

MAIN DISTRIBUTION CENTRE RELOCATION PROJECT

PHASE 1 FINDINGS & RECOMMENDATIONS

MARCH 21, 2014

Presented to:



**LIQUOR
DISTRIBUTION
BRANCH**



Revision 1 Version 2

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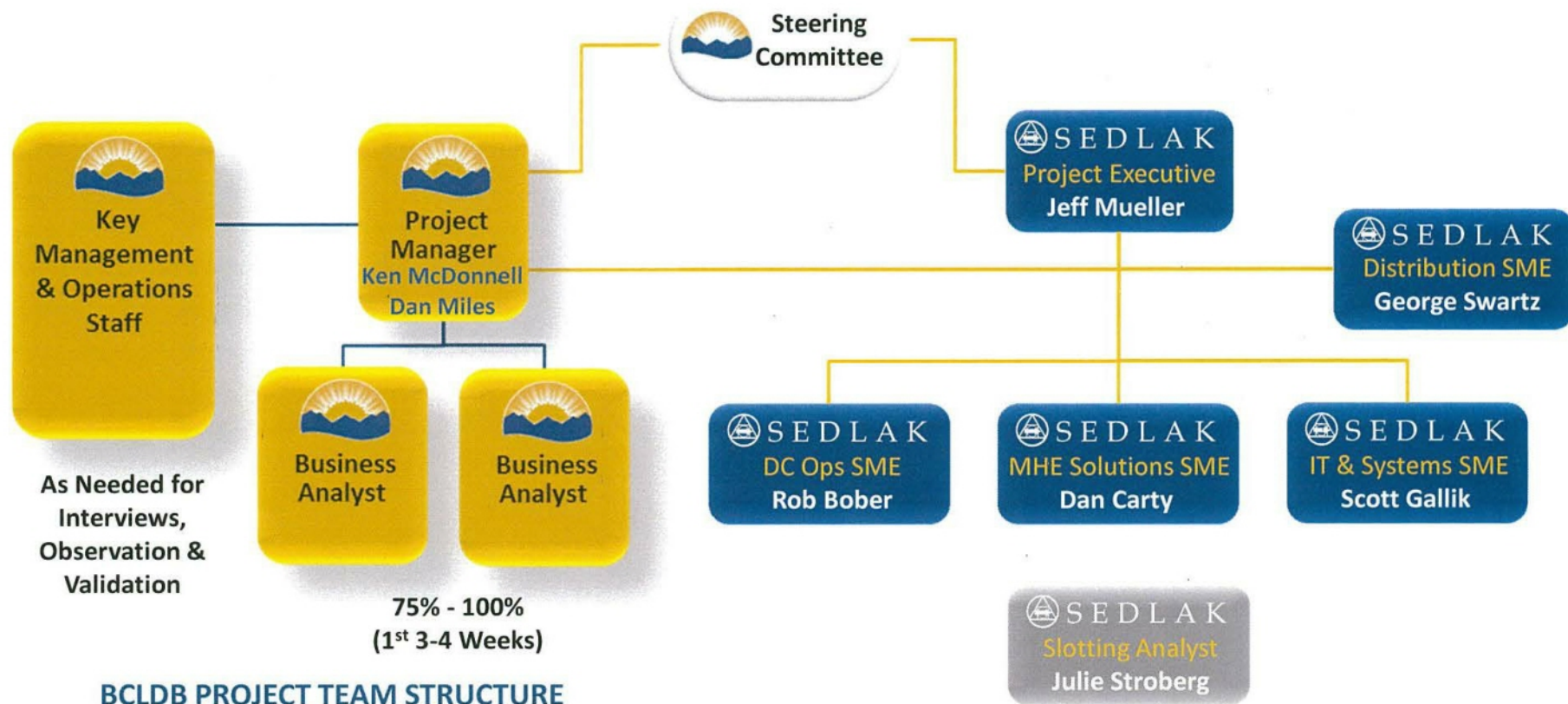
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Introducing Your Sedlak Team

MAIN DC RELOCATION PROJECT BLENDED PROJECT TEAM



Our Understanding of The Situation

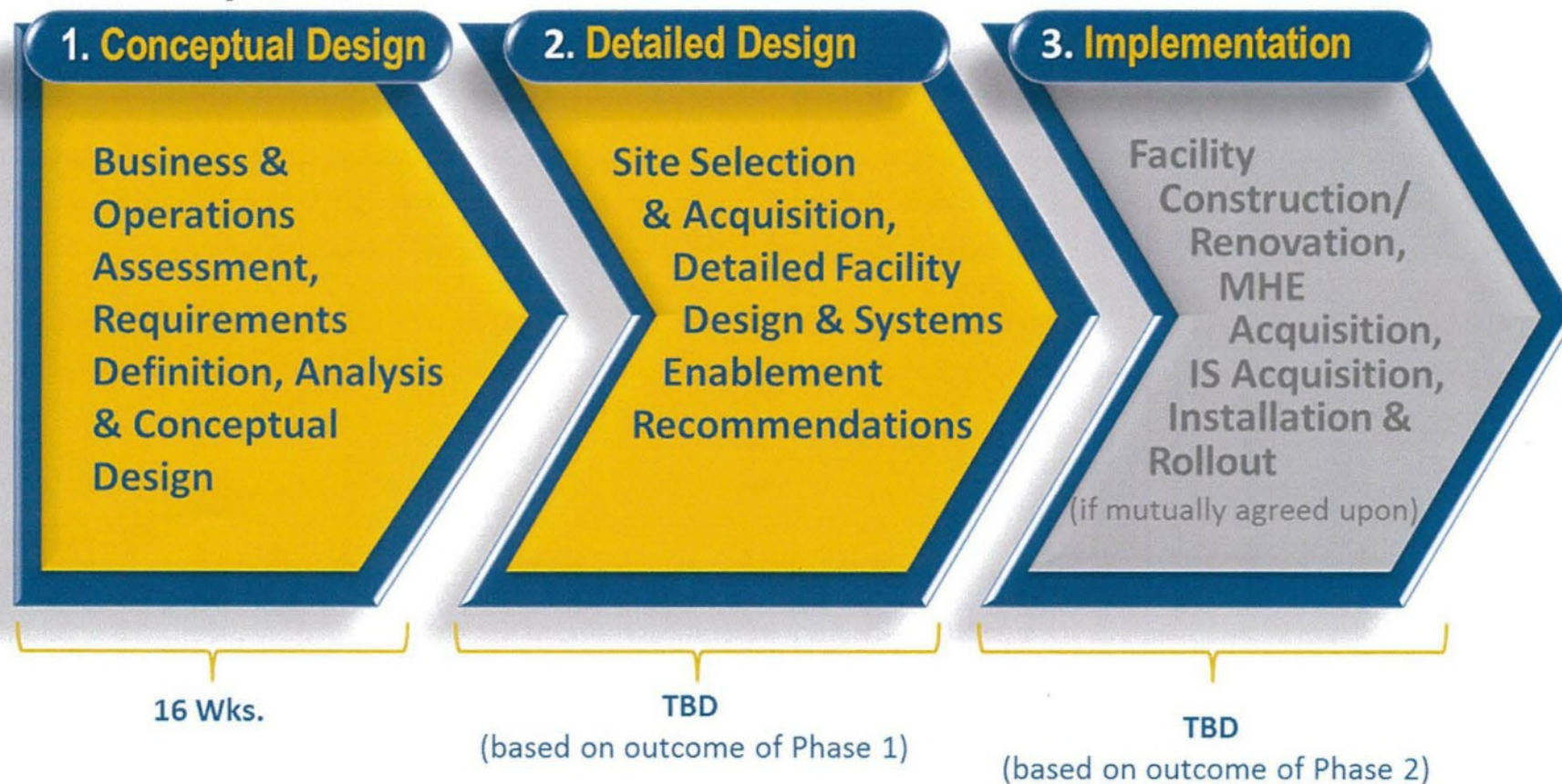
The British Columbia Liquor Distribution Branch (BCLDB) has been tasked with vacating its 250,000 sq. ft. facility in Vancouver and has selected Sedlak to assist with several key activities, including;



- Identifying, clarifying and documenting the requirements for the new DC (physical space and characteristics to meet distribution goals as well as corporate goals)
- Translating current business volume into a 10-year projection, accounting for growth and other potential business changes
- Site selection and alternatives comparison for the new DC
- Identification of DC Ops best practices that can be incorporated into the new DC
- Identification, assessment and recommendations for material handling solutions and automation that would enhance/improve DC operations and efficiency
- Facility layout and flow recommendations and conceptual design
- Facility organization and staffing recommendations
- Systems requirements and solution options to properly enable the new DC

In addition to the strategy, planning and design activities listed above, the BCLDB would like the SME firm to be capable of assisting with detailed design and implementation of the new facility, should both parties agree.

3-Phased Program Approach



Phase-1 Project Approach Overview

1. Conceptual Design

Business & Operations Assessment, Requirements Definition, Analysis & Conceptual Design

16 Wks.

The Phase 1 Project Approach is comprised of 10 key activities, some of which are sequential and some of which are concurrent

1. Conceptual Design

0. Project Planning & Data Request

1. Key Stakeholder Interviews

2. Current Facility Observation & Documentation

3. Store Site Visits

4. Growth Projections for 3, 5 & 10 Yr.

5. Conceptual Material Handling Solution & Facility Automation Recommendations

6. IT Decision Support System Requirements

8. Conceptual Operating Model Development

9. Conceptual Facility Design

10. Phase 1 Summary Report / Phase 2 Preliminary Plan

7. Conceptual Site Selection

This phase focuses on detailed requirements definition, conceptual facility design and site selection strategy. This is accomplished through a series of structured activities, observations, analyses and interviews.

