

**MINISTRY OF PUBLIC SAFETY AND SOLICITOR GENERAL
LIQUOR DISTRIBUTION BRANCH
BRIEFING NOTE**

**PREPARED FOR: Honourable Shirley Bond, Solicitor General
FOR INFORMATION**

ISSUE:

Excel proposal for a P3 to take over the LDB's distribution system.

BACKGROUND:

The Liquor Distribution Branch (LDB) has two warehouses, one in Vancouver and the other in Kamloops, that supply government liquor stores and a proportion of private sector retailers and licensees. These warehouses store and distribute all spirit products, all imported wine products and a proportion of beer and British Columbia wine products. Breweries or their agents and British Columbia wineries are able to distribute their own products.

Current LDB distribution policy requires agents of imported products to store their products in private "agent stocking program" (ASP) warehouses upon entry to the province and these warehouses supply the LDB's two warehouses (the policy was implemented in the 1980s to limit the amount of inventory that the LDB has to store and own). ContainerWorld is the largest of these ASP warehouses and has made significant investments in the storage of imported products.

Excel is a large North American logistics (distribution) company that provides distribution services to many organizations. Exel is subsidiary of the German company, Deutsche Post DHL, the world's largest logistics company. Exel has had a contract with the Alberta Gaming and Liquor Commission (AGLC) since 1993 to operate that province's primary liquor distribution system.

For a number of years, Exel has proposed to take over the LDB's distribution system. Exel claims that they could operate the LDB's distribution system more efficiently and could free up government money tied up in LDB warehouse properties and LDB-owned inventory. Exel has recently proposed an arrangement to manage the LDB's distribution under a P3 contract that would include the following key elements:

s.13, s.17

DISCUSSION:

Key issues related to Exel's proposal are as follows:

s.13, s.17

Prepared by:
Gord Hall
Director, Corporate Policy
Liquor Distribution Branch
604 252-3035

Approved by:
Jay Chambers
General Manager
Liquor Distribution Branch
604 252-3021

**MINISTRY OF PUBLIC SAFETY AND SOLICITOR GENERAL
LIQUOR DISTRIBUTION BRANCH
BRIEFING NOTE**

**PREPARED FOR: Honourable Shirley Bond, Solicitor General
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Gord Hall
Director, Corporate Policy
Liquor Distribution Branch
604 252-3035

Approved by:
Jay Chambers
General Manager
Liquor Distribution Branch
604 252-3021

Issues Related to the Privatization of the LDB Liquor Distribution System

Background

The LDB operates two distribution centers, one in Vancouver and one in Kamloops. The Vancouver center distributes approximately 9.1 million cases per year and the Kamloops center distributes 2.5 million cases. Of the total 11.6 million cases, approximately 75% is distributed to government liquor stores and 25% is distributed to wholesale customers (bars, restaurants and private liquor stores). Wholesale customers also receive liquor from beer distributors, British Columbia wineries and government liquor stores.

The assessed property value of the LDB's Vancouver distribution center is \$23.8 million and the assessed value of the Kamloops center is \$6.3 million.

Certain private companies have expressed an interest in taking over the LDB's distribution operations. One of these companies operates a private distribution system in Alberta under contract with the Alberta Gaming and Liquor Commission.

There are a number of issues related to the transferring of the LDB's distribution operations to a private company. The most significant of these issues are briefly discussed below.

Issues

s.13, s.17

There are 310 regular employees that work in the LDB's distribution centers.

s.13, s.17

Issues Related to the Privatization of the LDB Liquor Distribution Centers

Question:

Why doesn't government privatize the LDB's two distribution centers and turn distribution over to a private sector company such as Connect Logistics that operates the Alberta liquor distribution system?

Answer:

There are a number of issues of significance that would be associated with the privatization of the LDB distribution centers.

s.13, s.17

COPY

Aug: 2/11
Printed

from Cliff

Log # 468233

Mr. Scott Lyons
Vice President Business Development
Exel Americas, Retail
111 - 90 Matheson Boulevard West
Mississauga ON L5R 3R3

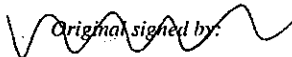
Dear Mr. Lyons:

Your June 13, 2011 e-mail addressed to my colleague, the Honourable Ida Chong, Minister of Community, Sport and Cultural Development, regarding liquor distribution has been forwarded to me for reply.

At this time, the provincial government is not considering making any changes to the existing liquor distribution system. Should this change, I will ensure that your P3 proposal will be given careful consideration.

Thank you for writing.

