Licensee Service Center: Truck docks are guaranteed at these non-retail locations.

Licensee Delivery Locations

Delivery Licensee Map Address

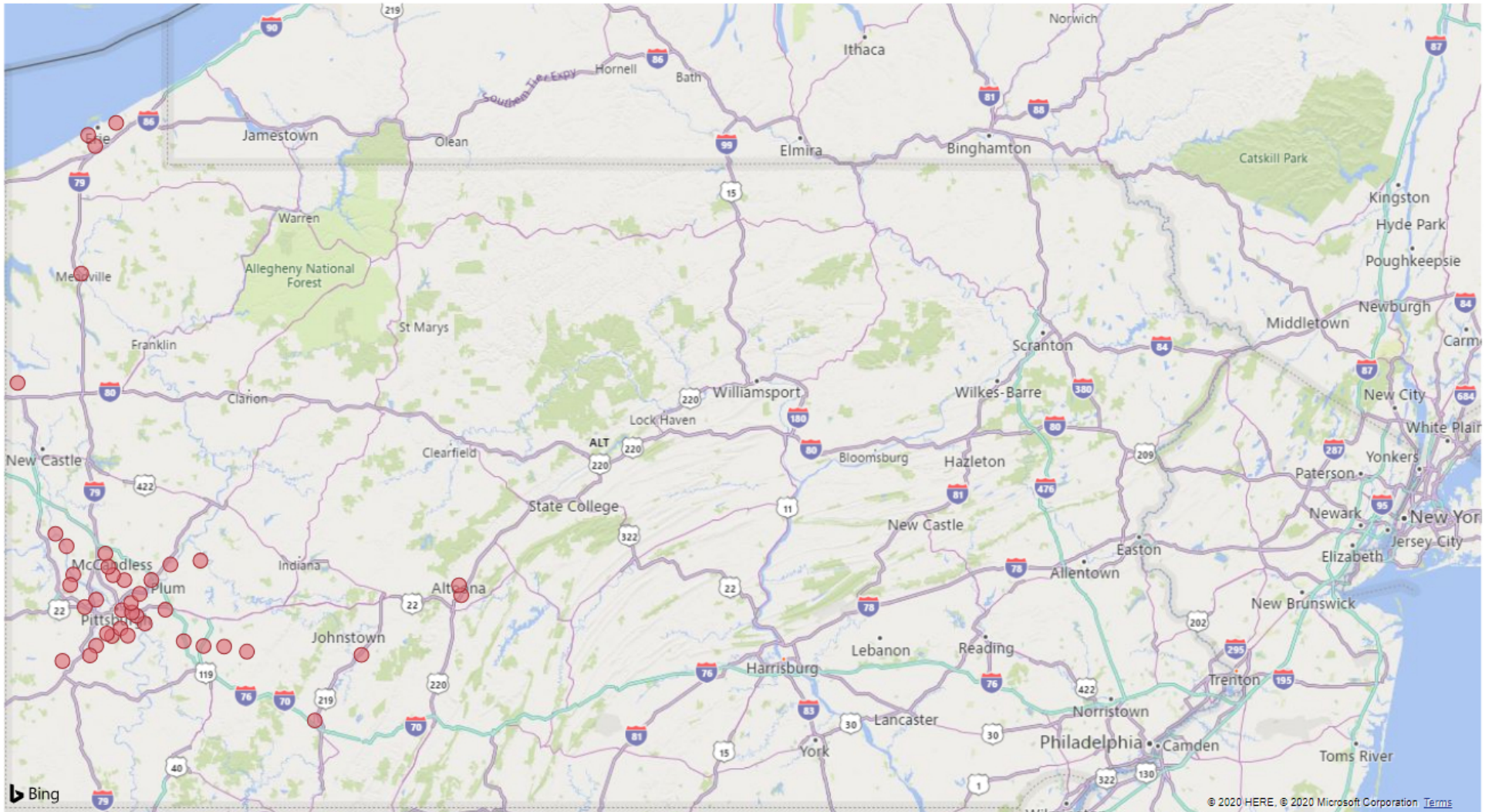


HEINZ FIELD	100 ART ROONEY DR	Pittsburgh	15212
GIANT EAGLE	1025 Washington Pike	Bridgeville	15017
WHOLE FOODS MARKET GROUP INC	10576 Perry Highway	Wexford	15090
MARTINOS BILO	1200 Main Street	Brockway	15824
SHOP N SAVE	125 West Beau Street	Washington	15301
FISHER HEIGHTS GIANT EAGLE	1300 Country Club Road	Monongahela	15063
GIANT EAGLE	1521 North Main Street EXT	Butler	16001
GIANT EAGLE	155 Wilson Rd	Bentleyville	15314
FRESH THYME FARMERS MARKET	1717 Route 228, Suite E	Cranberry Township	16066
WHOLE FOODS MARKET GROUP INC	1800 WASHINGTON RD	PITTSBURGH	15241
GIANT EAGLE	2001 lincoin way	white oak pa.	15131
PUNXSYPARTNERSHIP SHOP N SAVE	201N Hampton Avenue	Punxsutawney	15767
CCR PENNSYLVANIA FOOD SERVICE INC	210 Racetrack Road	Washington	15301
SHOP N SAVE	3335 William Penn Hwy.	Pittsburgh	15235
WALMART #2019	355 Walmart Dr	Uniontown	15401
FINLEYVILLE GIANT EAGLE	3701 Route 88	Finleyville	15332
SUPER 8 CORPORATION	400 Northtowne Square	Gibsonia	15044
ALTAGHENY INC	475 Ben Franklin Road South	indiana	15701
SB CHARTERS GROCERY INC	4935 Tuscarawas Road	Beaver	15009
WEGMANS FOOD MARKETS INC	5028 West Ridge Road	Erie	16506
ROMARK FOODS INC	51 walsh rd	crafton	15205
FRESH THYME FARMERS MARKET	600 Clairton Blvd.	Pleasant Hills	15236
GIANT EAGLE INC	606 Erie Street	Edinboro	16412
WEGMANS FOOD MARKETS INC	6143 Peach Street	Erie	16509
TOPS PT LLC	712 W 38th Street	Erie	16508
SHOP N SAVE	730 East Pittsburgh St.	Greensburg, Pa	15601
TOPS MARKETS 603	74 Market St.	Warren	16365
RIVERS CASINO	777 CASINO DR	Pittsburgh	15212

TOPS MARKETS 670	880 Water St	Meadville	16335
SUPERSALE CORPORATION	Giant Eagle #665 20111 Route 19	Cranberry Township	16066

Licensee Locations Picking up at Warehouse

Pickup Licensee Map Address



GIANT EAGLE INC	100 SETTLERS RIDGE CENTER DR	PITTSBURGH	15205
GIANT EAGLE INC	1050 MT LAUREL PLAZA	LATROBE	15650
GIANT EAGLE INC	111 W MADISON ST	ROCHESTER	15074
GIANT EAGLE INC	1356 HOFFMAN BLVD	WEST MIFFLIN	15122
GIANT EAGLE INC	1451 SCALP AVE	JOHNSTOWN	15904
GIANT EAGLE INC	155 TOWNE CENTRE DR	WEXFORD	15090
GIANT EAGLE INC	1600 W STATE ST	BADEN	15005
GIANT EAGLE INC	1671 BUTLER PLANK RD	GLENSHAW	15116
GIANT EAGLE INC	1800 MCKEES ROCKS RD	MCKEES ROCKS	15136
GIANT EAGLE INC	181 SOPHIRA LN	ALTOONA	16602
GIANT EAGLE INC	18511 SMOCK HWY	MEADVILLE	16335
GIANT EAGLE INC	200 TARENTUM BRIDGE RD	NEW KENSINGTON	15068
GIANT EAGLE INC	2021 WHARTON ST	PITTSBURGH	15203
GIANT EAGLE INC	2067 INTERCHANGE RD	ERIE	16509
GIANT EAGLE INC	2365 EAST STATE ST	HERMITAGE	16148
GIANT EAGLE INC	2501 W 12TH ST	ERIE	16505
GIANT EAGLE INC	2611 FREEPORT RD	PITTSBURGH	15238
GIANT EAGLE INC	2840 WASHINGTON RD	MCMURRAY	15317
GIANT EAGLE INC	331 WASHINGTON RD	WASHINGTON	15301
GIANT EAGLE INC	4007 WASHINGTON RD	MCMURRAY	15317
GIANT EAGLE INC	4010 MONROEVILLE BLVD	MONROEVILLE	15146
GIANT EAGLE INC	41 TOWNE CENTER DR	LEECHBURG	15656
GIANT EAGLE INC	420 E WATERFRONT DR	HOMESTEAD	15120
GIANT EAGLE INC	4265 BUFFALO RD	ERIE	16510
GIANT EAGLE INC	5 QUAKER VILLAGE SHOPPING CENTER	LEETSDALE	15056
GIANT EAGLE INC	5055 LIBRARY RD	BETHEL PARK	15102
GIANT EAGLE INC	5142 RTE 30 STE 140	GREENSBURG	15601
GIANT EAGLE INC	5550 CENTRE AVE	PITTSBURGH	15232
GIANT EAGLE INC	5990 UNIVERSITY BLVD STE 4	CORAOPOLIS	15108
GIANT EAGLE INC	600 TOWNE SQ WAY	PITTSBURGH	15227

GIANT EAGLE INC	6204 RTE 30	GREENSBURG	15601
GIANT EAGLE INC	7000 OXFORD DR	BETHEL PARK	15102
GIANT EAGLE INC	8901 STATE RTE 30	NORTH HUNTINGDON	15642
GIANT EAGLE INC	910 FREEPORT RD	PITTSBURGH	15238
GIANT EAGLE INC	9805 MCKNIGHT RD	PITTSBURGH	15237
GIANT EAGLE INC	9901 MOUNTAIN VIEW DR	WEST MIFFLIN	15122
GIANT EAGLE INC	8080 MCINTYRE SQ DR	Pittsburgh	15237
GIANT EAGLE INC	1606 N CENTER AVE	SOMERSET	15501
SHEETZ #11	700 CHESTNUT AVE	ALTOONA	16601
GIANT EAGLE INC	4250 MURRAY AVE	Pittsburgh	15217

NEGOTIATED APPENDIX J – SERVICE/OPERATIONAL REQUIREMENTS
(as of December 2020)

Offeror shall provide, dedicate, purchase and/or lease all equipment and resources in support of the services identified herein, except where identified otherwise.

Offeror's performance with regard to service/operational requirements will be measured by and held accountable through Key Performance Indicators and Service Levels identified in Appendix P.

Any and all automation solutions and significant changes to Offeror's standard operating procedures must be reviewed with and approved by the PLCB in advance of implementation of such solutions and/or changes.

Offeror and PLCB agree that the maximum case storage requirement at Contractor's Facility for the first year of the initial term of the Contract shall be 780,000 cases. And per RFP III-2 Requirements, item E. Offeror will modify or grow its operations to include up to 2% annual growth in case volume.