Key Activities & Milestones Recap

- 11/13/13 - Project 'Meet & Greet' Kick-Off Meeting
- 11/13-15, 18-22/13 - LDB Operations Review & One-on-Ones
- 12/9-11/13 - LCBO Site Visits w/Ken McDonnell & Donna Mohn
- 12/18/13 - 'Big Ideas Workshop'
- 1/21-24/14 - LDB Operations Review, '231 Depot' & Store Site Visits
- 1/27-28/14 – Wirtz Beverage & Horizon Beverage Facility Tours w/Ken McDonnell
- 1/29-30/14 – Operating Statistics & Concepts Review w/Ken McDonnell – Cleveland
- 2/3-21/14 – Conceptual Design & Report Prep Including Weekly & Bi-Weekly Calls
- 2/14/14 – Real Estate Costs & Options Discussion w/Bob Tougas & Stuart Morrison
- 2/26/14 – Initial Tour of Potential Facility Sites
- 2/27/14 – Executive Review #1 – 7% growth model
- 2/28/14 – End of Phase 1 Activities
- 3/3/14 – 'Bridge' Phase Commences
- 3/21/14 – Executive Review #2 – 2.5% growth model

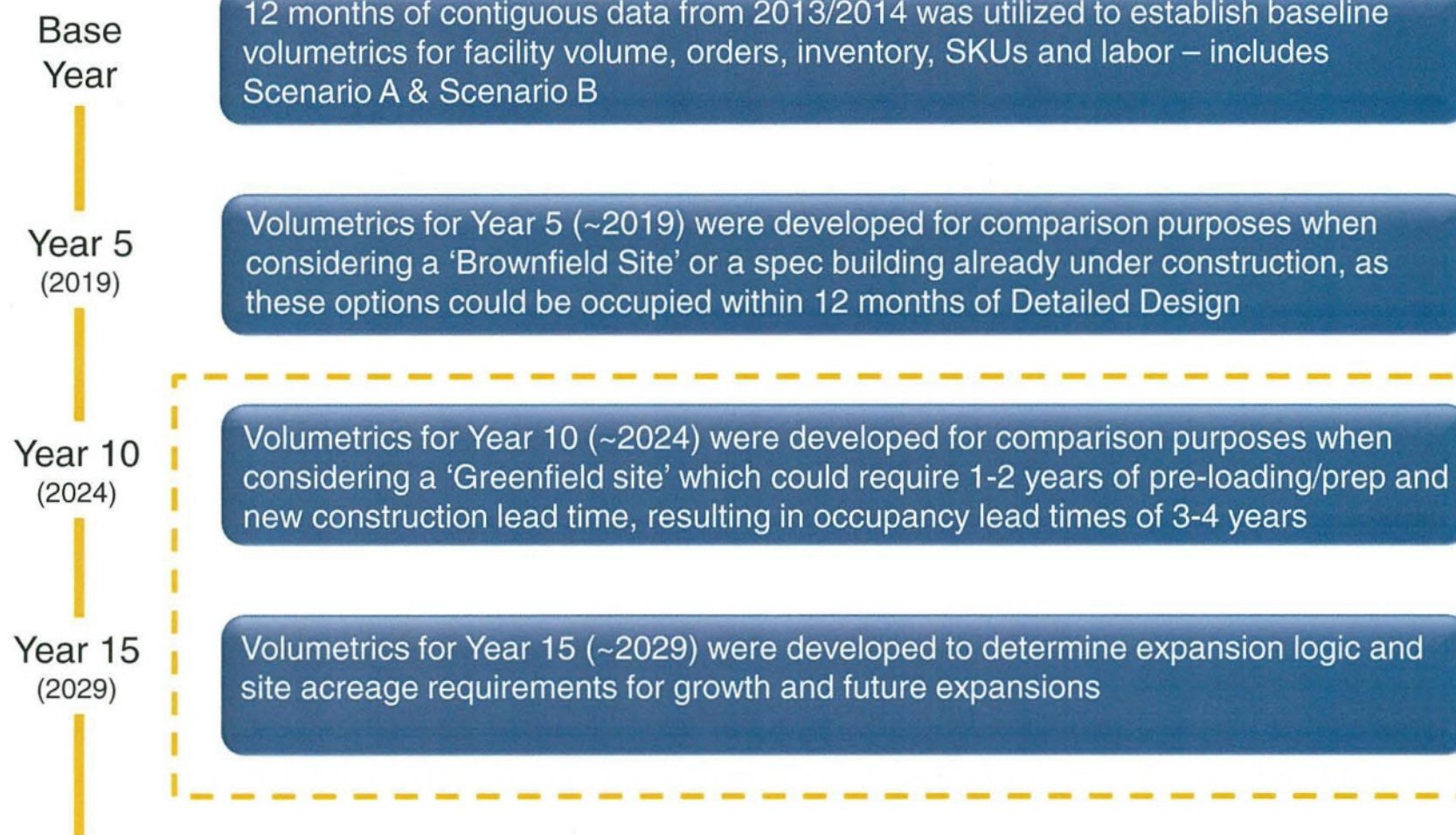
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Volumetrics – Background

Rationale for Volumetrics



Volumetrics – Primary Changes

7% Growth/yr.



2.5% Growth/yr.

**100% of Scenario B
Reserve Stock**



**4 wks. max of Scenario B
Reserve Stock**

**BCLDB Build-to-Suit and
Own Land & DC**



**Developer Build-to-Suit
and Lease to BCLDB**

**42' Clear Ceiling Height
facilitating 6-High Pallet
Rack Configurations**



**40' Max Ceiling Height to Allow
ESFR Resulting in 5-High Pallet
Rack Configurations** (higher requires
in-rack sprinklers & variances)

**'Brownfield' Site Would
Allow BCLDB to Start at
5-yr. Growth Plan**



**'Build-to-Suit', even on Pre-Loaded
Site, Pushes Design to Start With
10-yr. Growth Plan w/Land for 15**

Volumetrics – Base Yr. / Yrs. 5/10/15

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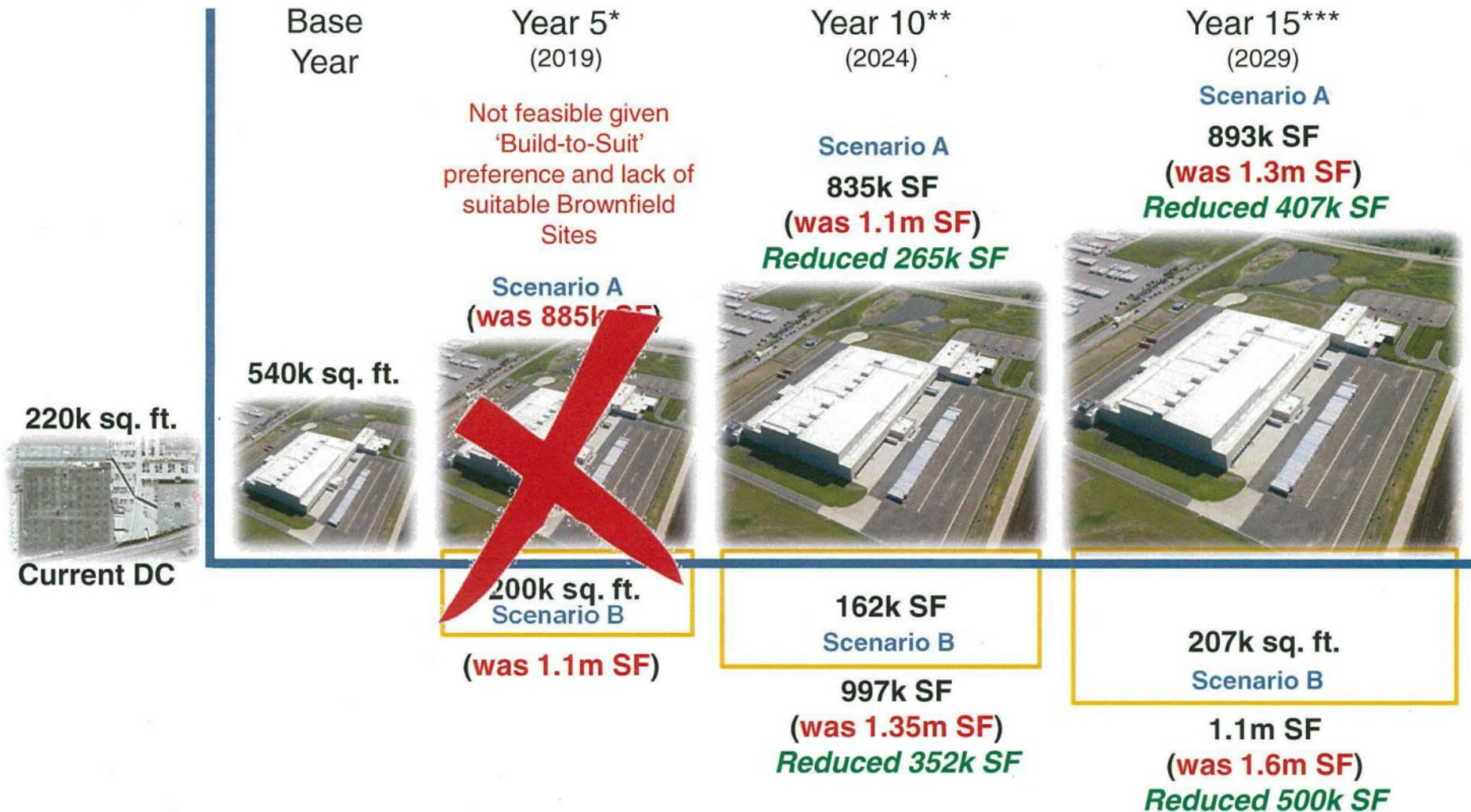
Volumetrics – Base Yr. / Yrs. 5/10/15



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Volumetrics – Revised Ft² Estimates



* Existing Structure ** Pre-Load & Build ***Expansion Logic/Site

Volumetrics – So..., What is the Impact?