Sincerely,

Original signed by:

Shirley Bond
Solicitor General

pc: The Honourable Ida Chong

468233

June 21, 2011
DRAFT

Mr. Scott Lyons
Vice President Business Development
Exel Americas, Retail
90 Matheson Blvd. West, Suite 111
Mississauga ON L5R 3R3
E-mail: Scott.Lyons@exel.com

Dear Mr. Lyons:

Your June 13, 2011 e-mail to the Honourable Ida Chong, Minister of Community, Sport and Cultural Development, regarding liquor distribution has been forwarded to me for a reply.

At this time, government is not considering making any significant changes to the existing liquor distribution system. Should this change, I will ensure that your P3 proposal will be given careful consideration.

Thank you for writing.

Sincerely,

Shirley Bond
Solicitor General

468233

June 20/11

I spoke w/ Kyle;
he had checked w/ his
MA & EA & they
don't know when/where
their Min. would have
spoken w/ this person
(June 8 - Wed.)

Also, "Tony" - they
think is a mistaken
identity... but Kyle
will ck again. ~~CD~~ CD

Vermaning, Tiny SG:EX

From: Minister, CSCD CSCD:EX
Sent: Tuesday, June 14, 2011 3:41 PM
To: Minister, SG SG:EX
Subject: FW: Liquor Distribution P3 Project
Attachments: Liquor Distribution P3 Project.docx

Here is one for you guys

Kyle Marsh

Administrative Assistant
to the Honourable Ida Chong
Minister of Community, Sport & Cultural Development
Phone: (250) 387-2283
Fax: (250) 387-4312

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From: Scott Lyons [<mailto:Scott.Lyons@exel.com>]
Sent: Monday, June 13, 2011 3:09 PM
To: Minister, CSCD CSCD:EX
Cc:
Subject: Liquor Distribution P3 Project

Just to follow-up on our discussion on Wednesday. Here is a one pager (two-sided!) that describes our proposal for a P3 with the BCLDB.

We would appreciate your thoughts on whether we are on the right track or wrong track, as we are quite excited to get this P3 project up and running.

We had a very good meeting with Tony on Thursday. Thank-you for setting it up.

Cheers,

Scott Lyons
Vice President Business Development

Exel Americas, Retail
90 Matheson Blvd. West, Suite 111
Mississauga, Ontario
L5R 3R3
Canada

Telephone: 905 366-7691
Mobile: 416 417-2537

www.exel.com

RECEIVED	
MINISTER OF PUBLIC SAFETY AND SOLICITOR GENERAL	
JUN 15 2011	
REFER TO MAIL REGISTRY	
OTHER	468233
<input type="checkbox"/> DRAFT REPLY	<input type="checkbox"/> REPLY DIRECT
<input type="checkbox"/> ATTN FILE	<input type="checkbox"/> INFORMATION

xly 458588

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It is intended solely for the addressee. Access to this email by anyone else

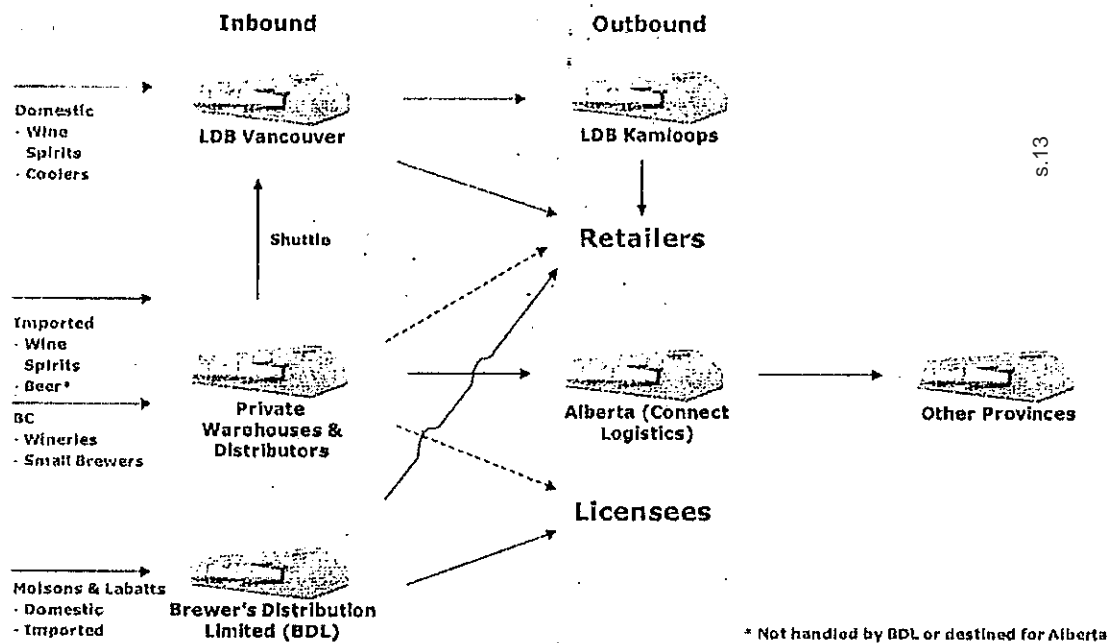
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contact the sender and dispose of this e-mail.