1. Service Days/Times and Holidays

- a. Typical business operations anticipate pick and pack operations Sunday through Thursday and receipts Monday through Friday. Special circumstances may necessitate work on non-standard days and/or hours.
- b. Offeror is expected to deliver Monday through Friday with the option for Saturday and Sunday deliveries at the PLCB's request.
- c. Offeror will not be expected to operate on the following holidays: New Year's Day, Easter Sunday, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day and Christmas Day.

2. Inventory Management

PLCB alcohol merchandise is manufactured in a variety of sizes and packaging. Package types include various sizes (50 mL to 20 gallons) of alcohol merchandise in packaging consisting of glass, plastic, aluminum cans, tetra packs, bladders within cartons (boxed wine/spirits) and specialized custom packaging (wooden boxes, holiday packages, plastic buckets, etc). Most merchandise is shipped to PLCB in sealed cardboard cases. Canned and boxed wine may be shipped on shrink wrapped trays.

Non-alcohol merchandise stored in the warehouse includes full-size barrels, consumer magazines, printers, rock salt, toilet paper, bags (single-use plastic, paper sleeves, totes, gift) and accessories such as corkscrews, glassware, barware, mixers and garnishes.

- a. Inventory in the warehouse will consist of both PLCB-owned (non-bailment) and supplier-owned (bailment) alcohol merchandise. Offeror operational requirements and responsibilities are the same for bailment and non-bailment inventory.
- b. Offeror shall maintain and provide accurate detailed inventory records including **quantities received and shipped, inventory on hand, damaged and lost products**. Offeror shall maintain a perpetual record of inventory by item.
- c. Offeror must provide an associate knowledgeable with inventory control functions.
- d. Inventory Counts
 - i. *Quarterly Cycle Counts*. All listed items and locations in the warehouse, including empty locations, must be cycle counted at least once per quarter as part of regular operations. Expiration dates must be captured for all fresh-dated product. Commonwealth personnel must be granted access and permission to witness such cycle counts. The PLCB may share results of the cycle counts with bailment vendors. The Offeror WMS system will be the system of record for cycle count data.
 - ii. *Vendor Inventories*. Offeror must provide reasonable access to vendors to allow them to count their merchandise. The PLCB will require any supplier or vendor requiring a physical count to provide adequate notice. Such inventories will be billed by the Offeror to the PLCB.
 - iii. *PLCB Full Physical Inventories*: Offeror will furnish the necessary employees and equipment to enable the Commonwealth or its designated third-party to conduct at least one full physical inventory per year, to be scheduled minimizing operational impact. Offeror and PLCB will agree on an estimated cost, which will be billed by the Offeror to the PLCB. PLCB may share the results of this inventory with bailment vendors. Each full physical inventory will require verifying the item and quantity in all locations set up in the WMS; utilizing the WMS to execute the inventory; providing a method for recount; and cessation of any other operations during the count.
- e. Fresh-Dated Merchandise.
 - i. Offeror shall monitor the aging of fresh-dated or expiration-dated merchandise to ensure (1) no such product with less than six months shelf life remaining is received into the DC, and (2) no such product with less than 60 days shelf life remaining is shipped to stores or licensees.
 - ii. Offeror must notify PLCB in writing when fresh-dated merchandise is within 60 days of its expiration date. PLCB may generate a claim to Offeror if product expires and PLCB was not notified 60 days in advance.

3. Receiving

- a. WMS must be able to accept purchase orders (POs) for PLCB-owned merchandise and advance shipping notices (ASNs) for bailment inventory, as well as the PLCB-assigned

permit number associated with each order. A permit is generally the equivalent of a delivery appointment, and while one ASN will be associated with a single permit, one PO can be spread over multiple permits (deliveries), or one permit can have multiple POs.

- b. Shipments will be received from vendors/suppliers, consolidators (consolidator shipments will include multiple POs often from multiple vendors) and/or other distribution centers.
- c. The receiving process at the DC is the same regardless of whether the delivery is PO, ASN, consolidator or direct delivery.
- d. Offeror shall make mutually beneficial arrangements with suppliers and delivering carriers for the temporary storage and return of reusable thermal protective covers and monitoring devices.
- e. Appointments
 - i. Offeror shall provide sufficient personnel between the hours of 6 a.m. and 5 p.m. Monday through Friday to respond to telephonic and electronic delivery appointment scheduling requests. Any changes to this schedule must be approved in advance by the PLCB.
 - ii. While the PLCB will generally defer to Offeror's expertise in scheduling inbound deliveries, it reserves the right to direct the receipt of priority inbounds.
- f. Unloading Merchandise

Receipt: The non-holiday buildup period anticipated maximum receipt is up to thirty-one thousand five hundred (31,500) cases per day. The holiday buildup period anticipated maximum receipt is up to thirty-seven thousand (37,000) cases per day. These maximums are an estimate only and are subject to increase by as much as 2% per year.

- i. The standard operating schedule for receipt of merchandise will be five days per week, 6 a.m. to 5 p.m. The PLCB may request and pay for additional hours or days of service to accommodate business needs.
- ii. Offeror will be responsible for unloading trailers of single item pallets. In the event of a delivery of more than one mixed pallet on a trailer, then the carrier will be offered the opportunity to either approve breakdown of mixed pallets by its driver or to utilize on-site lumber service at its own cost. In either event, such mixed loads must be unloaded within two hours of arrival at the dock.
- iii. Inbound product will be palletized or slip-sheeted.
 - 1. Vendors are not to ship inbound product in a floor-loaded fashion.
 - 2. If a vendor ships product in a floor-loaded fashion, Offeror will secure PLCB's direction to either 1) refuse the inbound load; or 2) unload it.
 - 3. Offeror will record all instances of any vendor shipping product in a non-palletized or slip-sheeted manner and provide to PLCB as soon as possible by event.

- iv. Merchandise shall be unloaded and properly stored within 24 hours of initial unloading to ensure regular rotation of stock on a FIFO (first in, first out) or FEFO (first expiration, first out) basis.
- v. Offeror will verify by signature the delivery agent's bill of lading (BOL) and the WMS receipt document and also secure the delivering agent's signature on the BOL and WMS receipt document.
- vi. The inbound driver will be required to remain at the DC for the duration of unloading and until Offeror completes inspection of the unloaded merchandise. In cases of inbound damage or shortage, the driver and DC associate will be required to sign PLCB receiving and over/short/damage documentation. The driver will be provided a copy.
- vii. Offeror shall handle and store product on four-way, 48-inch by 40-inch pallets.
- viii. Seals
 - 1. Offeror will record seal numbers on in-bound trailers.
 - 2. Offeror will apply new seals to any partial shipping container received for on carriage to another PLCB facility. Occasionally, a trailer will require only partial unloading. Once the PLCB portion has been unloaded, Offeror must ensure that the trailer has a new seal installed and that the seal number is recorded prior to dispatch.
- g. Validating Merchandise at Receipt
 - i. Offeror shall ensure that each unloaded pallet and its product(s) are uniquely identified in the WMS, capturing the quantity and manufacturer's SCC number.
 - ii. Offeror must verify case quantities against a packing slip and carrier BOL, ensuring that the item and quantity received in the WMS matches the physical quantity delivered. Any differences in item or quantity among the inbound receiving paperwork, the WMS and/or what is physically present will be documented in the WMS, and orders including variances or discrepancies in excess of 10 percent of case volume must be approved by the PLCB before the order is received.
 - iii. If inbound case SCC labels are incorrect or missing, Offeror shall obtain approval from the PLCB to print and apply new labels to the cases prior to putaway.
 - iv. If noticeable damage is identified once a trailer is opened, Offeror personnel shall contact the onsite PLCB manager to verify the damaged load. Offeror must isolate, record and track all damages. In the case of excessive damage, the onsite PLCB manager may authorize Offeror to reject receipt of individual loads.
- h. Receiving inbound returns. Offeror is required to receive, appropriately document and put away returns from FW&GS locations and licensees to the warehouse as authorized by the PLCB. Offeror will notify the PLCB prior to receiving if returned product is received in a damaged or non-sellable state.

4. Order Processing

Picking: The non-holiday buildup period anticipated maximum receipt is up to thirty-one thousand five hundred (31,500) cases per day. The holiday buildup period anticipated maximum receipt is up to thirty-seven thousand (37,000) cases per day. These maximums are an estimate only and are subject to increase by as much as 2% per year.

a. Overview:

- i. The PLCB inventory management system will review WMS inventory availability before transmitting orders only for available inventory to the WMS.
 - ii. WMS must be capable of accepting and processing multiple orders per day for a given delivery location.
 - iii. Delivery and pickup orders for licensees and/or a third-party delivery service may be full truckload orders or multiple orders for a single licensee per truckload, as well as orders for multiple licensees picked up by a single third-party transporter. Offeror must be capable of fulfilling all options.
 - iv. PLCB will transmit orders to the WMS one day prior to the scheduled delivery date.
- b. Offeror will pick orders, palletize, stage and load onto delivery trucks in sufficient time to ensure transportation and delivery to FW&GS locations and licensees in accordance with the daily delivery schedule established by the PLCB. Alternatively, and only as requested by the PLCB, orders may be tendered to a third-party transporter-for-hire.
- c. All Product must ship FIFO (first in, first out) or FEFO (first expiration, first out), ensuring no product is shipped with less than 60 days shelf life remaining.
- d. Routing.
- i. Offeror will create effective and efficient routes based upon volume, restrictions and delivery profile as communicated by the PLCB.
 - ii. Special requests such as specific delivery windows or unique delivery requirements will be discussed and agreed to by the parties on a case-by-case basis.
- e. Picking / Staging
- i. Picking shall occur Sunday through Thursday for Monday through Friday deliveries.
 - ii. Offeror must be capable of picking full pallet, full case or less than full case quantity. The WMS must be capable of breaking up an order quantity across pick areas for pick efficiency.
 - iii. All outbound pallets must be chimney stacked, except for case handling delivery locations.
 - iv. All orders must be consolidated by delivery location prior to shipment.
 - v. All orders/pallets and mixed bottle cases must be labeled to PLCB specifications.

- vi. All cases will be placed on 48-inch by 40-inch four-way Grade A pallet, shrink-wrapped. Bands may be utilized. It is the Offeror's responsibility to ensure the stability of the pallet to avoid damage during transportation.
- vii. Each pallet must have a pallet label generated from the WMS identifying the item(s) and case quantity(ies) on the pallet.
- viii. All loads shall be inspected for accuracy prior to loading onto the delivery truck.
- ix. Pallets will be scanned to the truck as it is loaded. Trailer shall be loaded such that all pallets are stable.
- f. Return to vendor
 - i. On occasion, PLCB will provide authorization to Offeror to pick and ship product for return to vendor.
 - ii. Vendor carriers shall set appointments with Offeror to pick up a return.