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Volumetrics – Productivity Standards



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▪ <i>Receiving</i>	<i>26 pallets/Man Hr.</i>
▪ <i>Putaway</i>	<i>15 pallets/Man Hr.</i>
▪ <i>Replenishment</i>	<i>15 pallets/Man Hr.</i>
▪ <i>Case Picking – Reserve – ‘Man-Up’</i>	<i>90 cases/Man Hr.</i>
▪ <i>Case Picking – Pallet Pick Module</i>	<i>180 cases/Man Hr.</i>
▪ <i>Single Bottle Picking – Pallet Flow Pick Module</i>	<i>180 bottles/Man Hr.</i>
▪ <i>Single Bottle Picking – Case Flow Pick Module</i>	<i>150 bottles/Man Hr.</i>
▪ <i>Single Bottle Picking – Bin Shelving Pick Module</i>	<i>85 bottles/Man Hr.</i>
▪ <i>Order Consolidation Pallet Building</i>	<i>5 pallets/Man Hr.</i>
▪ <i>Outbound Order Wrapping & Staging</i>	<i>48 pallets/Man Hr.</i>
▪ <i>Outbound Order Loading</i>	<i>14 pallets/Man Hr.</i>

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Key Business Concept Recommendations



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Key Operating Concept Descriptions



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Key Operating Concept Recommendations

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Key Operating Concept Recommendations



Additional Concept Recommendations



'High-Value' Storage Cage Adjacent To Dock – Product Picked & Added to Order

Completed Routes Will Be Loaded on Trailers & Staged in Trailer Yard

Store Fixtures & Supplies Picked From Designated Storage Areas

All Outbound Orders Will Be Shipped on Pallets

Cases/Cartons Verified at Pick, Divert & Pallet Build for 'Triple-Check'

Security Gate for Arrival and Departure of Tractor Trailer Traffic & YMS Control

Returns/Damage/Recycling Area focused on recouping Recycling \$\$

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Material Handling & Storage Concepts

Receiving Operations

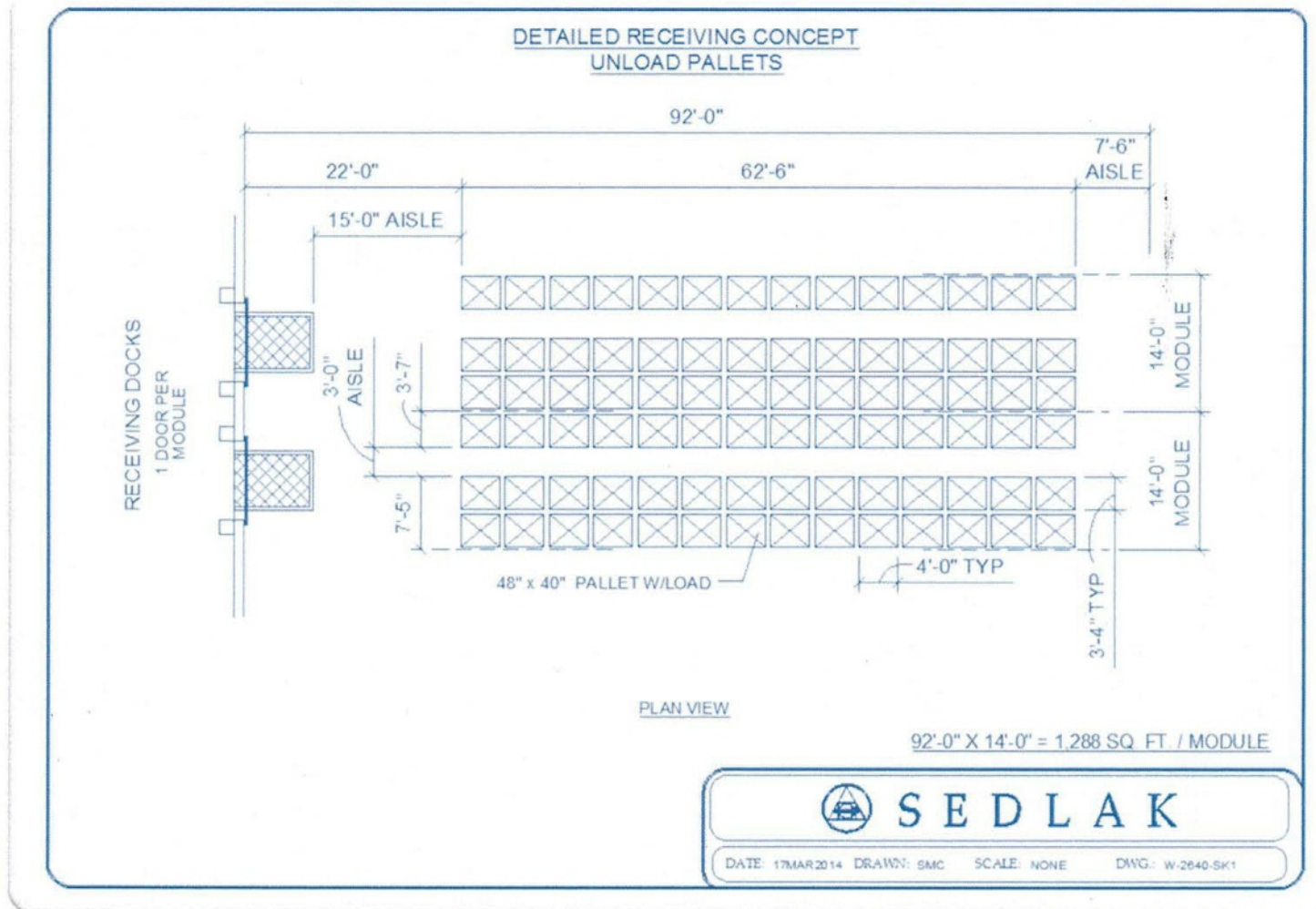
The facility will include designated receiving docks for all inbound offloading activity. The yard driver will place the trailer for off loading into the assigned dock and secure the trailer for unloading. The YMS will interface with the WMS and indicate the trailer is available for unloading.



- Full Pallet Trailers will be unloaded by lift truck drivers. The lift truck driver will log into a vehicle mounted computer and the Warehouse Management System (WMS) will identify the trailer load for unloading.
- The lift truck driver will apply a generic bar code label to each pallet, use a tethered vehicle mount scanner to scan the SKU on the pallet and scan the generic bar code label . This assigns the inventory on the pallet to the generic label now know as the pallet label
- The lift truck driver will off load each pallet and place them into a receiving staging area for put away. The lift truck driver will scan a location label in the receiving staging area and the WMS will identify that each pallet is in that area

Material Handling & Storage Concepts

Receiving Operations



Material Handling & Storage Concepts

Reserve Storage

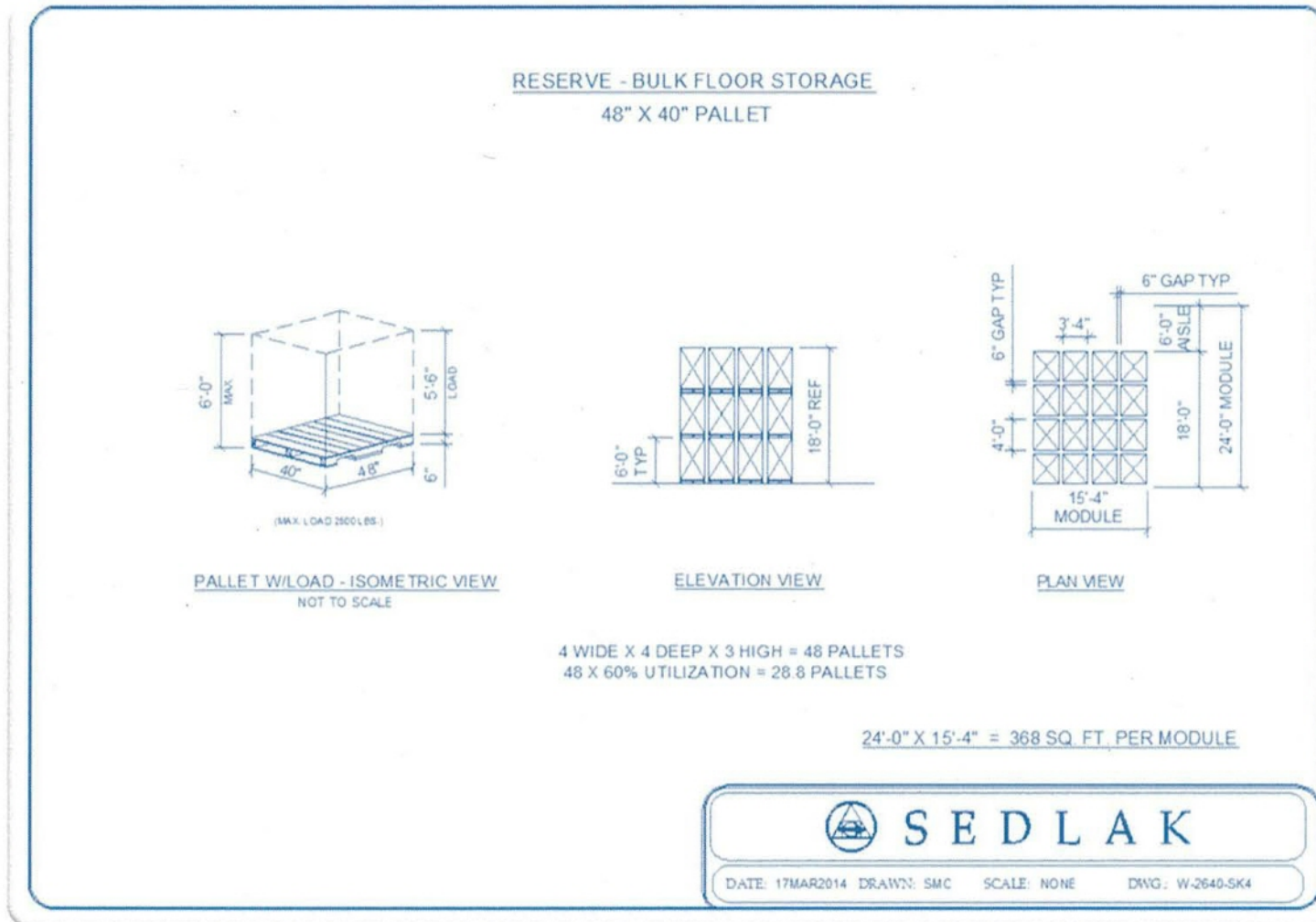
The facility will include storage areas for full pallets on the floor, full pallets in pallet rack, and full and split case inventory in pick modules.



- The lift truck driver will sign into the WMS, scan into the location of the receiving staging area and receive direction for pallet put away. After The lift truck driver will scan a pallet in the staging area and the WMS will direct the lift truck driver to a reserve put away location.
- If the directed location is to floor storage the driver will take the pallet to that location scan the location place the pallet into that location and return to the receiving staging area. If the directed location is a pallet rack location the driver will take the pallet to the aisle of the pallet rack place the pallet there for the turret truck operator to put the pallet away.
- In the event the pick module requires replenishment the WMS will direct the pallet put away to the pick module. However, most replenishments will begin in the Reserve Storage areas by taking inventory from the floor and pallet rack locations to the full case pick modules.