Liquor Distribution P3 Project

Current BC Distribution Network



s.13

s.13, s.17

Page 14 redacted for the following reason:

s.21

FYI

This was sent
to LDB for filing
(in March 2011)



90 Matheson Blvd. West, Suite 111
Mississauga, Ontario
L5R 3R3 Canada
Telephone: 905 366-7691
Mobile: 416 417-2537
www.exel.com

September 24, 2010

Honourable Rich Coleman
Minister of Housing and Social Development
PO Box 9058
STN PROV GOVT
Victoria BC
V8W 9E1

RECEIVED	
MINISTER OF PUBLIC SAFETY AND SOLICITOR GENERAL	
MAR 14 2011	
REFER TO MAIL REGISTRY	
OTHER	458588
<input type="checkbox"/> DRAFT REPLY	<input type="checkbox"/> REPLY DIRECT
<input type="checkbox"/> ATTN FILE	<input checked="" type="checkbox"/> FILE <input type="checkbox"/> INFORMATION

Dear Mr. Coleman,

We thought it might be beneficial to share our perspective on how to move forward with outsourcing the supply chain function of the LDB. It is our belief that experience and capability should be the two pillars of any decision going forward. Under our recommended open book commercial arrangement, this will provide the greatest costs savings to the system.

Exel encourages the Government following a proper, timely, and effective procurement process that meets the business needs and objectives of the Government, industry, and consumers. We suggest the criteria for selection emphasize:

- Actual experience operating alcohol beverage warehousing and distribution networks for entire provinces across an extended period
- The long-term stability of the company, the financial capability to take on a project of this size, and the ability to scale its operations as needed
- A record of achieving excellent results in unionized environments and in particular a relationship with the BCGEU
- Ability to demonstrate long-term successful operations of a similar size, scope, and complexity as the LDB warehousing and distribution operations
- A record of successful start-ups including the availability of resources locally, nationally, and internationally to support the implementation
- A commitment to and record of reducing green house gas emissions and waste
- IT infrastructure, systems redundancy and data management capability including experience integrating IT systems to government ERP systems and other third party applications
- Proven record of successfully securing and controlling beverage alcohol products for provincial governments
- Engineering and design capability
- Availability to provide services beyond warehousing and distribution such as forecasting and demand planning, global freight services, real estate development

We are sensitive to the statements from some stakeholders that this initiative should not be "replacing one monopoly with another monopoly". Currently, there is not a monopoly. Vintners, distillers, and brewers of domestic products have the right to distribute their products. Exel does not believe this should change.

Confidential



90 Matheson Blvd. West, Suite 111
Mississauga, Ontario
L5R 3R3 Canada
Telephone: 905 366-7691
Mobile: 416 417-2537
www.exel.com

Currently, the LDB pays the cost of warehousing and distribution directly. We recommend adopting the Alberta model where suppliers fund the warehousing and distribution of products. Under this system, the LDB collects the warehousing and distribution fee from the suppliers and reimburses Exel for the costs of operating the network. Prices will remain the same or fall at the discretion of the Government.

We believe the timing for outsourcing the supply chain functions of the LDB is right. The Government and the BCGEU recently signed a new collective agreement. In this collective agreement, the Government has the ability to outsource the LDB logistics function. In addition, the Government is looking for new revenues sources to enhance its budgetary position in 2011/2012.

In 2009, the Alberta Gaming and Liquor Commission commissioned PricewaterhouseCoopers (PWC) to determine the preferred solution for the distribution of beverage alcohol product in the Province of Alberta. We suggest the Government commission PWC to comment on the benefits of a similar approach in BC.

Finally, we suggest appointing a project champion at the start of the project. A representative that knows the LDB organization well will be able to act as a liaison between the organizations. This significantly enhances co-operation and the likelihood of a smooth transition.

We trust this letter is helpful as you contemplate how to move forward with outsourcing the logistics function of the LDB. If you require any additional information or wish to discuss this letter, please do not hesitate to contact us.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Lyons".