5. Transportation and Delivery

- a. The PLCB requires that Offeror supply its own fully functional transportation management system (TMS), inclusive of all hardware, software, licenses and maintenance required to support transportation services and fulfill the functional requirements, interfaces and reports as identified in the RFP and related appendices. In addition to the specific requirements provided herein, the Offeror is responsible for the configuration and/or setup of the TMS needed to meet operational needs.
- b. Drivers must be proficient in reading, writing and speaking English.
- c. Offeror shall provide and manage all transportation assets, labor, technology and maintenance to provide the transportation services hereunder and shall maintain all equipment in good repair and condition.
- d. Offeror shall employ for its transportation services only competent and properly licensed personnel.
- e. Offeror must maintain a Satisfactory rating with the Federal Motor Carrier Safety Administration (FMCSA). Should Offeror drop below this rating, Offeror must notify the PLCB immediately.
- f. Offeror trailers must have the equipment required to unload merchandise off the trailer.
- g. Merchandise which is shipped but is not on the order shall be returned to the DC at Offeror's sole cost and expense.
- h. PLCB reserves the right to hire a transporter other than Offeror to pick up and deliver merchandise at the DC due to special circumstances. Offeror will allow an appointment to be scheduled and the load to be placed in a staging area until pickup. Special circumstances include but are not limited to special events, high-value merchandise and PLCB equipment (printers, rugs, etc.).
- i. Offeror shall pick up and transport pallets and empty cases from FW&GS stores to the DC. The PLCB may also ask for occasional pick up and transport of other merchandise or equipment on a case-by-case basis.

- j. Delivery schedules
 - i. Offeror is expected to deliver Monday through Friday with the option for Saturday and Sunday deliveries at the PLCB's request. All deliveries must be complete by 4 p.m.
 - ii. Any recommended changes to the PLCB-established daily delivery schedules must be approved in advance by the PLCB.
 - iii. All locations on each route shall be notified by the Offeror of the approximate time of delivery one day in advance of delivery by email or other PLCB-approved method.
 - iv. A special delivery schedule shall be established when a holiday or other occurrence disrupts normal delivery operations.
- k. Unloading:
 - i. Every delivery truck must be equipped with a lift-gate capable of unloading full pallets from the truck.
 - ii. Dependent upon the unique needs of each delivery location (see Appendix I, Western Pennsylvania Service Region), it will be the Offeror's responsibility to determine the most secure and efficient means to transfer product to the receiving location, including the provision of rollers on an as needed basis.
 - iii. In cases of full pallet offloading, Offeror must unload the pallet using Offeror-supplied pallet jack and deposit the pallet in the backroom or designated location within the receiving FW&GS store or licensee location.
- l. Licensee pickup orders.
 - i. Licensee pickup orders may be dropped trailers or live loads. Offeror must offer and use appointments for live loads, while dropped trailer fulfillment will follow a PLCB-designated schedule.
 - ii. Offeror will load each Licensee pickup order onto a licensee-provided trailer or other vehicle. Offeror must be able to fulfill all licensee pickup orders, which may, in the future, include vehicles smaller than tractor trailers.
 - iii. The licensee's contracted driver must sign the BOL generated by the WMS.
- m. Temperature control:
 - i. Offeror shall ensure that all merchandise is protected from temperature extremes or weather-related damage during the delivery process.
 - ii. Any damage that occurs in the delivery process due to Offeror failure to take reasonable steps to protect merchandise from temperature extremes will be the financial responsibility of the offeror.
- n. Delivery times.
 - i. Deliveries to FW&GS stores must arrive on the day stated on the WMS order.
 - ii. Deliveries to licensee locations must conform to the specific dock time arranged with each such location.

- o. Delivery over/short/damage process (O/S/D).
 - i. Transportation damage. Offeror will be held responsible for the loss of any product due to transportation damage reported by FW&GS stores and licensees.
 - ii. Offeror must document, in a manner acceptable to the PLCB any O/S/D identified during transport.
 - iii. FW&GS stores:
 - 1. Before leaving the store, the Offeror driver must notify a store representative that delivery is complete. The driver and PLCB store representative shall conduct a total case count for the delivery and record any O/S/D on the BOL. The BOL must be signed by the Offeror driver and store receiver.
 - 2. The Offeror driver must sign the PLCB store-generated warehouse variance report which documents O/S/D as recorded by the PLCB store associate. The Offeror driver signature indicates that Offeror is in agreement with the O/S/D quantities documented on the report.
 - 3. If an overage or shortage is discovered in the store receipt process, Offeror must immediately perform a count of the item in the warehouse and make appropriate adjustment(s) within 24 hours.
 - 4. If an unacceptable overage or mis-shipped product is discovered, at the PLCB's discretion, Offeror may be required to retrieve and return the product to the DC at its own expense, receiving it back into inventory.
 - iv. Licensee Deliveries:
 - 1. Before leaving the location, the Offeror driver must notify a licensee representative that delivery is complete. The driver and licensee representative shall conduct a total case count for the delivery and record any O/S/D on the BOL. The BOL must be signed by the Offeror driver and licensee receiver.
 - 2. If an unacceptable overage or mis-shipped product is discovered by a Licensee, Offeror must retrieve and return the product to the DC at its own cost, receiving it back into inventory.
 - 3. Damaged cases discovered during delivery will generally be disposed of by the receiving licensee, and the PLCB will bill the Offeror for such disposition.
 - v. Licensee Pickups:
 - 1. Offeror shall provide licensee driver safe and reasonable access to the interior of the trailer for purposes of securing the load and applying the seal.
 - 2. Before leaving the DC, the licensee driver will sign the BOL accepting the order as is.

6. Transfers to and from other PLCB-Designated Locations

- a. Upon notification by PLCB of an inbound transfer, Offeror will receive shipments from another PLCB distribution center or designated location.
- b. Upon notification by PLCB of an outbound transfer, Offeror will ship to another PLCB distribution center or designated location.

7. Cross-Docking. While the PLCB does not currently require cross-docking capabilities, it anticipates requiring receipt, storage (staging) and shipment of pre-palletized merchandise in the future. Offeror must be capable of providing such services following reasonable notification by the PLCB.

8. Additional Services

a. *Relabeling cases*

- i. PLCB requires consolidators and suppliers to apply a PLCB item label on each case. Sometimes the label is incorrect or missing. Upon authorization from the PLCB, the Offeror will print PLCB item labels from the WMS and apply them to cases.
- ii. Such labels must meet [PLCB-prescribed labeling specifications](#).
- iii. Offeror will complete the relabeling within two working days of notification, with a maximum rate of 500 cases (per 9L case) per working day, or as otherwise directed by the PLCB.
- iv. PLCB will not request Offeror to relabel individual bottles or retail units.

b. *Reconditioning product*

- i. PLCB will provide authorization for Offeror to recondition merchandise, which entails repacking sellable bottles from a damaged case into a new case, re-taping cases and similar functions.
- ii. Offeror must be capable of applying UPC stickers to individual bottles, should such a need be identified in the future, provided Offeror will need specifications for approval of UPC labels and to test WMS for proper bar code detail and compliance.
- iii. Offeror will complete the requested reconditioning within one work week of notification or as otherwise directed by the PLCB.
- iv. Offeror will dispose of empty cartons, packaging and empty bottles.

c. *Inspections*

- i. Upon request by the PLCB, Offeror shall physically weigh and measure a case and check the pallet configuration. If any value does not match what is in the WMS, the WMS will be updated and Offeror will notify the PLCB of such changes.

- ii. Upon request by the PLCB, Offeror shall physically weigh and measure individual bottles or products. If any value does not match what is in the WMS, the WMS will be updated and Offeror will notify the PLCB of such changes.
 - iii. Upon request by the PLCB, Offeror will perform inspection of the exterior of cases. Generally, external inspection is requested to verify information on the case label, lot code and/or UPC; verify condition of the physical case; and/or report on the freshness date printed on the case.
 - iv. Upon request by the PLCB, Offeror will perform inspection of the retail units inside a case. Generally, internal inspection is requested to verify the product inside the case and/or the physical condition of the product.
 - v. Photos of external and internal inspections must be provided at the PLCB's request.
- d. *Destruction.* Offeror will not be responsible for destruction, however Offeror will be required to stage product designated by the PLCB for destruction and assist with loading onto destruction transport service provider trailer as needed.
- e. *Returns to Warehouse.* Special circumstances including product recalls/withdrawals and egregious error orders on the part of receiving locations may infrequently require the Offeror to retrieve merchandise from FW&GS stores and/or licensees and return it to the warehouse, receiving it back into inventory.

NEGOTIATED APPENDIX K- DISTRIBUTION CENTER FACILITY REQUIREMENTS

Additional facilities, as approved by the PLCB, may be utilized by Contractor in performance of the Services during the term of the Contract. The requirements set forth in this Appendix K are intended to be minimum requirements for the primary DC location as defined in the Contract.

1. Physical characteristics.

- a. The DC must be located on a lot with full perimeter fencing which supports parking of transportation assets and employee vehicles, including those of at least five PLCB employees. The DC must be able to store loaded trucks or trailers securely on the site.
- b. The DC must have fire protection and suppression systems which meet or exceed federal, state and local regulatory standards. The DC must have a sprinkler system, which Offeror shall have checked/tested and certified prior to receiving Product, and annually thereafter, through the length of the Agreement. A copy of the certification of the sprinkler system shall be forwarded to the PLCB within 30 days following the test.
- c. The DC must also provide sufficient fire suppression protections meeting or exceeding federal, state and local regulatory standards for high-proof alcohol.
- d. The DC must have a temperature- and humidity-controlled cooler approximately 2,000 sq. ft. in the primary facility. The cooler shall be maintained at approximately 58 degrees Fahrenheit and at approximately 68% humidity levels for storage of merchandise at the direction of the PLCB. Such space must also provide the option for securing high-value merchandise within it upon PLCB request.
- e. All products stored outside the temperature- and humidity-controlled cooler will be stored at ambient temperature and humidity conditions.
- f. The DC must also have an area of approximately 1,000 square feet large to secure high value items designated for storage in such space by the PLCB.

2. Office Areas

- a. The PLCB requires access to a wifi-enabled conference room accommodating at least 12 people for meetings.
- b. PLCB Offices. Offeror shall provide at least 500 square feet of office space at the DC for up to five PLCB employees and office equipment.
 - i. The office space must include one private office plus a shared office area for four employees, including wiring and electrical power for computer access, Internet access, and printers.
 - ii. The PLCB office space should be adjacent to the Offeror's main office.
 - iii. The office space shall have readily available access to adequate restroom facilities for both genders/sexes.
 - iv. The PLCB office space shall be temperature controlled, and the PLCB shall have access to temperature controls in this space.