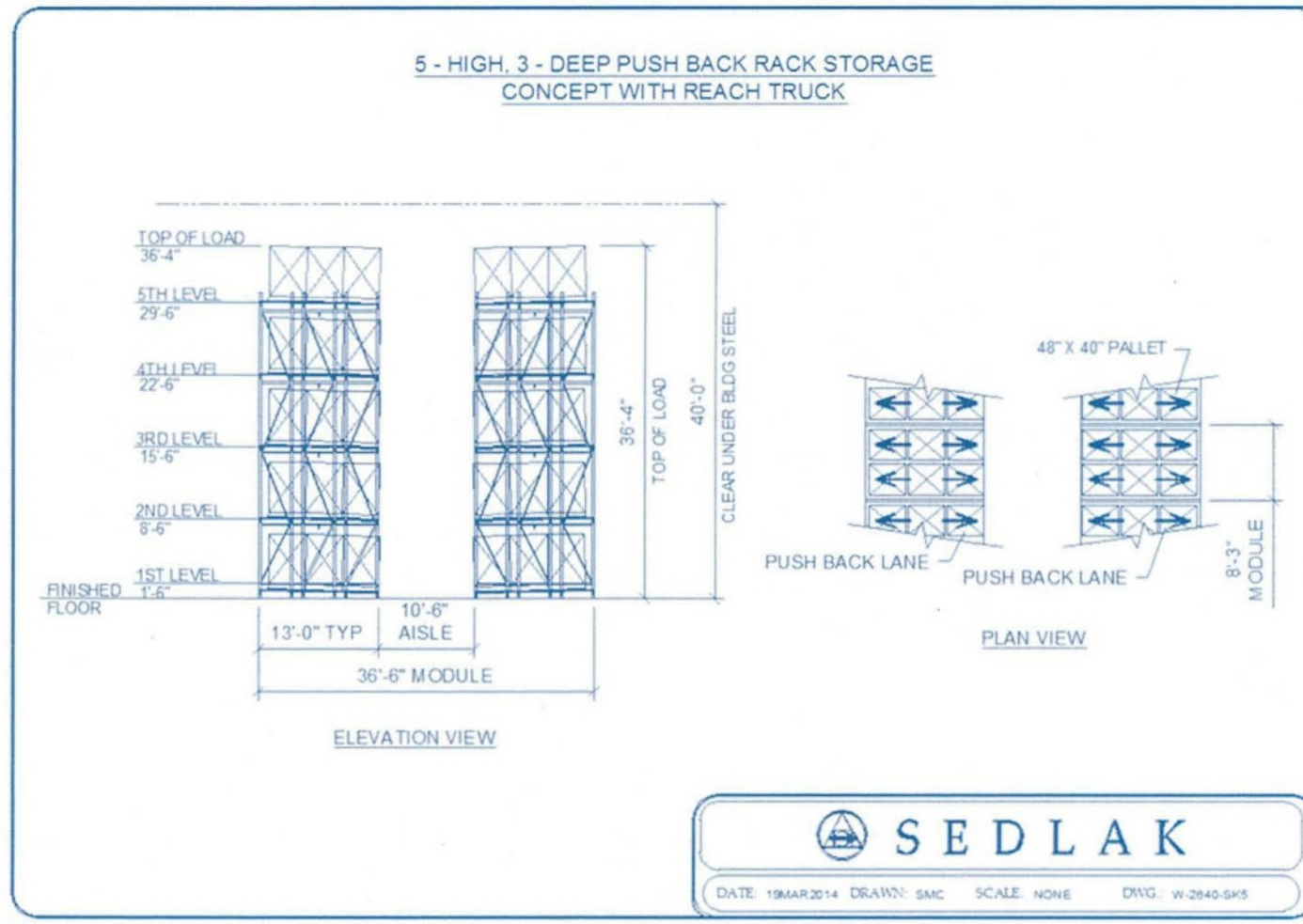
Material Handling & Storage Concepts

Reserve Storage – Bulk Floor Storage



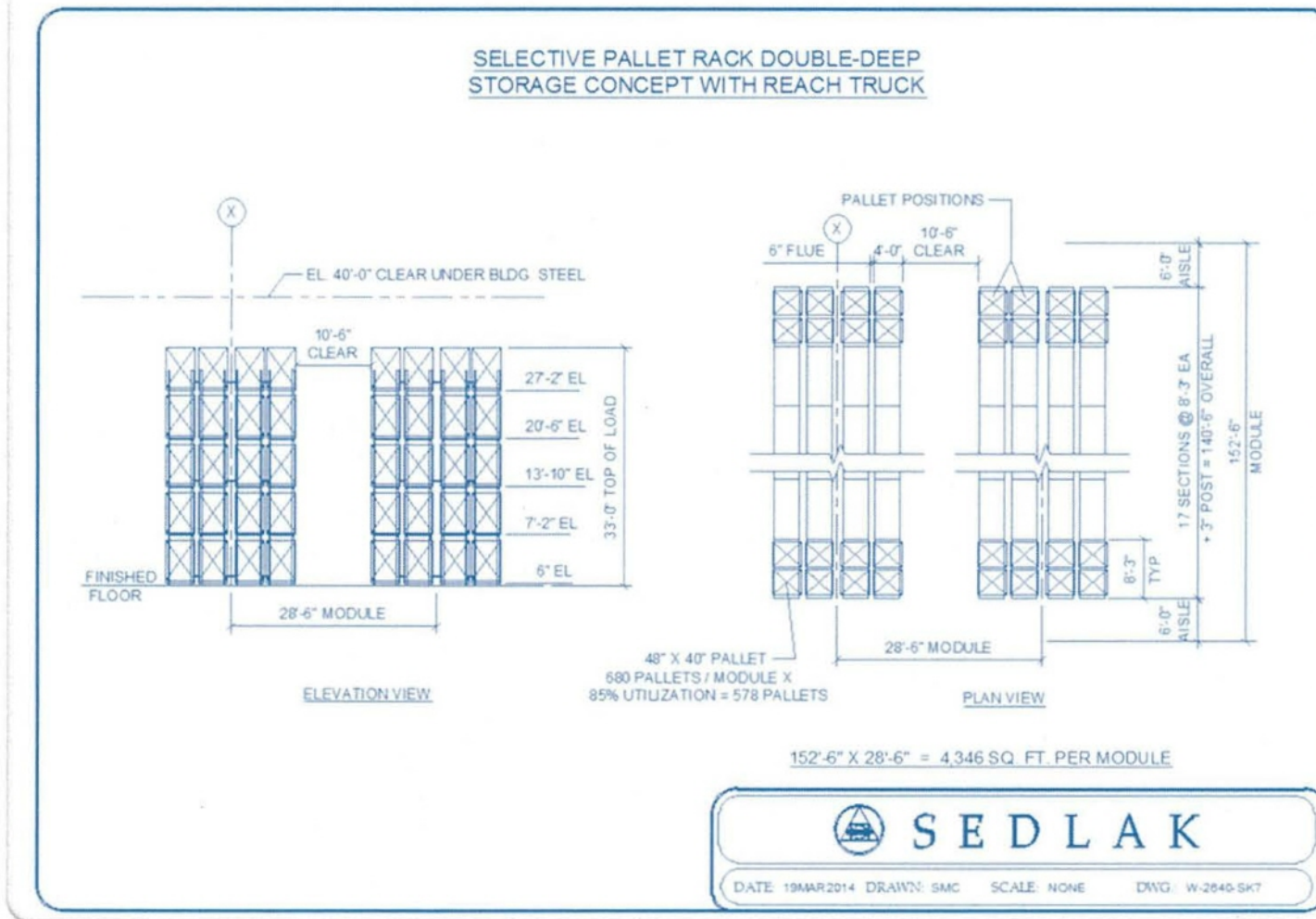
Material Handling & Storage Concepts

Reserve Storage – 3-Deep 'Push-Back' Rack



Material Handling & Storage Concepts

Reserve Storage – 2-Deep Selective Rack



Material Handling & Storage Concepts

Picking

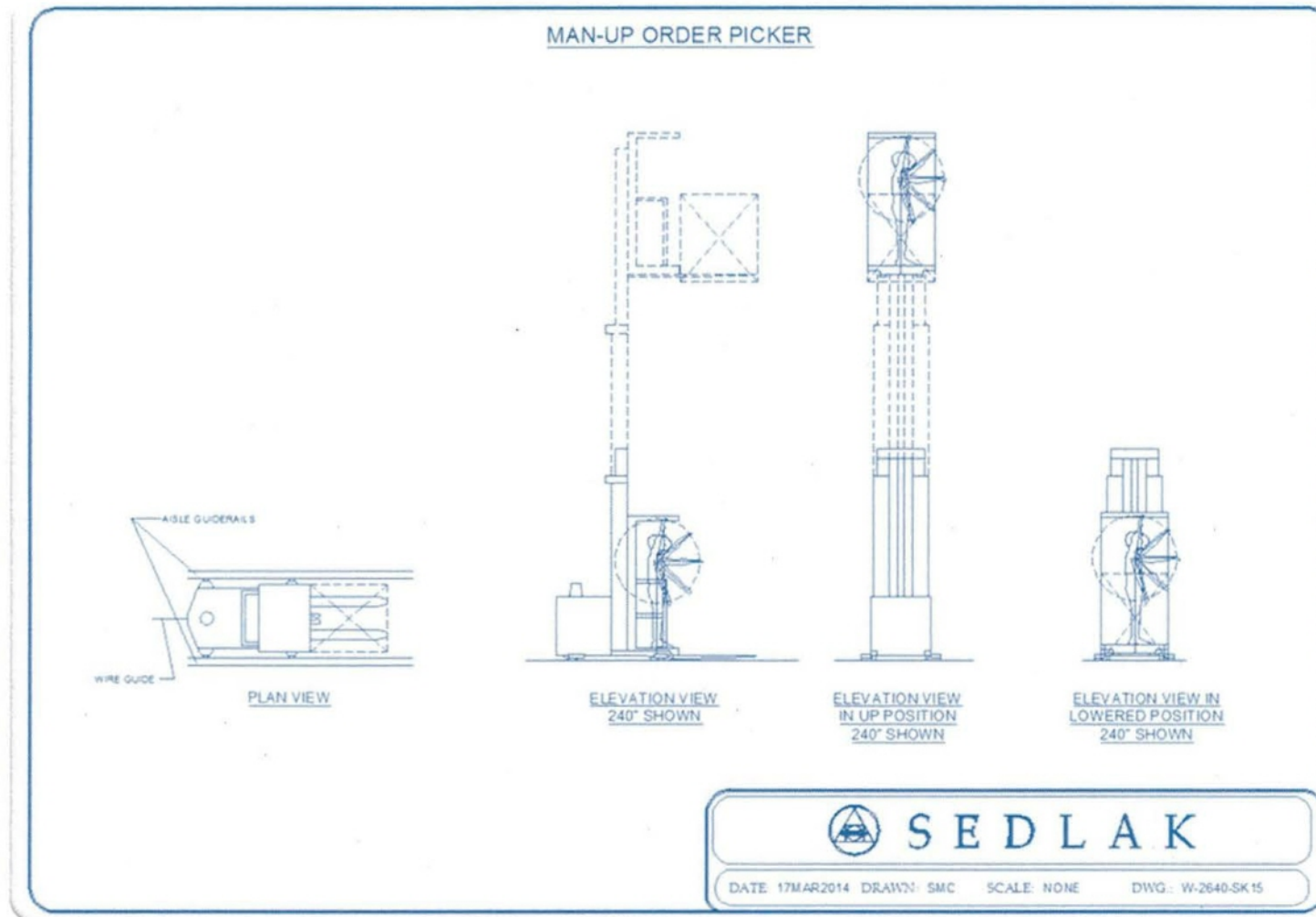
The facility will include designated areas for picking. Full pallets may be picked from any level in Reserve Storage, 'slow-moving' case picks will be picked from Reserve Storage, remaining full case and split case bottle picks will be picked from specific pick modules.