Scott Lyons
Vice President Business Development

Confidential

LDB-General Manager

Referral Slip

Tue, Aug 02, 2011 9:00 AM

Action: SG Draft E-Mail**Due: 2011/07/11 [16]****Log ID: 468233**

Scott Lyons
Vice President
Business Development
Exel Americas, Retail
111 - 90 Matheson Boulevard W
Mississauga ON L5R 3R3

Type: E-Mail
Office: SG-Solicitor General
Entered By: tvermani
Sign By: SG
Batch:
File No.:

Written: 2011/06/13
Received: 2011/06/15
Interim Rsp:
Signed/Sent:
Closed:

☐ Confidential ☐ Frequent Writer

☐ Elected Official

Phone: (905) 366-7691 Fax:

Email: Scott.Lyons@exel.com

Addressed To: SG

Drafter: Gord Hall

Issue: LCLB-LDB Issues

MLA:

X-Ref: 458588

Elect Dist:

Other Info: CSCD FORWARDED

Copied to:

Subject

Proposal for P3 with the BC Liquor Distribution Branch

11/07/27 - WITH KAREN TO REVIEW SG'S NOTE

Referrals

From: SG-Solicitor General	Sent: 2011/06/17	Rcvd: 2011/06/30	Status: Received
To: SG-Solicitor General	Due: 2011/07/11	Active: 24 days	State: Active
Action: SG Draft E-Mail	Cmpltd:		

From: SG-Solicitor General	Sent: 2011/06/17	Rcvd:	Status: Completed
To: Correspondence tracking	Due: 2011/07/08	Active: 8 days	State:
Action: SG Draft E-Mail	Cmpltd: 2011/06/29		

From: SG-Solicitor General	Sent: 2011/06/17	Rcvd: 2011/06/20	Status: Completed
To: LDB-General Manager	Due: 2011/07/11	Active: 5 days	State:
Action: SG Draft E-Mail	Cmpltd: 2011/06/24		

To Notes: 2011/06/20T13:58 lwelt (LDB-General Manager) - copy to Jay-FYI & assigned to Gord Hall to arrange for Minister response.
2011/06/21 cldahlke (LDB-General Manager) Draft from Gord Hall.
2011/06/24T12:03 lwelt (LDB-General Manager) - Jay Chambers has signed off. Imported & emailed to DSGO (Angella Jones) for approval.

From: LDB-General Manager	Sent: 2011/06/24	Rcvd:	Status: Completed
To: SG-DSG	Due: 2011/06/29	Active: 3 days	State:
Action: Approval	Cmpltd: 2011/06/29		

From Notes: 2011/06/24T12:04 lwelt (LDB-General Manager) - Jay Chambers has signed off. Imported & emailed to DSGO (Angella Jones) for approval.
To Notes: 2011/06/29T10:55 angejone (SG-DSG) rec'd and forwarded to DSG for approval.
2011/06/29T16:47 angejone (SG-DSG) rec'd approval from DSG, forwarded to SG's office for signature.

MINISTRY OF PUBLIC SAFETY & SOLICITOR GENERAL
RESPONSIBLE FOR HOUSING
CORRESPONDENCE ASSIGNMENT SHEET

FINAL RESPONSE DUE: July 11, 2011 **CLIFF#** 468233

Signature Level:

Minister



Deputy Solicitor General



ADM



Reply Direct



Branch: LDB Due in CCU from Branch: July 11, 2011

☒ Draft response ☐ Bullet points OR ☐ Backgrounder

Special Notes:

If you want to see it again, circle yes for revisions required, but DO NOT date/sign-off
Once you date/sign off, with or without changes, it will go to the next approver.

Branch Approvals:

Draft/Backgrounder/Bullets prepared by (PLEASE PRINT):

Gord Hall

/GD

Phone number:

604-252-3035

Date:

June 21/11

Mgr/Director/Exec. Director

Mgr / Director / Exec Director:

Revisions required?

YES / NO

Date:

ADM Approvals:

ADM: *G.M.*

AC

Revisions required?

YES / (NO)

Date:

June 24/11

DMO Approvals:

Deputy Solicitor General:

Revisions required?

YES / NO

Date:

MO Approval:

Changes made in MO:

YES / NO

Date:

LDB-General Manager

Referral Slip

Mon, Jun 20, 2011 9:28 AM

Action: **SG Draft E-Mail**Due: **2011/07/11 [-15]**Log ID: **468233**

Scott Lyons
Vice President
Business Development
Exel Americas, Retail
111 - 90 Matheson Boulevard W
Mississauga ON L5R 3R3

Type: E-Mail
Office: SG-Solicitor General
Entered By: tvermani
Sign By:
Batch:
File No.:

Written: 2011/06/13
Received: 2011/06/15
Interim Rsp:
Signed/Sent:
Closed:

Phone: (905) 366-7691 Fax:

☐ Confidential ☐ Frequent Writer ☐ Elected Official
Email: Scott.Lyons@exel.com

Addressed To: SG

Drafter:

Issue: LCLB-LDB Issues

MLA:

X-Ref: 458588

Elect Dist:

Other Info: CSCD FORWARDED

Copied to:

Subject

Proposal for P3 with the BC Liquor Distribution Branch

Referrals

From: SG-Solicitor General	Sent: 2011/06/17	Rcvd:	Status: Sent
To: SG-Solicitor General	Due: 2011/07/11	Active: <1 day	State: Pending
Action: SG Draft E-Mail	Cmpltd:		

From: SG-Solicitor General	Sent: 2011/06/17	Rcvd:	Status: Sent
To: Correspondence tracking	Due: 2011/07/08	Active: 1 day	State: Active
Action: SG Draft E-Mail	Cmpltd:		

From: SG-Solicitor General	Sent: 2011/06/17	Rcvd:	Status: Sent
To: LDB-General Manager	Due: 2011/07/11	Active: 1 day	State: Active
Action: SG Draft E-Mail	Cmpltd:		

Originated by: General Manager's Office

**LIQUOR DISTRIBUTION BRANCH
WORK ASSIGNMENT FORM**

This form is intended to be used for all assignments originating from the GM's Office to streamline and clarify who needs to work on the assignment, who needs to approve, sequencing and legibility.

A. TYPE OF ASSIGNMENT:

(please indicate)

Letter _____

Speech _____

Advice _____

Briefing Note _____

Status Report _____

Other _____

Email _____

RE: Lyons - Proposal for P3 with BCLDB

ASSIGNED DATE: June 20, 2011

DUE DATE: June 29, 2011 ARCS/ORCS# _____

MAIL LOG # 468233

The assignor will indicate exactly what is required; who to contact, area to highlight, etc.

B. INSTRUCTIONS/REQUIREMENTS

Assigned to: Gord Hall

Assigned to: _____

Gord - please arrange for a response for the Minister.

Deputy Minister _____

for General Manager, LDB

C. APPROVED BY:

**WITH
CHANGES**

**DATE
APPROVED**

RESEARCHER/WRITER

EXEC. DIRECTOR/MANAGER

GENERAL MANAGER, LDB

DEPUTY MINISTER

blf

RB had quick look at. /cd

JAC

June 21/11

June 21/11

June 24/11

FYI - This was sent
to LDB for filing
(in March 2011) CD

EXEL

90 Matheson Blvd. West, Suite 111
Mississauga, Ontario
L5R 3R3 Canada
Telephone: 905 366-7691
Mobile: 416 417-2537
www.exel.com

September 24, 2010

Honourable Rich Coleman
Minister of Housing and Social Development
PO Box 9058
STN PROV GOVT
Victoria BC
V8W 9E1

RECEIVED	
MINISTER OF PUBLIC SAFETY AND SOLICITOR GENERAL	
MAR 14 2011	
REFER TO MAIL REGISTRY.	
OTHER	458583
<input type="checkbox"/> DRAFT REPLY	<input type="checkbox"/> REPLY DIRECT
<input type="checkbox"/> ATTN FILE	<input checked="" type="checkbox"/> FILE <input type="checkbox"/> INFORMATION

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Sincerely,

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Scott Lyons
Vice President Business Development

Confidential

Vermaning, Tiny SG:EX

From: Minister, CSCD CSCD:EX
Sent: Tuesday, June 14, 2011 3:41 PM
To: Minister, SG SG:EX
Subject: FW: Liquor Distribution P3 Project
Attachments: Liquor Distribution P3 Project.docx

Here is one for you guys

Kyle Marsh

Administrative Assistant
to the Honourable Ida Chong
Minister of Community, Sport & Cultural Development
Phone: (250) 387-2283
Fax: (250) 387-4312

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From: Scott Lyons [mailto:Scott.Lyons@exel.com]
Sent: Monday, June 13, 2011 3:09 PM
To: Minister, CSCD CSCD:EX
Cc:
Subject: Liquor Distribution P3 Project

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Cheers,

Scott Lyons
Vice President Business Development

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90 Matheson Blvd. West, Suite 111
Mississauga, Ontario
L5R 3R3
Canada.