- v. Offeror shall provide lighting adequate for office work purposes and at least equivalent to that in Offeror's office space.
 - vi. The PLCB will install a telephone system to support the PLCB offices and workspaces.
 - vii. The PLCB will supply computers, printer(s), and copier(s) needed by PLCB employees, and it will install access for PLCB employees to PLCB network(s) and systems. The Offeror must provide PLCB with a slot in the Offeror network rack for the PLCB switch.
 - viii. PLCB will provide office furniture for its employees.
- c. A room must be provided, as well as restroom access, for use by drivers not employed by the Offeror but visiting the DC in support of PLCB business (e.g., supplier and licensee drivers).

3. DC Maintenance and Repair

- a. Offeror will be responsible for the maintenance and repair of the DC and all other obligations of Offeror under any lease for the DC. Offeror shall be responsible for the maintenance and working condition of the DC 24 hours per day, seven days per week, 365 days per year (24/7/365).
- b. Offeror will perform its maintenance activities in a good and workmanlike manner, as measured by standards that are appropriate for warehouse buildings of similar age and quality. Copies of certifications required by federal, state or local law or regulation – as well as HVAC, pest control and security certifications – must be provided to the PLCB site manager upon certification completion.
- c. Offeror will perform regular and routine cleaning of the DC, including but not limited to storage areas, office facilities (including all office space utilized by the PLCB), docks, lunchroom, building service area and restrooms.
- d. Offeror will perform collection and removal of all trash, including that of the PLCB office staff, as well as pallets, shrink wrap, disposable thermal blankets and corrugate.
- e. Offeror will perform snow removal for all paved areas of the facility and the maintenance of surrounding ground, lawn and landscaped areas.

4. Security and Safety

- a. Offeror must provide security coverage 24/7/365 around the campus and facility to safeguard all site personnel, product, equipment, and PLCB property.
- b. CCTV will use digital video recording and is a mandatory requirement with at least 12 months of storage. The CCTV system will include monitoring of both interior and exterior areas and include the following: associate entrance, emergency exit doors and other doors accessing sensitive areas, dock doors, ramp doors, etc., interior dock staging area, parcel shipping and packaging area, driver entrance, exterior dock area and/or traffic entrance/exit onto the dock area and grounds.
- c. An inspection of each and every person exiting the DC must be conducted to ensure no product leaves the facility unauthorized.
- d. All personnel in the building, regardless of employer, must be visibly identifiable by position/name of both the employee and the employer. Visitors must also be registered and granted temporary ID badges while on site.

- e. Offeror must provide a plan to ensure area managed on behalf of the PLCB is properly identified and secured if space is shared with another entity or on the same campus.
- f. Offeror is required to develop and maintain emergency operations plans that account for and protect all individuals on the Offeror's premises.

NEGOTIATED APPENDIX L, WAREHOUSE MANAGEMENT SYSTEM SPECIFICATIONS AND REQUIREMENTS

1. Provision of WMS, PLCB access and escalation procedures

- a. The PLCB requires that Offeror supply its own systems technology, inclusive of all hardware, software, licenses and maintenance required to support warehousing and transportation services and fulfill the functional requirements, interfaces and reports as identified in the RFP and related appendices. In addition to the specific requirements provided herein, the Offeror is responsible for the configuration and/or setup of the WMS needed to meet operational needs.
- b. PLCB shall be provided access to WMS, which is updated in real-time, via an on-line reporting portal. Screen content should be exportable to Excel, cvs, or pdf format, enabling PLCB to view, export and print.
- c. Offeror must provide PLCB with contacts and escalation procedures to promptly and effectively resolve WMS issues including interface failures, report failures, poor response time and requests for development.

2. WMS interfaces to PLCB

- a. Communication protocols
 - i. PLCB utilizes sftp for file transfer.
 - ii. For security purposes, the PLCB utilizes a server outside the PLCB firewall as an intermediary server for sending and receiving files.
- b. PLCB host system data feeds to WMS
 - i. PLCB data will be sent at least once a day, at scheduled intervals.
 - ii. Any record that is sent from PLCB that does not insert or update in the WMS should report an error.
 - iii. The error report should be emailed at a minimum once per day to a designated PLCB email group.
 - iv. Errors should also be available in a standard WMS report
 - v. PLCB will send the following data files to the WMS:
 1. Item Maintenance. Daily incremental file.
 2. Vendors. Daily, all vendors.
 3. Inbound orders. Daily, new, updates, cancels.
 4. Customer. Weekly, all customers.
 5. Outbound orders. At least daily, new only.
 6. Return to warehouse authorization. Daily. New only.
 7. Over/Short data. Daily, for reporting.
 8. Order Cancellation. Only the header record will be sent, as processed.
 - vi. All data sent to the WMS from the PLCB host will follow a fixed-length flat file format.

- vii. Files will be named using a prefix followed by a sequential number and file type suffix.
- b. WMS data feeds to PLCB host system
 - i. PLCB will pick up files generated by the WMS at least hourly, Monday through Saturday. The schedule may differ on Sunday.
 - ii. The WMS must balance against the PLCB host system at least daily, prior to the start of the next business day.
 - iii. The WMS must send the following data to PLCB host:
 - 1. Inventory balance. As processed in the WMS.
 - 2. Inventory status change. As processed in the WMS.
 - 3. Inventory adjustments. As processed in the WMS.
 - 4. Receipts. As processed in the WMS.
 - 5. Ship verification. As processed in the WMS.
 - 6. Licensee direct returns. As processed in the WMS.
 - 7. Emergency Orders. As processed in the WMS

3. WMS Receiving Requirements

- a. WMS must be able to accept purchase orders (POs) for PLCB-owned merchandise, advance shipping notices (ASNs) for bailment inventory and transfers from PLCB-designated locations, as well as the PLCB-assigned permit number associated with each order. A permit is generally the equivalent of a delivery appointment, and while one ASN will be associated with a single permit, one PO can be spread over multiple permits (deliveries), or one permit can have multiple POs.
- b. The WMS must have the capability to property mark (for a specific store or customer, for example) any merchandise in the DC at any time the merchandise is under Offeror's control.
- c. *Inbound Orders*
 - i. Vendor advanced shipping notices (ASNs), PLCB purchase orders (POs) and transfers from PLCB-designated locations will be sent from the PLCB as three separate data feeds at least once daily. WMS must be capable of processing additional files at any time.
 - ii. Each PLCB data feed will contain new, updated and cancelled orders.
 - iii. If a modified order is sent to the WMS before receiving has begun, the WMS must update the order to reflect added and cancelled items.
 - iv. If the PLCB host sends a cancel record, the WMS must update the order status to cancel or similar status.
 - v. WMS must have capability to accommodate electronic data interchange (EDI), should PLCB expand EDI capabilities in the future.

d. *Appointments.*

- i. Offeror must have the ability to systematically schedule and track inbound delivery appointments, associating the appropriate order numbers with each delivery.
- ii. Access to such records must be available to the PLCB upon request.

d. *General receiving protocols*

- i. All items must be received against an open order.
- ii. The WMS must validate the SCC against the PLCB-provided item maintenance data file during the receiving process. If the SCC does not exist in the WMS, the WMS must error and not allow receipt.
- iii. The WMS must be able to receive orders that include overages, shorts, damages and incorrect product and appropriately record such order discrepancies at time of receipt.
- iv. Orders including variances or discrepancies in excess of 10 percent of case volume must be approved by the PLCB before the order is received.
- v. At receiving, if an item is fresh-dated the WMS must capture the freshness date and retain that date throughout the receipt, inventory control, order processing and transportation and delivery processes identified in Appendix J, Service/Operational Requirements.

e. *Damaged product.*

- i. The WMS must allow for input of a PLCB-designated code relative to damage.
- ii. The receipt confirmation to the PLCB host must indicate damage quantity per the inventory adjustment interface specification herein.
- iii. The PLCB receiving report (see section g below) must include a column for damaged product received.

f. *Receipt adjustments/corrections.* If a receipt adjustment is made in the WMS and receipt confirmation has not been sent to the PLCB host, the WMS should not send an adjustment record to the host.

g. *Receipt acceptance paperwork (PLCB receiving report)*

- i. When the WMS order receipt process is complete and the receiving associate has verified the receipt quantities and items are correct, the order should be closed or completed in the WMS. At that time, the PLCB receiving report should print automatically at the DC so it may be signed by the driver/carrier representative.
- ii. The WMS must also allow reprint of the PLCB receiving report in WMS as well as for PLCB team.

- iii. The WMS must send a daily electronic feed to PLCB of all PLCB receiving reports generated that day. Ideally this would be a .pdf file.
- h. *Transfers from other PLCB-designated locations*
 - i. Transfers from other PLCB-designated locations will be sent by the PLCB host to the WMS in the inbound order interface.
 - ii. The order type will be “DC.”
 - iii. Regular order receiving process shall then be followed.
- i. *DC Returns from FW&GS stores and licensees*
 - i. The WMS must be capable of accepting return authorizations for returns from FW&GS stores and licensees.
 - ii. After the return is received and closed, the WMS will send a confirmation record to the PLCB host using the return confirmation file format.
 - iii. Returns must be included in the receipt confirmation interface.

4. WMS Shipping Requirements

- a. WMS must have capability to accommodate electronic data interchange (EDI), should PLCB expand EDI capabilities in the future.
- b. *Shipment types.* The PLCB currently supports the following types of outbound shipments. Additional operational scenarios or types may be added in the future.
 - i. FW&GS – Shipments to PLCB-owned stores. Order type is CO (case order).
 - ii. Licensee direct – Shipments to licensees, including to stores, warehouses and trailer drop. Order type is LD (licensee direct). Orders that are getting picked up at the DC must have a pickup flag in the interface file.
 - iii. Transfer to another PLCB-designated location. Order type is DC.
 - iv. Return to vendor. Returns to a bailment vendor will be sent to the DC as an order. Order type is VD.
- c. *Inventory Allocation*
 - i. WMS must allocate product on a FIFO (first in, first out) or FEFO (first expiration, first out) basis.
 - ii. PLCB does not allow item substitution.
 - iii. The order quantity from the host is sent in units.
- d. *Order cancellation.* Full and partial order cancellations must be accommodated by the WMS. The ship confirmation interface must send the cancelled item in the file with a ship quantity = 0.
- e. *Routing.* Offeror must provide a systematic method for routing orders based on delivery location, driver work time requirements and delivery site requirements.
- f. *Shipment confirmation*

- i. Ship confirmation data must be based on a closed or shipped order when no further changes can be made.
- ii. If an item could not be allocated in the WMS or was not picked, a zero must be reflected in the ship confirmation field.
- iii. Control processes must be in place in the WMS interface processing to ensure an order is not sent twice to the PLCB.