- Pick Associates that pick from floor and pallet rack locations will sign into WMS that will direct the associate to the pick location. The associate will scan confirm the location and the bar code on the pallet to complete the pick and take the pallet to the shipping staging area from the floor pallet area and to a drop zone at the end of the aisle from pallet rack locations.
- Pick Associates in the pick module will be assigned to pick zones with pick face locations consisting of the faster moving SKUs. The picker will be given pre-printed bar coded pick tickets that the WMS has designated as a wave of orders. Pick-to-Voice system will allow the associate to confirm the pick has taken place.
- Associates picking individual bottles will be directed by the WMS, via Pick-to-Voice to make the pick and confirm the pick has taken place. Associates will pick bottles into the shipping container and apply a bar code label on the shipping container and place on the conveyor to be taken to the sortation system.

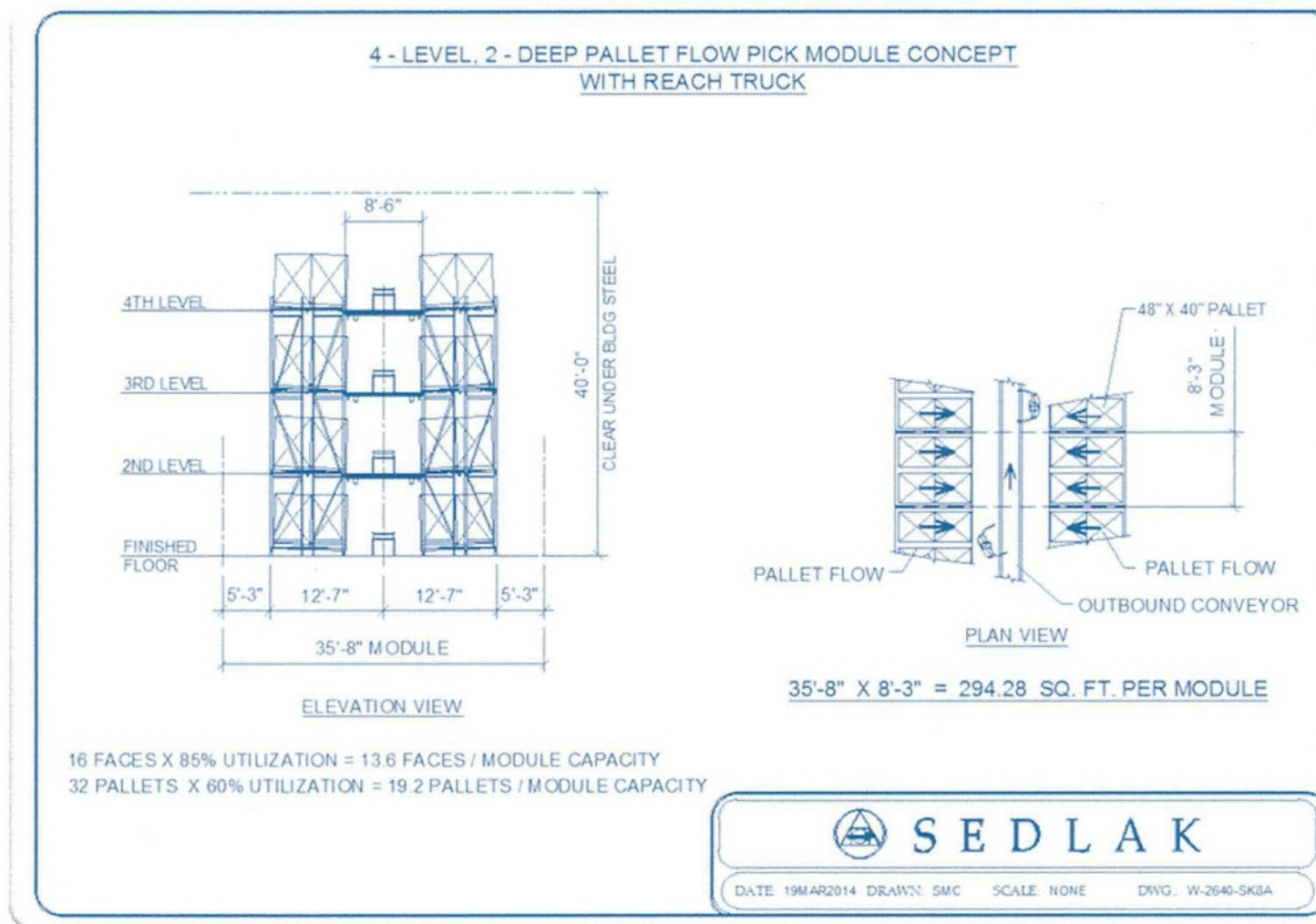
Material Handling & Storage Concepts

Picking – Man-Up Case Picking From Pallet Rack



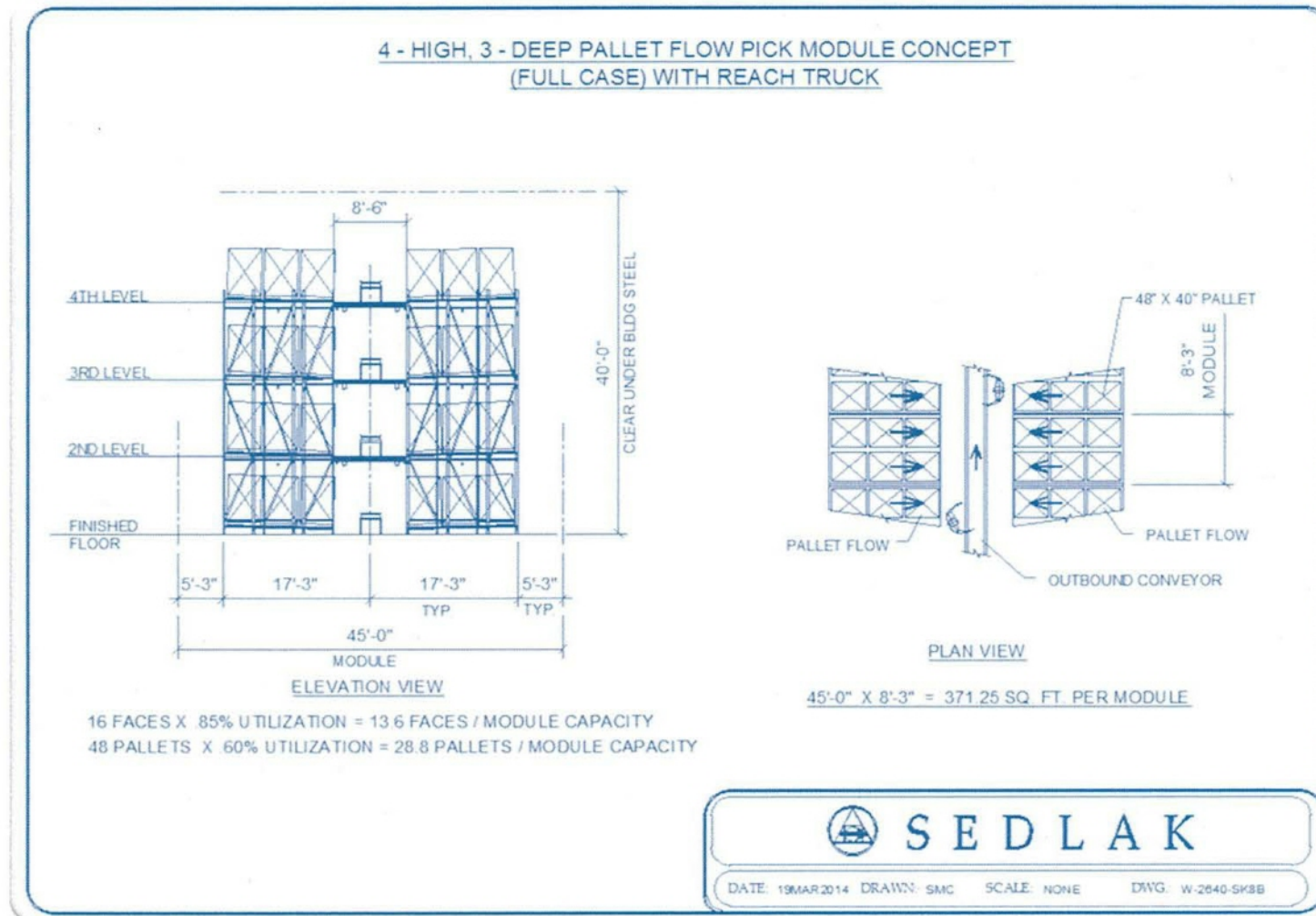
Material Handling & Storage Concepts

Picking – Case Pick From 2-Deep Pallet Flow Pick Module



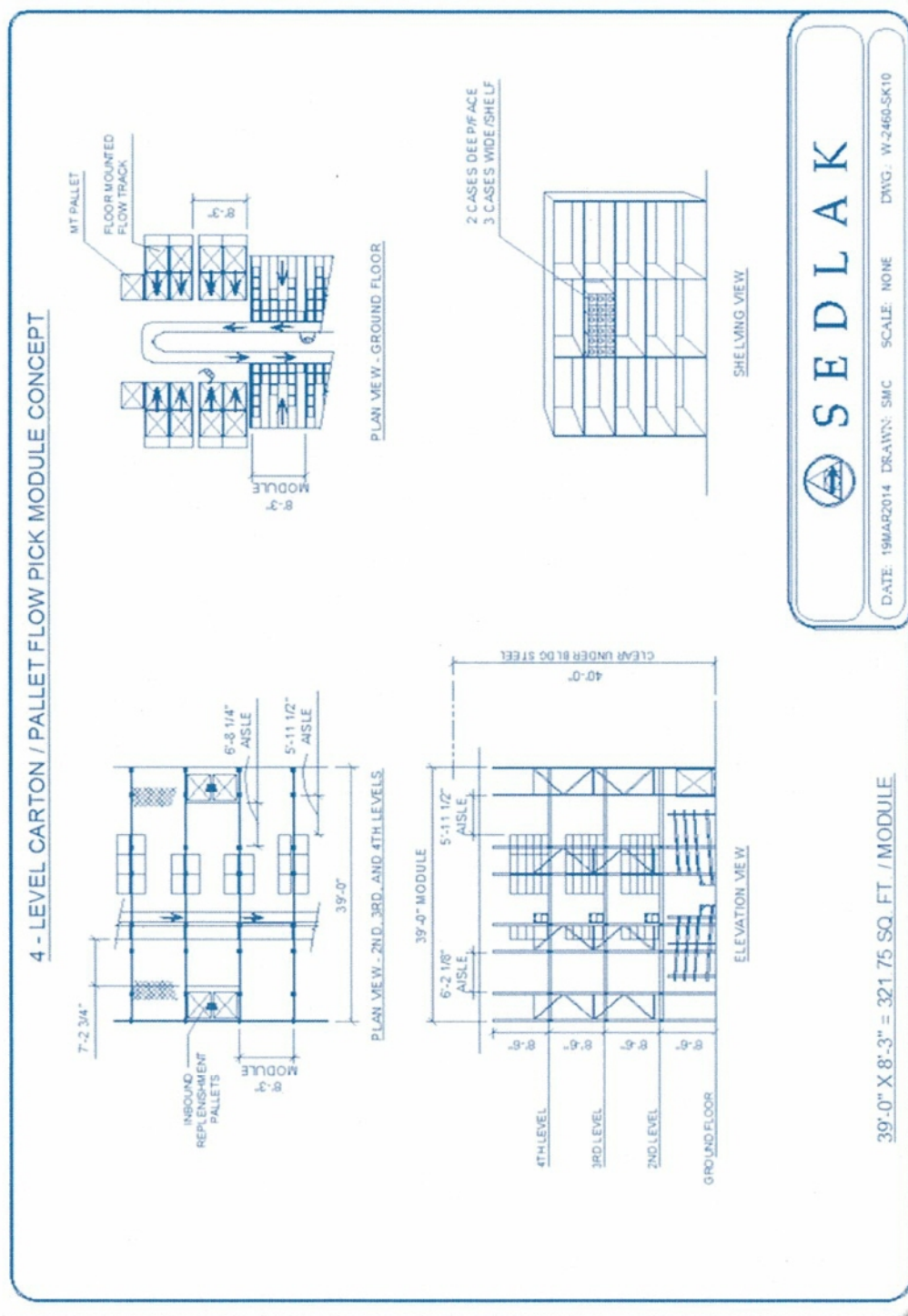
Material Handling & Storage Concepts