Telephone: 905 388-7691
Mobile: 416 417-2537

www.exel.com

RECEIVED	
MINISTER OF PUBLIC SAFETY AND SOLICITOR GENERAL	
JUN 15 2011	
REFER TO MAIL REGISTRY	
OTHER	468233
<input type="checkbox"/> DRAFT REPLY	<input type="checkbox"/> REPLY DIRECT
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xly 458588

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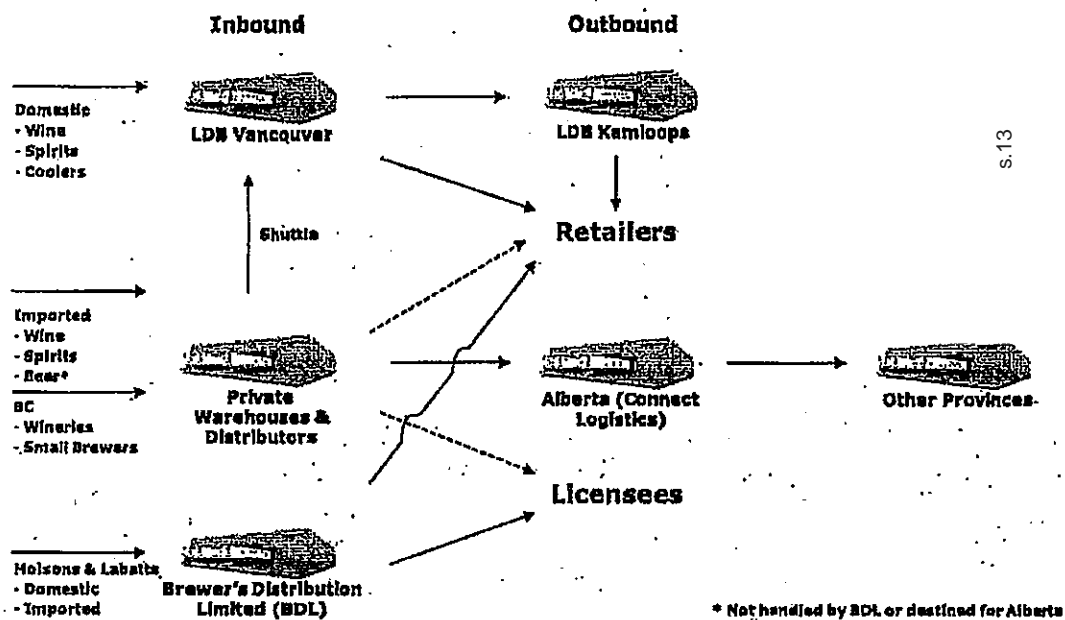
contact the sender and dispose of this e-mail.

Page 25 redacted for the following reason:

s.21

Liquor Distribution P3 Project

Current BC Distribution Network



s.13

s.13, s.17

Dahlke, Cindy LDB:EX

From: Cornett, Kathy M SG:EX
Sent: Friday, July 29, 2011 4:55 PM
To: Dahlke, Cindy LDB:EX
Subject: Aug 25 Meeting Request Scott Lyons Exel Logistics

Hi Cindy, the minister will be meeting with Scott Lyons, Vice President Business Development, Exel Americas, Retail on Aug 25 at 11:30 am for 45 minutes. A pre-brief has been scheduled for 30 minutes at 11:00 am. Both meetings are being held at Suite 730, 999 Canada Place, Fernie Room.

Angela Jones has asked that staff attend both meetings and a briefing note has been requested. The purpose of the meeting is to discuss the future direction of the BCLDB supply chain operations in the Province. Exel is proposing a P3 partnership to build, finance and operate a world-class distribution system for the long-term benefit of government, industry, and consumers.

Angela has asked that we provide their office with the BN one week prior to the meetings. Thank you, Kathy

From: Jones, Angela M SG:EX
Sent: Friday, July 29, 2011 3:49 PM
To: 'Scott Lyons'
Cc: Douglas, Marc SG:EX; Cornett, Kathy M SG:EX
Subject: RE: Meeting Request Scott Lyons Exel Logistics

Thank you for your email.

As discussed, we have secured August 25th, 2011, for your meeting with the Honourable Shirley Bond; it will be held at 11:30am in suite 730, 999 Canada Place, the Fernie Room. Please let me know if there will be other attendees as soon as possible as this is required for Security.

Regards,

From: Scott Lyons [mailto:Scott.Lyons@exel.com]
Sent: Thursday, July 21, 2011 1:22 PM
To: Jones, Angela M SG:EX
Cc: Douglas, Marc SG:EX
Subject: RE: Meeting Request Scott Lyons Exel Logistics

As per your suggestion yesterday afternoon, I wanted to request a meeting with the Solicitor General on August 25th. I understand that you need to discuss with the Minister before you can schedule our appointment, but we would greatly appreciate securing this date.