5. WMS Inventory management requirements

a. Inventory adjustment

- i. The WMS must send inventory adjustment information when the on-hand quantity is adjusted.
- iii. This record must provide the status of the item location at the time it is adjusted.

b. Inventory status. The inventory status interface is for inventory status changes only, with no stock-on-hand adjustment.

c. Weekly stock on hand

- i. Once a week on Saturday before 11 PM EST the WMS must send the PLCB a file which contains stock on hand information for all items in the WMS item master.
- ii. If an item does not have any stock on hand it must be sent with a SOH value of zero.
- iii. If an item has a negative inventory value in the WMS, a value of zero must be sent to PLCB.

d. Inventory storage

- i. The WMS must accurately track and record inventory location by SCC.
- ii. Items stored in a location containing multiple SCCs must all have the same status (i.e., all damaged product, all QA hold, etc.).
- iii. Freshness dated product can only have one expiration date per location.

e. Inventory status

- i. The WMS must allow the status of an item in a location to be changed.
- ii. The WMS must not allow putaway to a location where the item currently in the location is in a different status.
- iii. The WMS must not allow a pick or move from a location where the item is in an unavailable status.
- iv. When sending data regarding inventory adjustment and receipt confirmation, the appropriate PLCB-designated status must be used.
- v. The following inventory statuses must be available in the WMS.

WMS Inventory Status	Available to pick in the WMS ?	Definition	Status to be Communicated to PLCB	PLCB Host Inventory Status
Available	Yes	Available to pick	GOOD	Available
RTV	No	Supports existing bailment RTV process to secure inventory until time of shipment	GOOD	Available
Cycle Count	No	Hold awaiting cycle count	GOOD	Available
Expired	No	Expired freshness dated product	DONTUSE	Non-Sellable
QA Hold	No	Product issues related to quality/safety	DONTUSE	Non-Sellable
Damaged	No	Product awaiting destruction or disposition	DAMCOUP	Non-Sellable
Recoup	No	Rework of damaged product	DAMCOUP	Non-Sellable
Short Coded	No	Freshness dated product within 60 days of expiration	GOOD	Available

f. *Inventory Adjustments*

- i. Following are the only adjustment codes allowed by the PLCB host. If the Offeror chooses to use an additional code, it must be mapped to a one of the following codes.
- ii. The WMS must accommodate all the following codes and associated PLCB data requirements.

Adjustment code	Definition	Offeror must record the following in the WMS upon usage of corresponding code
825	Shipment adjustment for FW&GS store. Correct inventory due to an over/short shipment.	Invoice number (NNNN-NN). Must be a valid order number. Store number (NNNNN). Must be the store for the invoice number input.
FAIL	Only to be used upon direction of PLCB to adjust inventory in the WMS but not PLCB host.	
INVA	Adjustment for missing or found inventory, including cycle count adjustments.	
NOPE	Code to be used upon destruction.	Requires PLCB-provided tracking number for validation
PHYS	Only to be used upon direction of PLCB for special situations like auditor cycle count.	

RCDE	Recode Adjustment. When the SCC needs to be changed for an item.	
RCPT	Only to be used upon direction of PLCB for receipt correction adjustment.	Adjustment cannot be made on closed orders.
TVPA	Only to be used upon direction of PLCB to adjust inventory upon return to vendor.	

g. Cycle & Inventory Counting

- i. WMS must accommodate cycle counting of all locations within each PLCB fiscal year quarter.
- ii. WMS cycle count records must include verification expiration dates for freshness dated product.
- iii. WMS must facilitate inventory counts by suppliers.
- iv. WMS must facilitate full physical inventory upon PLCB request, receiving inventory files from a third party to update the WMS.

NEGOTIATED APPENDIX M - REQUIRED REPORTS AND DOCUMENTS

1. Reports.

In addition to WMS access allowing PLCB to view, export and print and the WMS data feeds to the PLCB host, the PLCB may require the following reports and documents on the following delivery schedules. Such reports shall be sent to the PLCB by noon on the Offeror's following business day.

- a. Daily Inbound Receiving, providing appointment information and expected and actual receipt data by item.
- b. Forward-Looking Delivery Appointment Schedule identifying future shipments to be received
- c. Fill Rate, showing cases ordered and cases shipped by item.
- d. Outbound BOL Summary Report, showing daily shipment numbers, total cases expected and total cases delivered, as well as additional information as required.
- e. Records of a receiving day's inbound receipts must be made available electronically to the PLCB.
- f. Daily Audit Trail Report detailing all transactions for the day.
- g. Daily Cycle Count Report summarizing daily and cumulative cycle count progress and detailing location count, variances, locations not counted, expected and actual quantity.
- h. Weekly QA Status report identifying each item not in available status and therefore unavailable for picking, detailing item, location, quantity, date status was assigned and cumulative days on hold.
- i. Weekly report by Offeror to the PLCB of WMS changes relative to bottle sizes, case dimensions and pallet configurations.
- j. Daily Error Report showing file errors, transmission errors, interface errors, etc.
- k. Weekly, monthly and annual KPI Status Reports demonstrating Offeror's compliance with established key performance indicators.
- l. As needed service failure report identifying service failures and corrective actions.
- m. On demand expiration report detailing freshness-dated product per item and per freshness date

2. Documents.

- a. Scanned copies of all bills of lading shall be sent daily to PLCB.
- b. WMS must produce and send to the PLCB a bill of lading for every shipment completed
- c. As needs arise, the PLCB and the selected Offeror will work together to structure a reporting system to provide timely information useful to both parties.
- d. The PLCB reserves the right to require ad-hoc reports and/or documents to supplement normal reporting standards whenever needed.

Negotiated Appendix N – Bailment Program
Active Vendor List
As of 2/19/2020

Bacardi North America Corporation	MHW, Ltd.
Banfi Products Corporation	Moet Hennessy USA, Inc.
Brown-Forman Corporation	Montebello Brands, Inc.
Capital Wine & Spirits*	Palm Bay International, Inc.
Capital Wine & Spirits dba North Wales Wines	Paterno Imports Ltd.
Carriage House Imports, Ltd.	Pernod-Ricard USA, Inc.
Constellation Brands, Inc.	Pio Imports
Deutsch Family Wine & Spirits	Proximo Spirits, Inc.
Diageo Americas, Inc.	Sazerac Company, Inc.
Fetzer Vineyards	Sazerac North America
Fifth Generation, Inc.	Southern Glazer’s Wine and Spirits of Pennsylvania, LLC
Heaven Hill Sales Co. dba Heaven Hill Brands	Stoli Group USA, LLC
Jackson Family Enterprises, Inc. dba Jackson Family Fine Wines	Sutter Home Winery, Inc. dba Trinchero Family Estates
Jim Beam Brands Co.	The Wine Group
Kobrand Corporation	The Wine Merchant, Ltd.
Laird Wine & Spirits of PA	Treasury Wine Estates Limited
Luxco Inc.	Vintage Imports
Majestic Wine & Spirits USA, Inc.*	Western Spirits Beverage Company, LLC
Mast-Jagermeister US, Inc.	William Grant and Sons, Inc.
McCormick Distilling Company	

*Denotes those vendors that have Bailment Agreements with effective dates that are subsequent to the posting of this RFP but will be in effect at the time services are to be provided.

**SAMPLE BAILMENT AGREEMENT
BETWEEN THE PENNSYLVANIA LIQUOR CONTROL BOARD
AND
[VENDOR NAME]**

The Pennsylvania Liquor Control Board (“PLCB”), headquartered at Northwest Office Building, 910 Capital Street, Harrisburg, Pennsylvania, and [VENDOR NAME], (“Vendor”), headquartered at [VENDOR ADDRESS] (collectively, “the Parties”) enter into this Agreement for the purpose of operating a Bailment Warehouse Program. This Agreement will be effective on [EFFECTIVE DATE] and will remain in effect until cancelled in writing by the PLCB or by the Vendor with thirty calendar days’ prior written notice to the other party.

A Bailment Warehouse Program is defined as one party storing or housing property owned by another party. The parties agree that the PLCB will store or house, in its contracted Distribution Centers (“DCs”), product that is owned by the Vendor.

The following definitions shall apply to this Agreement:

1. **ASN** – Advance Shipping Notice, the notice that Vendor shall provide the PLCB prior to sending a shipment of bailment product to a PLCB DC.
2. **Damage** – When merchandise has, through the perils of transportation, handling, or natural occurrences, attained a condition that prevents its sale at full retail price through the PLCB’s wine and spirits store system.
3. **DC** – Distribution Center, a third-party warehouse where the PLCB shall store bailment and non-bailment product.
4. **Delisted** – Product that the PLCB decides to no longer offer for sale in the PLCB’s wine and spirits stores.
5. **EDI** – Electronic data interchange, a method of transmitting data or information electronically.
6. **Incorrect Product** – Product that the Vendor has shipped to the PLCB that was not indicated on the ASN.
7. **Luxury Merchandise** – Non-stock merchandise that is allocated among the PLCB’s wine and spirits stores and generally is not replenished as it is consumed.
8. **Overage** – A physical quantity of a product which is greater than ASN or PLCB records indicate.
9. **Private Account** – A separate location in the DC where bailment product will be held pending disposition when, for whatever reason, the product cannot be put away in the DC.

10. **Product Code/Warehouse/Week** – The format used by the PLCB to express various supply chain values related to a particular product: the PLCB Code (item number), the specific DC where the product will be stored, and one calendar week.
11. **Recoup** – Any handling or reworking of product necessary to repair or correct damage or deficiency to render the product fit for resale.
12. **Salable Product** – Product that can be sold at full retail price.
13. **Shortage** – A physical quantity of a product which is less than ASN or PLCB records indicate.
14. **SO** – Special Order, an order for a liquor product that is not listed for sale in the PLCB’s wine and spirits stores. Such orders are placed by the consumer and accepted by the Vendor.
15. **Stock Merchandise** – Product that has been listed by the PLCB for sale in its wine and spirits stores and is replenished as it is consumed.
16. **Substantial Damage** – A quantity of damage sustained by the contents of a trailer or other container such that a visual review leads to a reasonable conclusion that recouping the number of damaged cases will require a significant investment of time and/or effort.
17. **Unsalable Product** – Product that is not fit for retail sale as determined by the PLCB. The term shall also include product that has been delisted by the PLCB, or product that is not sold by the PLCB.
18. **Vendor Collaboration Portal** – An interactive internet tool that will provide the Vendor with a means to send ASN information and invoice information to the PLCB, as well as to provide the following information: Point of Sale (“POS”) forecast information, warehouse inventory information, historic sales information, purchase order information and vendor shipment information.