Picking – Case Pick From 3-Deep Pallet Flow Pick Module



Material Handling & Storage Concepts

Picking – Bottle Pick Module w/Multiple Pick Media Types



Material Handling & Storage Concepts

Sortation & Pallet Building

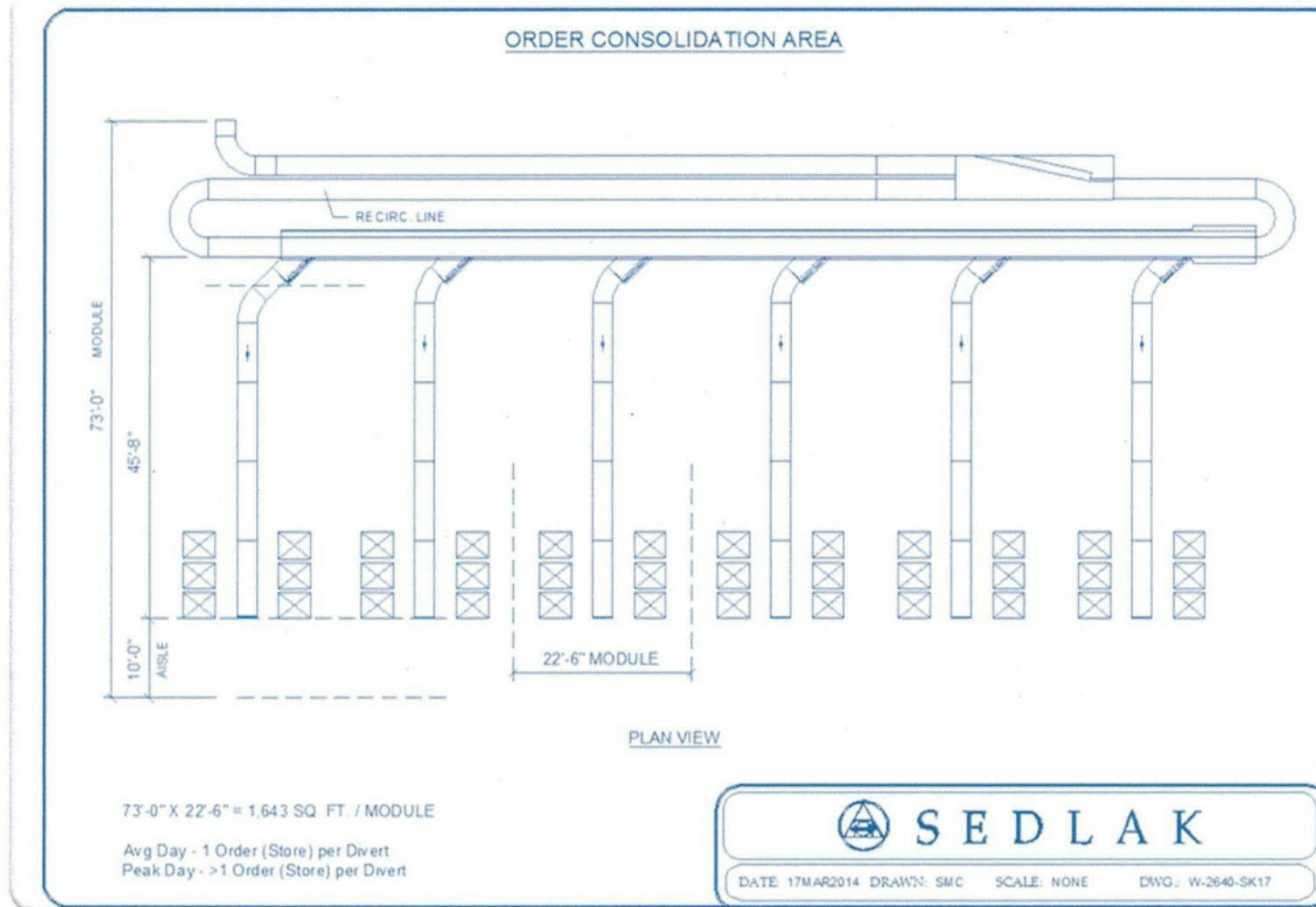
All picked cases will be sorted using a 'Consolidation Sorter' conveyor system. The sortation system is a power conveyor that diverts cases assigned to a down line for pallet build. Each down line represents the order within a wave of orders to be built to pallet for loading and shipping.



- The sortation system is directed by the Warehouse Control System (WCS) that is interfaced to the WMS and identifies to the label that has been placed on the shipping container.
- As the shipping container label is scanned by the sorter it diverts the container to the appropriate down line in order sequence. As the container arrives at the base of the down line the pallet building associate will take the shipping container and place it into the appropriate pallet for the order.
- When the pallet-builds are complete, the pallet is sent to shrink wrapping station
- When shrink-wrapping is complete, the pallet is staged in appropriate location

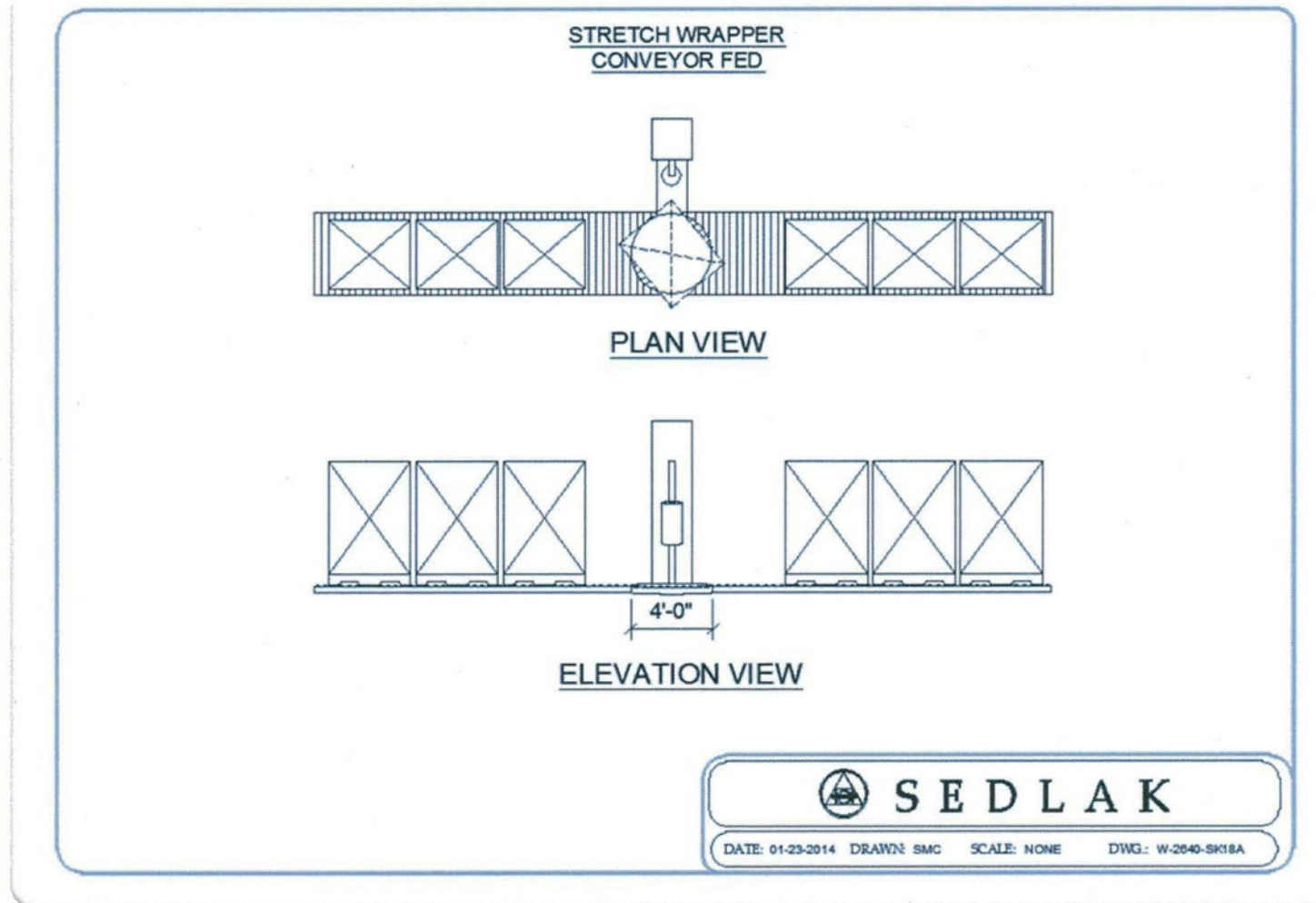
Material Handling & Storage Concepts

Sortation & Pallet Building – ‘Consolidation-Sorter’



