

Liquor Distribution Services Privatization
February 27 and 28, 2012
Decisions and Action Items

Attendees:	Bette-Jo Hughes (LCTZ Lead)	Mike Kishimoto (LCTZ)
	Roger Bissoondatt (LDB)	Jill Leversage (Consultant)
	Frank Catala (Consultant -- Feb 27)	Richard Poutney (LCTZ)
	Tracey Colins (LCTZ)	Matthew Taylor (AG)
	Don Epp (TBS)	

1. Overall Project Direction

Proposed Timelines:

	Completion date
Release NRFP	March 30, 2012
Proposal Submissions	June 1, 2012
Identify top proponents	June 22, 2012
Identify leading proponent	September 1, 2012
Negotiations complete	April 1, 2013

Bette-Jo to meet with Deputy Ministers (Kim Henderson, Lori Wanamaker, Lynda Tarras) to confirm project objectives, separation of sale of distribution business and development of pricing model (including commitment to wholesale price), separation of sale of business from sale of assets, and project timelines.

2. Scope of Sale (not for inclusion in NRFP)

Proponents must bid on: liquor warehousing and wholesale distribution system, including staff in two distribution centres and wholesale store operations in Victoria

Proponents may bid on: real estate and other assets, distribution IT system; ordering services (would include some staff in HQ)

Sale does not include: current liquor inventory

3. Review of NRFP:

Jill and Roger to:

- Develop Appendix E (Overview LDB Business Model), Appendix F (Distribution Centre Real Estate Sale Requirements), Appendix G (Distribution Centre Asset Disposition Requirements), Appendix H (Liquor Inventory Disposal Requirements), Appendix I (Distribution Centre Services Requirements), and Appendix K (LDP Pricing Worksheet).
- review all of Section 3 (Overview and Background to the DLP Procurement) and Section 4 (Background) and Section 5 (DLP Procurement Opportunity).
- consider evaluation criteria and valuation.

Mike to develop balance of NRFP and Appendices.

Bette-Jo to review all LR language.

Matthew to review 3.5.6 (Labour Relations – Distribution Center Operations Staff) and 3.5.7 (Award of Agreement(s))

Mike will send the draft document today. Jill and Roger to send materials to Mike for Monday. Mike to send revised document to all on Monday. All to review for Wednesday meeting.

4. **Document Management:** Document management process to be confirmed. Jill to send names of two contractors for document management to Mike. Jill and Roger to determine initial documents for virtual document centre.
5. **Real Estate:** Dyne Torgeson to determine real estate valuation. Don to determine accounting treatment of real estate. Need to determine: Are free standing real estate offers acceptable?
6. **Fairness Monitor:** Bette-Jo to confirm process of appointment of Fairness Monitor with Kim Henderson. Richard to confirm availability of qualified monitors.
7. **Site Tours.** Roger to arrange tour for task team for March 7 at 8:00. (Please wear steel toed shoes if you have them. No open toed shoes.)

Proponents will have the option to visit the Vancouver site April 19 as part of the bidder's meeting. Arrangements will be made for site visits of Kamloops (April 20) and Victoria warehouse sites on consecutive dates. Bidders must sign a declaration prior to any site visits.

8. Legislation / Policy Issues

Bette-Jo to discuss potential for legislation for Fall 2012 or Spring 2013 with Lori Wanamaker.

Bette-Jo to discuss 'Can retailers bid on the business?' with Karen Ayers.

9. Review of Alberta – lessons learned

Roger to arrange a conversation with Gerry McLaren, President and CEO, AGLC as part of the next project team meeting (March 7).

10. Issues unrelated to RFP:

Tracey to connect Roger with Lorne DeLarge with regards to potential to move LDB data centre from Vancouver and Kamloops warehouses to government data centre in Kamloops

Next Meeting: March 7, 2012. Meet at S 15 at 8:00 am.

Distribution of Liquor Project

Meeting Agenda

Location:

Date: Monday and Tuesday (Feb 27/28)

S 15

Time: 09:00am

Participants:

Bette-Jo Hughes, LCTZ
Richard Poutney, LCTZ
Tracey Colins, LCTZ
Mike Kishimoto, LCTZ
Matthew Taylor, MAG
Roger Bissoondatt, LDB
Don Epp, FIN

Jill Leversage, consultant
Frank Catala, consultant

Item / Action / Lead

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|---|---------------------|
| 1) Opening statement | Bette-Jo |
| 2) Discussion of roles and responsibilities and resources | Bette-Jo |
| 3) HR/ LR situation – BCGEU role in RFP | Bette-Jo |
| 4) Project tasks and timelines | Mike/Richard |
| 5) Detailed discussion of LDB distribution environment | Roger |
| a) Business environment, policy, operating model, vendor linkages etc | |
| b) Scope of opportunity | |
| c) Asset and operations financials | |
| d) Other distribution related items | |
| 6) Procurement, legal, policy discussion | Mike/Richard/Mattew |
| 7) Discussion of Alberta and Washington State procurements | Roger/Jill |
| 8) Work in preparation for next meeting | Mike/Richard/Tracey |
| 9) Discussion on Vancouver distribution centre site visit | Roger |