The PLCB and the Vendor agree to the following:

1. The Vendor agrees to place into bailment, and the PLCB agrees to store at PLCB DCs, Stock Merchandise.
2. As agreed by the Vendor and the PLCB, the Vendor may place into bailment, and the PLCB may agree to store at PLCB DCs, Luxury Merchandise.
3. As agreed by the Vendor and the PLCB, the Vendor may place into bailment, and the PLCB may agree to store at PLCB DCs, product that may be used to fulfill Special Orders.
4. The Vendor understands that the PLCB currently utilizes multiple logistics providers to operate the third-party Distribution Centers. Each DC has a PLCB DC Manager and a DC

Operator Manager. The Vendor further understands that bailed product may be housed at the following locations, or at any other suitable location(s) identified by the PLCB as a “PLCB DC:”

DC 1: Philadelphia:

8201 Enterprise Avenue
Philadelphia, PA 19153-3896

DC 2: Scranton:

Kane Warehouse Inc.
24 Stauffer Drive
Taylor, PA 18517-9694

DC 4: Pittsburgh: Papercraft

Building
100 Papercraft Park
Pittsburgh, PA 15238-3218

5. The Vendor agrees that all Merchandise Purchase Orders are subject to the PLCB’s Standard Contract Terms and Conditions for Wine, Spirits and Accessories Purchase Orders, Form 54-FA-1.1, a copy of which is attached hereto as Appendix E and incorporated herein by reference.
6. The Vendor agrees to give the PLCB standing authorization to remove bailed product stored in a PLCB DC for shipment to any retail outlet or licensee location. The Vendor is required to complete the “Bailment Authorization

Form” provided by the PLCB. (See Appendix A). This form grants the PLCB the authority to effectuate the removal of the Vendor’s product from bailment on a shipment-by-shipment basis. The Vendor agrees that its designated representative will indicate its rejection, in whole or in part, of a PLCB order for products maintained in a DC within two hours of receipt of the order, or the PLCB’s order will be deemed to have been accepted.

The Vendor agrees that, in the event that the Vendor decides to rescind, on a permanent or temporary basis, the PLCB’s standing authorization to remove bailed product, its designated representative will provide written notice to the PLCB at least three business days prior to the effective date of such rescission.

In the event that the Vendor needs to rescind the PLCB’s standing authorization to remove bailed product for reasons of product quality or safety, the PLCB shall not require three business days written notice.

7. At least two business days before the anticipated date of receipt, the Vendor will send to the PLCB DC an ASN detailing the product it is shipping to the PLCB DC. The ASN may be sent either by entering the information on the Vendor Collaboration Portal (see

Paragraphs 22 and 23) or by industry standard EDI. The entry of an ASN into the PLCB system will create a shipment number used for scheduling inbound shipments to the DC. The Vendor shall contact the receiving scheduler at the DC to schedule the delivery to the DC. The shipment number must be shown on shipping paperwork. The granting of delivery appointments is dependent upon the PLCB DC's schedule. Appropriate lead time should be provided when planning replenishment shipments so that receiving constraints do not impact product availability for shipment to PLCB stores.

8. Receiving hours at the PLCB DCs are designated by the PLCB. There will be no receiving on Saturdays, Sundays, or designated holidays. (See Appendix B). The PLCB reserves the right to change receiving hours to better suit its needs and will provide the Vendor with thirty calendar days' advance notice of any changes made to receiving hours. Any issues with delivery scheduling should be addressed to the PLCB DC Manager at the receiving DC.
9. Receiving: Overages, Shortages, Incorrect Product and Damages
 - a. All units of each shipment must be shipped on slip-sheets, unitized for clamp truck, or palletized on forty-eight inch by forty inch four-way pallets. The PLCB will notify the Vendor of improperly palletized, unitized, or slip-sheeted products, and may assess charges commensurate with placing the material onto forty-eight inch by forty inch four-way pallets.
 - b. Floor loads are not permitted. Any floor loads may be rejected or accepted by the PLCB's DC Manager or designee at its discretion. If the PLCB's DC Manager or designee accepts the delivery of floor-loaded product, the Vendor's carrier driver shall be responsible for the unloading of any floorloaded product.
 - c. Slip sheets (preferred) or pallets must be used to separate layers on pallets with mixed product. PLCB DC personnel will unload all full-pallet unitized loads. The Vendor's carrier driver is required to witness the unloading. Carrier drivers are also required to separate any mixed-tier unitized loads onto individual pallets. Both the carrier driver and the PLCB DC personnel will sign the receiving report form and the Bill of Lading. Overage of product, shortage of product, and damage will be noted on the paperwork.
 - d. Upon receipt of product, PLCB DC personnel will complete a receiving report form for each load delivered and give the completed form to the transportation driver before he or she departs from the DC. The DC shall update the inventory records of the Vendor's bailed product daily.
 - e. Overage

1. In the event that there is an Overage on a shipment received at a PLCB DC, the PLCB will note the Overage on the Bill of Lading and will place the Overage in the Vendor's inventory.
2. The actual quantity received will be used to update inventory records.

f. Shortage

1. In the event that there is a Shortage on a shipment received at a PLCB DC, the PLCB will note the Shortage on the Bill of Lading.
2. The actual quantity received will be used to update inventory records.

g. Incorrect Product

1. If Incorrect Product is received in a shipment to a PLCB DC, and the Incorrect Product is Stock Merchandise or Luxury Merchandise, the product will be receipted and added to either the bailment inventory of the vendor or the luxury inventory of the vendor, whichever is appropriate.
2. If the Incorrect Product is not Stock Merchandise or Luxury Merchandise, the product may be refused to the delivering carrier. Alternatively, the product may be placed into Private Account on behalf of the Vendor and the Vendor will be notified via e-mail. The Vendor shall have five business days to remove such product from Private Account. If the Vendor fails to provide reasonable disposition instructions within five business days, the PLCB may, in its sole discretion, return or dispose of such product and invoice the Vendor for handling charges.

h. Damage

1. When product is received with any amount of Damage, the PLCB will notify the Vendor within two business days. The PLCB will recoup the damaged merchandise and will charge the Vendor for such services. The Vendor agrees to pay all applicable charges related to recouping. The PLCB reserves the sole right to determine if merchandise is damaged.
2. When the PLCB discovers substantial Damage to a shipment of cases, the truck will be sealed, and the Vendor will be notified. Photographic evidence will be obtained by the PLCB and provided to the vendor. The Vendor will be responsible for determining how the damaged cases are to be handled. No cases from the damaged shipment will be received into the PLCB DC until the PLCB is satisfied with the Vendor's determination.

3. It will be the sole responsibility of the Vendor to file claims with the carrier to recover the cost of any Damages that occurred during the transportation of the bailed product.
10. Only Salable Product shall be received into the bailment inventory for the Vendor. The PLCB reserves the right to refuse receipt of Unsalable Product at the PLCB DC.
11. Unsalable Product received at a PLCB DC shall be placed in Private Account, where it shall be held until a disposition determination is made. Any Unsalable Product received or warehoused at a PLCB DC will be disposed of in accordance with instructions provided by the Vendor. Such disposition instructions must be provided by the Vendor within ten business days after

the Vendor is notified of the receipt of Unsalable Product or of the PLCB's decision to delist the product.
 - a. If the Vendor fails to provide reasonable disposition instructions within ten business days, the PLCB may, in its sole discretion, destroy the Unsalable Product and invoice the Vendor for charges related to such destruction, or ship the product to the Vendor at the Vendor's sole expense, or ship the product to the Vendor's domestic importation warehouse at the Vendor's sole expense.
 - b. The PLCB will not be deemed to have purchased any Unsalable Product provided out of bailment stock except under the circumstances set forth in Paragraph 19.
12. The Vendor Collaboration Portal shall be updated regularly to provide information regarding the bailed product that the PLCB intends to withdraw from bailment for each day's activity.
13. The PLCB will take ownership of the bailed product when it is loaded onto a delivery vehicle for delivery.
14. At the end of each week, the PLCB will generate a Purchase Order ("PO") based on the sum of all withdrawals made against the vendor's bailed product inventory from each DC. The PO will be posted on the Vendor Collaboration Portal or sent to the Vendor via an industry standard EDI transaction, depending on the vendor's preference. The Vendor will submit to the PLCB an invoice for each PO. The PLCB will pay the invoice pursuant to the Standard Contract Terms and Conditions (Appendix E).
15. When the PLCB needs to provide product to a retail sales outlet or to a licensee, PLCB-owned inventory will be depleted first. Bailment inventory will then be used to complete shipments.

16. Once the PLCB has purchased and acquired title to the product (see Appendix E Standard Terms and Conditions), title will remain with the PLCB until such time that it is sold to a consumer, including product that is ultimately delisted by the PLCB. The PLCB will not require the Vendor to reacquire delisted or any other product from the PLCB, although the Vendor may reacquire title to the product if it so chooses. Delisted product that remains in bailment inventory will be treated in the same manner as Unsalable Product. (See Paragraph 11).
17. Except for damage caused by the PLCB's DC operators and their employees that occurs in the ordinary course of business while the product is stored in a PLCB DC, Vendor agrees to assume all storage risks and to acquire any necessary insurance on its product held at each of the PLCB DCs. Vendor further agrees to hold harmless the PLCB, its officers and employees, as well as the Commonwealth of Pennsylvania, for all damage or loss to the Vendor's inventory stored at the PLCB DCs, and hereby does release the PLCB, its officers and employees, and the Commonwealth of Pennsylvania from liability for any and all such inventory losses, except as otherwise provided herein.
18. The PLCB shall require its DC operators to insure product stored at the Distribution Center and to name the Vendor as an additional insured on such insurance policy.
19. In the event that the PLCB's DC operators and/or their employees damage Vendor-owned product in the ordinary course of business while the product is stored in a PLCB DC, the PLCB will take ownership of the damaged product and the PLCB will add the amount (cost and quantity) of the damaged product onto the PLCB's weekly Purchase Order for consumed products. (See Paragraph 14).
20. The operator for the PLCB DC shall maintain a perpetual record, by item, of inventory held for distribution. The PLCB will take cycle counts of inventory on a quarterly basis.
 - a. Discrepancies discovered after a cycle count has been taken will be resolved as follows:
 1. In the event of a physical inventory Shortage of the Vendor's product, the PLCB will pay the Vendor for the missing product at the currently quoted PLCB cost on the date of the physical inventory or cycle count.
 2. In the event of a physical inventory Overage of the Vendor's product, the PLCB will take possession of the surplus inventory.
 - b. In the event that a physical inventory is scheduled to be taken, the PLCB will provide the Vendor with thirty calendar days' advance notice.