Thank-you,

Scott Lyons
Vice President Business Development

Exel Americas, Retail
90 Matheson Blvd. West, Suite 111
Mississauga, Ontario
L5R 3R3
Canada

Telephone: 905 366-7691
Mobile: 416 417-2537

www.exel.com

"Jones, Angela M SG:EX" <Angela.M.Jones@gov.bc.ca>

To "Scott.Lyons@exel.com" <Scott.Lyons@exel.com>

cc

07/05/2011 12:41 PM

Subject RE: Meeting Request Scott Lyons Exel Logistics

Mr. Lyons,

In preparation of booking a meeting with the Solicitor General, do you have dates in mind or would your availability be flexible?

Regards,

Angela M. Jones

Administrative Coordinator

Minister's Office

Ministry of Public Safety

and Solicitor General

Rm 346, Legislative Buildings

Victoria BC V8V 1X4

Direct: (250) 952-7286

Main: (250) 356-7717

Fx: (250) 356-8270

Email: Angela.M.Jones@gov.bc.ca

From: Douglas, Marc SG:EX

Sent: Tuesday, July 5, 2011 9:35 AM

To: 'Scott Lyons'

Cc: Jones, Angela M SG:EX

Subject: RE: Meeting Request Scott Lyons Exel Logistics

Thanks Scott.

I have CC'd Angela in our office who will work with you to find a date and time.

Thanks,

m

From: Scott Lyons [mailto:Scott.Lyons@exel.com]

Sent: Monday, July 4, 2011 9:54 PM

To: Douglas, Marc SG:EX

Cc:

Subject: Meeting Request Scott Lyons Exel Logistics

The Minister requested I send this request to her after we met Minister Bond at her golf event last week in Prince George. I am writing to respectfully request a meeting with Minister Bond at some point in the near future in either her Victoria or Vancouver offices.

The purpose of the meeting is to establish a relationship with the Minister and to discuss the future direction of the BCLDB supply chain operations in the Province.

Exel is proposing a P3 partnership to build, finance and operate a world-class distribution system for the long-term benefit of government, industry, and consumers. With this proposal, Exel can almost immediately unlock over \$100 million of the BC Government's money tied up in assets. At the same time, Exel is not proposing trading a public monopoly for a private monopoly but rather a new preferred alternative distribution system. Our organization is fully capable of implementing this initiative on any timetable dictated by the BC Government. Most importantly, Exel will invest all required funds eliminating any capital costs for the BC government. BC becomes a gateway for the movement of alcohol for BC, Canada and Western United States.

At present, the BCLDB supply chain is operating in what can be described as a fairly inefficient and outdated environment. Under our proposal, we see the opportunity to collaborate, partner and invest with the Province of British Columbia to re-engineer the supply chain to provide British Columbia with a world-class distribution system for the long-term benefit of the government, the industry and consumers.

Exel works with the most respected brands in the Canada, but our services extend around the globe. Through our affiliation with DHL Supply Chain, our customers get the localized service of an Americas company, with the international reach of the world's largest logistics company. Since 1994, Exel Logistics's affiliate Connect logistics, has managed the liquor warehousing and logistic responsibilities for the Province of Alberta. Currently, Exel delivers to 1,500 licensed customers, serving 312 Alberta communities with an on-time delivery record of 98%.

Attached below please find an electronic copy of a two page outline of our proposal:

Thank you for your time and consideration.

Scott Lyons
Vice President Business Development

Exel Americas, Retail
90 Matheson Blvd. West, Suite 111
Mississauga, Ontario
L5R 3R3
Canada

Telephone: 905 366-7691
Mobile: 416 417-2537

www.exel.com

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Dahlke, Cindy LDB:EX

From: Dahlke, Cindy LDB:EX
Sent: Friday, August 12, 2011 9:00 AM
To: Caldwell, Cheryl Y HSD:EX
Subject: FW: Briefing Note re SG Meeting August 25 with Exel Logistics - 470012
Attachments: 2011-08-12_BNI-SG_Exel_P3_Proposal_470012.doc

Importance: High
Sensitivity: Confidential

Hi Cheryl,

FYI for you since Karen is away. Thanks!

Cindy

From: Dahlke, Cindy LDB:EX
Sent: Friday, August 12, 2011 8:49 AM
To: Cornett, Kathy M SG:EX
Cc: Hoskins, Jeannie SG:EX; Chambers, Jay LDB:EX; Ayers, Karen J SG:EX; Bissoondatt, Roger LDB:EX; Hall, Gord LDB:EX; Mackintosh, Michele LDB:EX
Subject: Briefing Note re SG Meeting August 25 with Exel Logistics - 470012
Importance: High
Sensitivity: Confidential

Hi Kathy,

Attached is a briefing note for information for Minister Bond for the meeting on August 25, 2011, with Exel Logistics. Roger Bissoondatt will be attending this meeting on Jay's behalf.

Jay Chambers has approved this briefing note.

Thanks!