Material Handling & Storage Concepts

Sortation & Pallet Building – Stretch Wrap Station



Material Handling & Storage Concepts

Outbound Shipment Staging

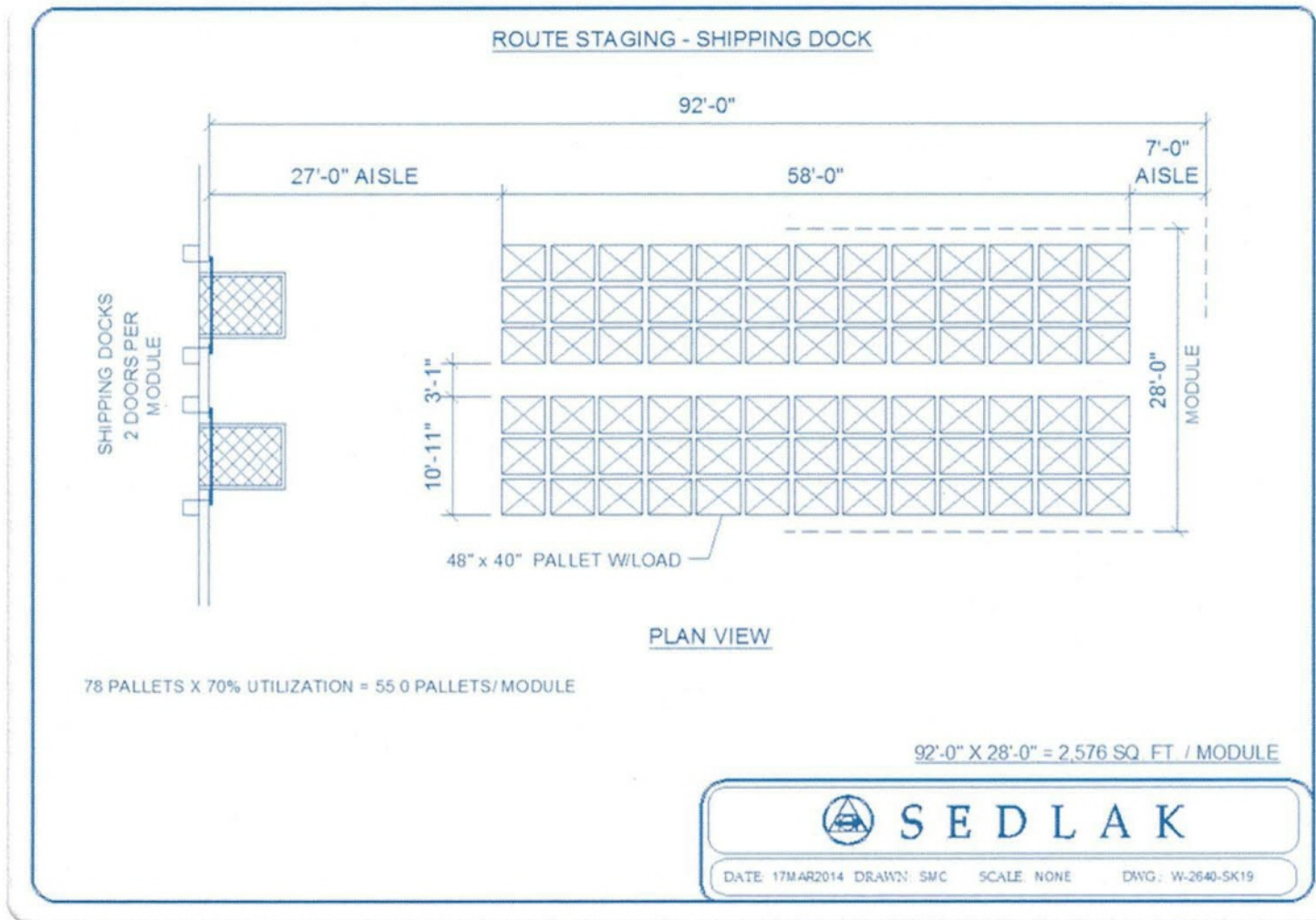
The facility will include designated shipping docks for all outbound loading activity. The YMS and the WMS will interface allowing each trailer to be assigned via the system for pallet loading into the assigned trailer.



- A double deep Pallet Jack will be used by the loading associates to take shipping pallets from the shipping staging area to the appropriate dock for trailer loading.
- The loading associate will log into the WMS and identify the shipping station location by scanning it and then scan the pallet the WMS directs the associate to for loading.
- The associate will scan the pallet label at time of pallet pick up and travel to the directed dock door. Upon arrival at the door the associate will scan verify the dock door and place the loaded pallet into the trailer.
- When the trailer loading is complete the WMS will alert the YMS that the trailer is ready to moved to the yard.

Material Handling & Storage Concepts

Outbound Shipment Staging



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Information Technology Requirements

Distribution Center Systems Overview



Information Technology Requirements



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Recommended Distribution Center Systems

Warehouse Management System (WMS)

main functionality is to control the movement and storage of products within a warehouse and process the accompanying transactions: receiving, putaway, picking, and shipping – deployed in Main DC and up to 4 Depots

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Warehouse Control System (WCS)

directs the real-time activities within distribution centers. It provides a uniform interface to a wide range of material handling equipment such as conveyor systems, sorters, palletizers, AS/RS, etc

Labor Management System (LMS)

manage and track labor activities, including real-time interaction with WMS and WCS systems, collecting data on what workers are doing; locations visited, equipment used, paths traveled, and inventory handled

Yard Management System (YMS)

serves as the bridge between the WMS and transportation. controlling yard activities and scheduling arrivals and departures at the dock doors, reducing traffic issues and truck waiting times

Transportation Management System (TMS)

develop outbound routes and stop sequence loading instructions, including planning and decision making, Transportation Execution, Transport follow-up, and Measurement.

Information Technology Requirements



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Recommended Distribution Center Technology

RF Enabled Bar Code Scanning Technology	Radio Frequency devices that provide interface with associates to provide directed activities, order information, Bar Code Scanning, inventory and activity updates – hand held, mounted devices and in-line devices including laser and optical scanners	s.13,s.17
RF Enabled Voice Picking Technology	Voice systems provide hands free lifting and transport of goods without burden of carrying IT/RF related equipment by associates. Device can be trained for different languages and dialects	
Guide-by-Wire Enabled VNA Lift Trucks	Technology utilized to guide material handling equipment in tight spaces where moving in a straight line is of critical importance, generally involves a buried wire in the warehouse floor (\$2.50 per linear ft.)	
Warehouse Slotting Tool	Slotting tools use SKU order velocity to calculate and rank items, mapping the warehouse and determining where individual products should be assigned to create the most efficient picking operation	
Forecasting & Demand Planning Tool	directs inventory buying strategies and ensures in-stock availability at stores and other sales channels, as well as determining optimal inventory stocking levels at the DC and Depots	

WMS Industry Landscape

Within the Warehouse Management Systems (WMS) industry, vendors compete in several segments of the market:

ERP

Enterprise Resource Planning vendors have applications or modules within their product lines for WMS functionality. These offerings have traditionally been weaker than 'Best of Breed' counterparts and were generally included in ERP licensing. In recent years, ERP vendors have closed the functional gap considerably, either through R&D or acquisition, and satisfy most requirements for low to medium complexity operations. However, the chief benefit of these offerings, especially for the market leaders, is tight integration within the ERP suite. They are generally not viable outside of that context. By far the largest ERP vendors are:

ORACLE



Best of Breed

A number of firms offer stand-alone WMS products which can be configured for application across a number of industry verticals. They are generally functionally very rich and can satisfy complex, high volume distribution operations without major modifications. They may be differentiated in the depth of functionality applicable to any one industry segment (retail, grocery, process industries, etc) , the breadth of complementary supply chain management offerings or technology platform. Leaders in the 'Best of Breed' category are:



WMS Industry Landscape

Mid-Market

With elements of both ERP and 'Best of Breed' categories, these systems targeted at small & medium sized businesses either with stand alone applications or integrated into a suite of applications. Although functionally capable, they typically have a limited feature set and compete on price & ease of implementation. Some prominent players include:



Niche Players

There are many dozens of smaller firms, that either offer solutions tailored to a particular type of operation. Some have built 'WMS-like' functionality on warehouse automation control systems, others evolved from corporate development shops have been re-tooled to provide highly scalable solutions, usually customized to complex distribution environments. A very small sample of these types of offerings include:



WMS Industry Landscape

Supply chain execution vendors and their WMS applications come in all shapes and sizes and it seems, go to great lengths to frustrate direct comparison. A brief survey along the dimensions of Functionality, Technology Choices and Services will help to understand the choices/trade offs available.

Functionality

Whether by careful product strategy, industry pedigree or push from customer base, each vendor will have relative strengths and weaknesses in their WMS application. Examples include retail functionality for item hierarchies, order consolidation, customer routing guides and VICS compliant labeling; support for GMP like traceability, strict lot control, expiration date tracking; third party functionality for multi-tenant inventory controls and processing rules, activity billing & labor management.

Technology

Choices regarding technology stack have deep implications for ease of use/acceptance, performance and total cost of ownership. While open systems based SOA is the most preferred platform choice for a low cost forward integration, tried & true midrange iSeries servers are still highly regarded for their stability and performance in high transaction environments, although with a few exceptions, so-called 'Green Screen' user interfaces have given way to configurable, "point & click", web-based screens. Microsoft .Net technology is featured prominently in number of offerings, particularly, but not exclusively in the low end of the market.

Services



Professional services are another area that is all over the board. Some vendors rely mainly on technicians for implementations, others have functional consultants supported behind the scenes with developers and many use VAR channel partners to sell, implement and support their customers. As important to implementation success as the software itself, this is often as secondary consideration during vendor evaluations.