21. The Vendor may conduct physical counts of its bailed product in a DC for its own purposes after providing adequate notice to the PLCB Bureau of Distribution and Logistics of its intent to do so. The date and time of the count will be at the discretion of the PLCB, subject to business considerations. Costs for conducting the physical counts will be the responsibility of the Vendor. Discrepancies discovered in these counts shall be resolved as provided above in Paragraph 20.
22. The Vendor will have secure access via the Internet to the Vendor Collaboration Portal (“Portal”), which will allow the Vendor to access information regarding the Vendor’s product that is stored in each PLCB DC.
23. The Vendor will use the portal to view the following planning information:
 - a. Forecast: The Vendor will be given visibility to at least twenty-six weeks of POS Sales Forecast.
 - b. Sales History: The Vendor will be given visibility to at least thirteen weeks of sales history.
 - c. Inventory: The Vendor will be given visibility to current DC inventory and aggregate store on-hand inventory.
 - d. Planned Bailment Withdrawals: The Vendor will be given visibility to the items and quantities which PLCB plans to transfer from bailment to PLCB owned inventory; these represent the “planned withdrawals.”
24. It is understood and agreed between the parties that the PLCB will provide forecasting information that will be updated on a weekly basis. A forecast shall be provided for each PLCB DC at the “Product Code/Warehouse/Week” level. If the Vendor, based on its own forecasting, believes the PLCB forecast should be adjusted, the Vendor may contact the PLCB to discuss the projected forecast. The PLCB expects a collaborative forecasting effort between the PLCB and the Vendor. The PLCB forecast may be manually adjusted, in a timely manner, to reflect the agreed-upon changes. Forecasts notwithstanding, the Vendor is solely responsible for maintaining bailment inventories in the DC to meet business requirements.
25. The Vendor will be responsible for replenishing its supply of bailed product in the PLCB DCs. The Vendor will manage the DC replenishment so that sufficient DC inventory is available to meet consumer and store demand, while staying within the maximum inventory guidelines established by the PLCB. (See Appendix C).
26. The PLCB reserves the right to charge penalties against the Vendor for failure to maintain an appropriate level of inventory. (See Appendix C). Penalties will be structured based on

the “ABC velocity inventory classification” of the items and will be assessed for performance at the velocity category level, not at the individual product code level. In other words, a vendor may be assessed a penalty if its inventory of velocity A products, as a whole, fail to meet the required standards. The PLCB reserves the right, at its sole discretion, to determine the velocity inventory classification of all product, which classification may change from time to time according to the needs of the PLCB.

- a. Penalty levels will be reviewed by the PLCB on a periodic basis and may be adjusted by the PLCB in its sole discretion. Any changes to the penalty structure, or to applicable penalty levels, will be announced a minimum of sixty calendar days before they become effective, to allow the Vendor time to adjust inventory levels to meet the PLCB’s targets.
 - b. Penalties will be assessed against the Vendor when the PLCB determines that the Vendor has failed to provide product in sufficient quantities to meet DC-to-retail store service level targets.
 - c. Penalties will be assessed against the Vendor for allowing DC inventory quantities to exceed the forecasted maximum allowable weeks of supply.
 - d. In addition, the PLCB will impose an administrative charge under the conditions set forth in Appendix C.
27. Should the Vendor elect to remove bailed product from a PLCB DC, the product move will be handled as a “Return to Vendor.” The Vendor will arrange and pay for the freight carriers and bear all other costs for the return of product. PLCB DC personnel will load the freight carriers with the Vendor’s product; the Vendor will be charged a handling fee for this service.

(See Appendix D). If the product is being moved from one PLCB DC to another, the product shall be shipped to the receiving DC against an ASN, following the standard receiving procedure for bailed product. The PLCB reserves the right to assess a penalty against the Vendor if, in the PLCB’s opinion, the Vendor is abusing the “Return to Vendor” process.

28. The Vendor must give the PLCB two business days written notice in advance of the withdrawal of any bailed product, unless the withdrawal of product is for safety or health reasons, in which case the Vendor shall give the PLCB prompt notice regarding the reason(s) for such a withdrawal of product.

29. As set forth in the Standard Contract Terms and Conditions (Appendix E at paragraph 6), the PLCB reserves the right to either invoice the Vendor for any penalties incurred by the Vendor, or to deduct such penalties from payments remitted to the Vendor.
30. For purposes of penalty invoices only, any objection by the Vendor to the invoice issued or deduction made by the PLCB for assessed penalties must be submitted, in writing, to **BOTH** of the following addresses:

Office of the Comptroller	PLCB
LCBS Accounting – AR	Director of Planning and Procurement
555 Walnut Street – 9 th Floor	Room 301, Northwest Office Building Harrisburg,
PA 17101-1925 Harrisburg, PA 17124	

Objections by the Vendor must be received by the PLCB Director of Planning and Procurement and by the Office of the Comptroller within twenty business days of the date of the invoice or deduction. A timely objection by the Vendor shall include evidence in support of its objection. Failure by the Vendor to submit a timely objection shall be considered the Vendor's agreement to the propriety of the penalty.

31. For purposes of penalty invoices only, in the event that the PLCB and the Vendor cannot reach an agreement regarding a disputed penalty, the Director of Planning and Procurement shall send his/her written determination to the Vendor. The decision of the Director of Planning and Procurement shall be final and conclusive unless, within thirty days after receipt of such written determination, the Vendor files a claim with the Commonwealth Board of Claims. Pending a final judicial resolution of the controversy, the Vendor shall proceed diligently with the performance of the Agreement in a manner consistent with the interpretation of the Director of Planning and Procurement and the PLCB shall compensate the Vendor pursuant to the terms of the Agreement. All other contract controversies are subject to Standard Contract Terms and Conditions (Appendix E at paragraph 18).
32. The Vendor agrees to secure any applicable state and/or federal basic permits and federal special occupational tax stamps that may be needed before any alcoholic beverages are shipped into the DC under the Bailment Warehouse Program.
33. In the event that the ownership of the product changes from the Vendor to another outside entity (i.e., another potential Vendor), the PLCB will assume that the original Vendor owns the product until the PLCB has been informed in writing by the original Vendor that the ownership of the product has changed. See also, Standard Contract Terms and Conditions (Appendix E at paragraph 19).

Vendor Signature

Date

Vendor FAX Number

PLCB Signature

Date

(717) 772-3714

FAX Location

**APPENDIX A BAILMENT
AUTHORIZATION FORM**

1. Vendor's Company name: _____

Street: _____

City, State, Zip: _____

Telephone: _____ E-mail: _____

The Vendor designates the following representative(s) to authorize the PLCB to purchase products from those maintained in the PLCB's Distribution Centers ("DC"s). Products shipped to the DCs by the Vendor are consigned to the Vendor's representative(s) for the purpose of making sales at the DCs to the PLCB. The Vendor agrees that its designated representative will indicate its acceptance or rejection, in whole or in part, of a PLCB order for products maintained in the DC within two hours of receipt of the order, or the PLCB's order will be deemed to have been accepted.

The Vendor is responsible for updating this document as needed.

2. Representative's Name: _____

Street: _____

City, State, Zip: _____

Telephone: _____ e-mail: _____

3. Alternate Representative's Name: _____

Street: _____

City, State, Zip: _____

Telephone: _____ e-mail: _____

Signature of person authorized by Vendor to sign and execute documents

Signature: _____

Print Name: _____

Title: _____

Date: _____

APPENDIX B

HOLIDAYS

The following is a list of holidays and operational days observed by the Distribution Center Operators.

Key:
A = Warehouse CLOSED – No store deliveries
B = Warehouse OPEN – No store deliveries
C = Normal operating day
D = Warehouse OPEN – Receiving only (no picking or deliveries)
E = Warehouse CLOSED – Store deliveries only
F = Warehouse OPEN – Shipping/receiving only (no picking)

<u>Holiday</u>	<u>Day</u>	<u>Stores Closed</u>	<u>DC1</u>	<u>DC2</u>	<u>DC4</u>
New Year's Day		Yes	A	A	A
Dr. M. L. King Jr. Day	Mon	No	C	C	C
Presidents Day	Mon	No	C	C	C
Good Friday	Fri	No	A	A	C
Memorial Day	Mon	No	A	A	A
Independence Day		No	A	A	A
Labor Day	Mon	Yes	A	A	A
Columbus Day	Mon	No	C	C	C
Veterans Day		No	C	C	C
Thanksgiving Eve	Wed	No	B	D	D
Thanksgiving	Thu	Yes	A	A	A
Black Friday	Fri	No	C	E	F
1 st Day of Buck Season	Mon	No	C	C	C
Christmas Eve		No	A	A	A
Christmas Day		Yes	A	A	A
New Year's Eve		No	A	A	A

APPENDIX C

PLCB PENALTY STRUCTURE

The penalty structure has been designed to align penalty incentives to vendor performance, and to meet the needs and requirements of the PLCB. Penalties will only be assessed against the aggregate of the Vendor’s SKUs that fall into a particular Velocity Code by DC, not against individual SKUs. The PLCB reserves the right to institute operational policies from time to time, including but not limited to waiver of monthly bailment penalties under certain circumstances, parameters of assignment of specific product to a specific velocity code, as well as removal of sale codes from the monthly bailment penalty assessment for a defined period, which policies will be provided to all Vendors in writing prior to the effective date of the policy.

Service Level Penalty Structure:

Velocity Code	If Monthly Fill Rate is Below:	Monthly Penalty (Per Case Below Target)
A	99.0%	\$8.00
B	95.0%	\$4.00
C	90.0%	\$3.00

Excess Inventory Penalty Structure:

Threshold	Weeks of Stock on Hand by Velocity Code			Monthly Penalty (Per Case Above Threshold)
	A	B	C	
Threshold 1	5 wks	6 wks	8 wks	\$1.00 per Case
Threshold 2	6 wks	7 wks	9 wks	\$2.00 per Case
Threshold 3	7 wks	8 wks	10 wks	\$4.00 per Case

The PLCB will take into account inventory levels required for monthly promotions, in calculating weeks of supply.

Administrative Charge:

Every month, Vendor performance will be measured against the Penalty Structures, above. In any month where Vendor performance fails to meet the expected service levels or exceeds inventory

thresholds, the appropriate per case penalty will be calculated and assessed. In addition, there will be a \$250.00 administrative charge added to the total of the monthly per case penalties. This administrative charge will only be assessed when any service level or excess inventory penalty is incurred. If performance standards are met, no per case penalty or administrative charge will be assessed.

In the event that the PLCB obtains payment of the penalty by way of a deduction from a payment owed by the PLCB to the Vendor, the PLCB may, in its discretion, reduce or eliminate the administrative charge related to that penalty.

APPENDIX D

PLCB RETURN TO VENDOR CHARGES

The PLCB will assess a charge for all bailment cases returned to the Vendor for any reason. This fee covers the costs of receiving, put-away, storage, retrieval from storage, preparation for shipping, loading on a Vendor-provided truck, and any associated paperwork preparation.

A per-case charge will be assessed for all cases returned to the Vendor where the shipping quantity is not an even, full pallet quantity. In lieu of the per-case charge, a per-pallet charge will be assessed for full pallets of a single item returned to the Vendor.

The PLCB will not provide transportation or export documentation. The Vendor is responsible for arranging transportation for this return and arranging any paperwork required for international shipments.

Charge per case for each case returned: \$4.00

Charge per pallet for each full pallet of a single item: \$155.00

APPENDIX E - STANDARD CONTRACT TERMS AND CONDITIONS FOR WINE, SPIRITS AND ACCESSORIES PURCHASE ORDERS (Form 54-FA-1.1)

INSTRUCTIONS: Use this spreadsheet to identify all the trucks, trailers and material handling equipment Offeror anticipates using to provide services in support of the Project. Note there are three separate tabs within the document, and Offeror should use each tab to enter and identify equipment within the appropriate category as specifically as possible. Initial entries are provided as examples, and Offeror is encouraged to modify as appropriate to detail its proposed operations.