Cindy Dahlke

Executive Administrative Assistant
General Manager's Office | BC Liquor Distribution Branch
2625 Rupert Street, Vancouver BC V5M 3T5
Phone: 604-252-3021 | **Fax:** 604-252-3026
www.bcliquorstores.com

 * THINK GREEN: Do you really need to print this e-mail?

Dahlke, Cindy LDB:EX

From: Dahlke, Cindy LDB:EX
Sent: Tuesday, August 16, 2011 12:36 PM
To: Chambers, Jay LDB:EX
Cc: Bissoondatt, Roger LDB:EX; Hall, Gord LDB:EX
Subject: FW: 470012 - SG Information BN re Exel proposal for a P3 take over of the LDB's distribution system
Attachments: 470012 - BN re Exel proposal for a P3.pdf
Sensitivity: Confidential

FYI -

Cindy Dahlke

Executive Administrative Assistant
General Manager's Office | BC Liquor Distribution Branch
Phone: 604-252-3021 | Fax: 604-252-3026
www.bcliquorstores.com



* THINK GREEN: Do you really need to print this e-mail?

From: Cornett, Kathy M SG:EX
Sent: Tuesday, August 16, 2011 12:32 PM
To: Douglas, Marc SG:EX; Garfinkel, Gabe SG:EX; Bill, Karen F SG:EX
Cc: Jones, Angela M SG:EX; Vermaning, Tiny SG:EX; Hoskins, Jeannie SG:EX; Dahlke, Cindy LDB:EX
Subject: 470012 - SG Information BN re Exel proposal for a P3 take over of the LDB's distribution system

The attached Briefing Note has been approved by Brent Merchant, Acting Deputy Solicitor General, and is for Minister Bond's meeting with the Mr. Scott Lyons on **Thursday, August 25, 2011 at 11:30 am.**

The briefing note has also been added to the Sharepoint site under the meeting materials tab. Thank you, Kathy

Kathy Cornett

Senior Executive Administrative Assistant
Office of the Deputy Solicitor General
Ministry of Public Safety and Solicitor General
Phone: 250 387-5362 Fax: 250 387-6224

Chambers, Jay LDB:EX

From: Douglas, Marc SG:EX
Sent: Friday, August 26, 2011 2:52 PM
To: Chambers, Jay LDB:EX
Subject: RE: Excel Presentation to Minister

I agree with your email. Give me a call on my cell if you'd like to chat

s.17

From: Chambers, Jay LDB:EX
Sent: Thursday, August 25, 2011 10:42 PM
To: Douglas, Marc SG:EX
Subject: Fw: Excel Presentation to Minister

Hi Marc - I hope all is well.

When you and I discussed this meeting you indicated that it was a listen only for the minister.

s.13

Thanks

Jay

From: Bissoondatt, Roger LDB:EX
Sent: Thursday, August 25, 2011 07:02 PM
To: Chambers, Jay LDB:EX
Subject: Excel Presentation to Minister

Hi Jay, ^{s.22} The meeting between Minister Bond and Excel took place today. Excel had four in attendance together with Min Bond, Marc Douglas and myself. A scanned copy of the presentation is attached. I will try to get a non PDF one in case you are unable to open it.

s.13

s.13

I discussed briefly with Gord Hall ^{s.22} and thought that it may be worthwhile to have a meeting with Excel to get some more information. I would appreciate getting your input as to how far I should go at this stage especially since Min Bond is expecting to have a discussion with you about it on Sept 12.

In attendance from Excel were:
Scott Lyons - VP Business Development, Fred Takavitz - Senior VP, Business Development - Retail Sector, Mark Jiles and Rob Madore.

Again, sorry to interrupt however I thought you may want to know how the meeting went.

Cheers!

Roger

Roger M. Bissoondatt

Acting General Manager
BC Liquor Distribution Branch
Phone: 604-252-3021
Fax: 604-252-3026
email: roger.bissoondatt@bcldb.com

Chambers, Jay LDB:EX

From: Chambers, Jay LDB:EX
Sent: Thursday, August 25, 2011 10:29 PM
To: Bissoondatt, Roger LDB:EX
Cc: Wahamaker, Lori SG:EX; Ayers, Karen J SG:EX; Douglas, Marc SG:EX; Hall, Gord LDB:EX; Bill, Karen F SG:EX
Subject: Fw: Excel Presentation to Minister
Attachments: Excel Presentation - Aug 2011.pdf

s.13

Thanks

Jay

From: Bissoondatt, Roger LDB:EX
Sent: Thursday, August 25, 2011 07:02 PM
To: Chambers, Jay LDB:EX
Subject: Excel Presentation to Minister

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s.13

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Roger

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