Type of Truck	Number of Units	Make & Model	Planned Usage	Capabilities/Features/Future Functionality	Own/Lease/Rent (w/term)	Maintenance Plan
Tractor	18	2021 International LT625 6x4 (LT62F)	Delivery of product to stores or DC transfers	Standard features, onboard software	Lease	Warranty and recommended preventative maintenance
Straight Trucks	2	2021 International MV607 SBA (MV607)	Delivery of product to stores	Standard features, onboard software	Lease	Warranty and recommended preventative maintenance

Appendix O - Equipment Detail Template FINAL.xlsx

INSTRUCTIONS: Use this spreadsheet to identify all the trucks, trailers and material handling equipment Offeror anticipates using to enter and identify equipment within the appropriate category as specifically as possible. Offeror is encouraged to modify as ap

Type of Trailer & Size	Number of Units	Make & Model	Planned Usage
Trailer sizes 28'	1	2021 Utility Trailers	Delivery of product to stores or DC transfers
Trailer sizes 40',48'	19	2022 Utility Trailers	Delivery of product to stores or DC transfers

Appendix O - Equipment Detail Template FINAL.xlsx

to provide services in support of the Project. Note there are three separate tabs within the document, and Offeror should use each tab appropriate to detail its proposed operations.

Capabilities/Features/Future Functionality	Own/Lease/Rent (w/term)	Maintenance Plan
65,000GVW, Maxon Lift-gate 5,000lb capacity, 96 " wide, right and left side doors, Rollup rear door	Lease	Warranty and preventative maintenance
65,000GVW, Maxon Lift-gate 5,000lb capacity, 96 " wide, right and left side doors, Rollup rear door	Lease	Warranty and preventative maintenance

INSTRUCTIONS: Use this spreadsheet to identify all the trucks, trailers and material handling equipment Offeror anticipates using to provide services in support of the Project. Note there are three separate tabs within the document, and Offeror should use each tab to enter and identify equipment within the appropriate category as specifically as possible. Initial entries are provided as examples, and

Type of Equipment	Number of Units	Make & Model	Planned Usage	Capabilities/Features/Future Functionality	Own/Lease/Rent (w/term)	Maintenance Plan
Forklift Batteries	17	Deka, 18-D85-25	Load, Unload, putaway, replenish and pick pallets and cases	Standard Model - Opportunity Charge	Own	Warranty and recommended Preventative Maintenance
Walkie Rider Batteries	28	Deka, 12D100-13	Pick cases	Standard Model - Opportunity Charge	Own	Warranty and recommended Preventative Maintenance
Battery Chargers walkie riders	28	Ametek Eclipse II-600 EC3-12	Charge batteries when MHE is not in use	Standard Model - Opportunity Charge	Own	Warranty and recommended Preventative Maintenance
Battery Chargers Forklifts	17	Ametek Eclipse II-1050EC3-185	Charge batteries when MHE is not in use	Standard Model - Opportunity Charge	Own	Warranty and recommended Preventative Maintenance
Counter Balance Fork Lifts	17	Toyota Sit Downs 8F8CU-25	Load, Unload, putaway, replenish and pick pallets and cases	Four lever controls	Lease	Warranty and recommended Preventative Maintenance
Walkie Rider Pallet Jacks	28	Toyota Model 8HBE30	Pick cases	Standard single pallet jacks	Lease	Warranty and recommended Preventative Maintenance
Forklift attachments	2	Cascade 45E Push/Pull	Unload trucks	Full bottom taper, 4 degree tilting, high visibility pantograph, gripper Jaw	Own	Warranty and recommended Preventative Maintenance
Scrubber	1	American Lincoln, 7765	Floor Scrubbing	Stainless steel tank	Own	Recommended Preventative Maintenance
Skate Convey for Delivery	42	Ashland skate conveyors, 10' and 5' lengths	Unloading cases of product at the stores	Standard Model	Own	Recommended Preventative Maintenance
Vertical Baler - cardboard	1	Airborn Industries, FJ100	Bailing cardboard for recycling	Standard Model	Own	Recommended Preventative Maintenance
Vertical Baler - plastic	1	Cives Recycling, HP50	Bailing plastic shrink wrap for recycling	Standard Model	Own	Recommended Preventative Maintenance
Cubiscan 100T	1	Cubiscan 100T	Determining dimensions of cases and products	Scanning dimensions of objects that are cases size and smaller	Own	Warranty and recommended Preventative Maintenance
Dok-Lok Rest	9	Rite-Hite SHR5000	Secure trailer to dock plate	Standard Model	Own	Warranty and recommended Preventative Maintenance
Parts Truck	1	GMC 2022	Repairing trucks on the road e.g. flat tire	Standard Model	Own	Warranty, in house mechanics
Stretch Wrappers - Beam Mounted	3	Orion, Flex Series	Daily pallet wrap for case-pick pallets	Pallet Stretch Wrapper, 30-40 loads/hr	Own	Warranty and recommended Preventative Maintenance
Stretch Wrappers - Floor	1	Orion, Sentry LP	Daily pallet wrap for case-pick pallets	Pallet Stretch Wrapper, 30-40 loads/hr	Own	Warranty and recommended Preventative Maintenance
Racking - Bottle Pick Lanes	3,096	Crown provided, Make/ Model TBD	Daily - Bottle Pick Operation	2,640 Mid-Sized, Push Back BP lanes (12 bottle depth)456 Wide, Push Back BP lanes (12 bottle depth)	Own	Warranty and recommended Preventative Maintenance
Racking - Carton Flow Lanes	2,116	Ridg-U-Rack	Daily - 1,540 General CF Inv Storage, 576 BP - CF lanes	1,540 Standard CF lanes (8 cs depth)576 Push Back CF lanes for BP (3-4 cs depth)	Own	Warranty and recommended Preventative Maintenance
Racking - Shelving Locations	30	Ridg-U-Rack	Daily - Bottle Pick Operation	Standard shelving	Own	Warranty and recommended Preventative Maintenance
Racking - Pallet Positions	8,446	Ridg-U-Rack, Model RUR 32-S	Daily - Active/ Reserve Inv Storage	Dynamic, Multi-Sku Inv Storage	Own	Warranty and recommended Preventative Maintenance
MHE - Powered Pik Carts	3	Powered Pik Carts	Daily - Bottle Pick Operation	Blue Spot Lights, 2 batteries/ unit + 120 VAC charger	Own	Warranty and recommended Preventative Maintenance
MHE - Powered Pik Trolleys	15	Powered Pik Carts	Daily - Bottle Pick Operation	Trolley A: 4'-3" Clear, 3 tilted shelf levels + top level trash Trolley B: 5'-3" Clear, 3 tilted shelf levels + top level trash Pick train connectors	Own	Warranty and recommended Preventative Maintenance

NEGOTIATED APPENDIX P

KEY PERFORMANCE INDICATORS, SERVICE LEVELS, LIQUIDATED DAMAGES AND ADMINISTRATIVE FEES

Offeror agrees to meet the performance standards and requirements as set forth in the Contract generally and this Appendix particularly, subject to maximums set forth in Appendix J, understanding that failure to do so will interfere with the PLCB's business obligations. In accordance with Pennsylvania common law and unless otherwise set forth within the Contract, the Offeror is presumed to undertake the burden of an unanticipated event unless the event rises to the level of a Force Majeure event, is caused or created by the PLCB, or is otherwise excused by law.

The Offeror agrees that, in the event of such an unexcused failure, it would be impractical and extremely difficult to establish the actual monetary damage for which the Offeror is the material cause. The Offeror therefore agrees that the PLCB may assess liquidated damages in the amounts and in the manner as set forth in this Appendix. Such liquidated damages do not constitute penalties.

Key Performance Indicators and Service Levels

The following key performance indicators (KPIs) and service levels, effective and applicable as of March 1, 2022, will be used to evaluate Offeror's performance and assess liquidated damages if/when Offeror's performance falls below expected service levels.

1. In the event of significant service failure, Offeror shall promptly notify the PLCB (or PLCB will notify Offeror) of such failure and advise the PLCB as to the course of action to be taken to correct such failure. PLCB will review the proposed corrective measures and approve or advise Offeror if alternative measures should be taken. Offeror shall act to resolve such issues, as swiftly as possible, to the satisfaction of the PLCB.
2. As set forth in paragraph 13 of the Contract, the PLCB may issue and apply escalating liquidated damages in the form of a credit memo against the next monthly invoice for each KPI described herein equal to:
 - a. 0.25 percent of Offeror's monthly revenue in the first month of sub-standard performance;
 - b. 0.5 percent of Offeror's monthly revenue in second consecutive month of sub-standard performance;
 - c. 0.75 percent of Offeror's monthly revenue in third consecutive month of sub-standard performance;
 - d. 1 percent of Offeror's monthly revenue each consecutive month thereafter that Offeror fails to meet one or more target levels.
3. At any time during the contract term, the PLCB and Offeror may, upon agreement in writing in the form of a Change Order, revise or remove a KPI, or add one or more new KPIs.

	Key Performance Indicator	Goal	Service Level
1	Goods available for shipment on time	Goods received by 3 p.m. will be available for shipment before 11 p.m. the same day, with the exception of product requiring special handling	99.95%
2	Goods loaded for shipment on time	In case of licensee pickup, product is loaded by the time mutually agreed upon with transportation provider	99.95%
3	Inventory accuracy	For each cycle count, quantity counted matches quantity identified in WMS	98.5%
4	Order accuracy	For each item in an order, product and quantity picked match product and quantity ordered	99.91%
5	On time delivery	FW&GS stores and licensees receive delivery on the day of scheduled delivery, within an agreed-upon window of delivery hours	99.95%

Additional Damages and Administrative Fees

In addition to the liquidated damages associated with KPIs and service levels, the PLCB reserves the right to assess additional damages and administrative fees as follows:

1. Selected Offeror is liable and financially responsible for the non-promotional retail value of all product damaged or lost while in Offeror’s control, including but not limited to damage resulting from lack of appropriate temperature controls and/or shrinkage. The PLCB may offset such actual damages from Selected Offeror’s invoices via credit memo as damage or loss is identified.
2. Should Selected Offeror fail to timely complete labeling services at a maximum rate of 500 cases (per 9L case) per day (within two days) or product reconditioning (within one week) or such longer acceptable period as mutually agreed where frozen product or excessive volume would prevent completion within one week, the PLCB may, as liquidated damages and not as a penalty, decrement the amount it pays Selected Offeror by 25 percent of the established case rate for such work per day that the work remains unfinished beyond established timeframes. Should Selected Offeror fail to complete labelling or product reconditioning services before rate decrementation results in zero payment per case, the PLCB may assess an administrative fee of \$50 per case for such delinquent and untimely service.