Costs

There was a time that cost was a reliable differentiator in the marketplace, but as so many WMS projects have been shelved during the recession, all of the vendors are 'hungry' and license & service costs can be aggressively negotiated as never before, particularly with the publicly traded companies. For this reason, Cost in the following pages, is simply a High-Medium-Low rating to indicate relative costs under 'normal' market conditions.



WMS Industry Landscape

ERP Leaders

Vendor/ Product	 Oracle Warehouse Management	 EWM
Cost:	High	High
Functionality:	<p>Highly configurable workflow/rules engine, but component functions not as robust as best of breed offerings.</p> <p>Tight integration within eBusiness Suite</p>	<p>Overall functionality suitable for medium complexity operations. Good specific functionality for service parts environment.</p> <p>Tight integration with ERP, but also functional in a distributed mode</p>
Technology:	Oracle technology stack	SAP Netweaver
Services:	Highly competent technicians, but lacking in distribution/ fulfillment expertise	As a relatively new offering, pool of capable talent is limited.
Point of View:	<p>Oracle continues to support WM modules in a number of its acquired applications suites (JDE, Retek) and will likely continue to support the installed base, but OWM is clearly the future direction for eBiz</p> <p>More work to be done to compete in retail.</p>	Flagship WMS module for SAP, expect continued investment to challenge best of breed in the future. ERP WMS continues to be supported due to large installed base



WMS Industry Landscape

"Best of Breed"

Vendor/ Product	 MANHATTAN ASSOCIATES™	WMOS	 RedPrairie™	WMS/D
Cost:	High		High	
Functionality:	<p>Highly functional, incorporates most of the functionality from iSeries offering with a web-based graphical user interface.</p> <p>RF options poorly designed. Weakness in work order functionality</p>		<p>Highly functional - strong lot control, work order functionality, weakness in Direct to Consumer order assembly/packing.</p> <p>Strong references in Pharma, 3PLs</p>	
Technology:	<p>C++, HP/UX/Unix/Oracle/DB2.</p> <p>Highly normalized database makes reporting complex/costly. Significant issues integrating with WCS in high band-width, high transaction volume automated environments</p>		<p>C++ within proprietary SOA framework (MOCA), available in broad choice of technologies – Wintel/Unix / Linux</p>	
Services:	<p>Well developed implementation methodology, but quality of implementation dependent on individual assigned talent, particularly for smaller customers.</p> <p>Complex operations continue to pose challenges for consultants.</p>		<p>Highly dependent on individual talent - project team must be thoroughly evaluated</p>	
Point of View:	<p>Flagship product for market leader; continues to evolve. iSeries product still viable to due advanced functionality & massive installed base. Notable reference: PetSmart</p>		<p>Flagship product for on-premise WMS. Integral component of company vision for end to end service offerings.</p>	




WMS Industry Landscape

"Best of Breed"

Vendor/ Product	 HighJump SOFTWARE	Warehouse Advantage	 INFOR	WM9
Cost:	Medium		Medium	
Functionality:	Good functionality/integration in manufacturing distribution environments. Good direct store delivery functionality. Suitable for medium complexity operations.		Functional for medium complexity operations. Reflecting EXE roots, Good grocery & 3PL specific functionality (multi-owner inventory, rules by entity, billing). Busy user interface.	
Technology:	Unique architecture allows almost limitless configurability via proprietary business process modeling .Net technology stack		Although touted as a re-write of EXE4000 for SOA, large segments of "legacy" C code have been encapsulated in Java wrapper__ could indicate weakness in dev staff, watch for performance issues. Java, Websphere/AIX/Oracle	
Services:	Offers starting industry templates & in-depth training, but requires discipline on the customer for successful implementation.		Decent services reputation, however, there has been high turnover in staff. Thorough due diligence recommended.	
Point of View:	Since acquisition by VC group Batter Ventures, long term strategy unclear.		INFOR has competing products in its stable, but indications are that WM9 will be centerpiece WMS. WM2000 is also marketed for specific clients.	




WMS Industry Landscape

Mid-Market

Vendor/ Product		 Microsoft Dynamics	
Cost:	Medium	Low to Medium	Medium
Functionality:	Solid functionality for medium complexity warehouses.	Basic functionality only	Suitable for medium complexity operations
Technology:	C++, Powerbuilder, Windows. User interface is somewhat cluttered	Microsoft Dynamics Platform	SQLServer, Webservices
Services:	Configuration relies on hundreds of flags/switches, can be cumbersome /error prone.	Usually implemented though VAR channel	
Point of View:	Accellos acquired RadioBeacon in 2006, as the WM offering to build out its suite of mid-market supply chain products. New investment will likely continue to be around complementary products rather than upgrades to core functionality.	Three versions depending on what 'flavor' of dynamics is implemented AX, NAV or GP. Channel partners often customize for their markets/customers.	EPICOR's WMS offering is part of its ERP and not suited to stand alone implementation.

WMS Industry Landscape

Niche Players

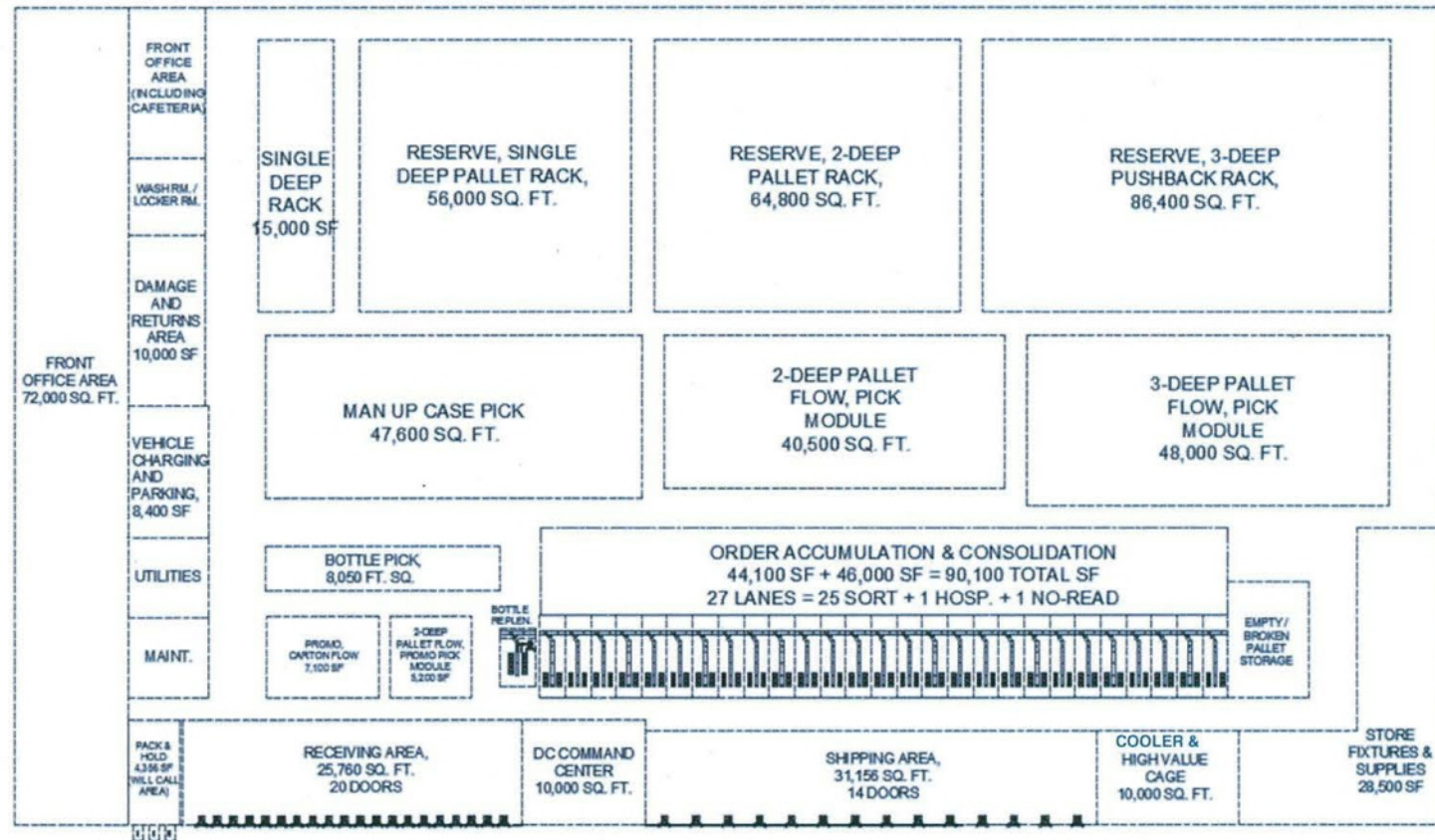
Vendor/ Product	 ASAP AUTOMATION	EXACTA	 iNEK INTEGRATION TECHNOLOGIES	Warehouse Librarian	 Knighted® An Intelligranted® Company
Cost :	Low		Low		Low to Medium
Functionality:	Basic WMS functionality for small distribution operations. Tight MHE integration.		Basic WMS functionality for small distribution operations. Tight MHE integration.		Highly functional, scalable solution, primarily for retail. Very intuitive, web-based user interface and excellent functionality for slotting in high SKU count environments. Unique multi-channel capabilities
Technology:	Windows, SQLServer		Windows, SQLServer		Java/RPG, Websphere/DB2
Services:	See below		Similar to BMH, Intek offers a facility design & automation services, in addition to WMS implementation.		Lacking a formal methodology, Knighted's approach is not for everyone, but they are extremely customer oriented. Great ongoing support, often acts like extension of the client's IT dept.
Point of View:	Subsidiary of Bastian Material Handling, develops software solutions complementary to the services in engineering design & automation Notable reference: Drs Foster & Smith		One of a number of vendors building WMS functionality on top of warehouse control systems offerings. Applications generally grow through customer funding versus dedicated R&D. Notable references: Petco, Animal Supply Company		As a niche player, long term viability is always an issue, but recurring revenue from existing client base for enhancements & new installations should temper concerns. Truly unique vision & approaches for warehouse functionality.

- ☐ Phase 1 Recap & Review
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- ☒ **Conceptual Facility Layout Options**
- ☐ Initial Site Requirements & Considerations
- ☐ Preliminary Capital Investment Estimates
- ☐ Phase 2 Detailed Design Approach
- ☐ Next Steps & 'Bridge' Project Plan

Conceptual Facility Layout

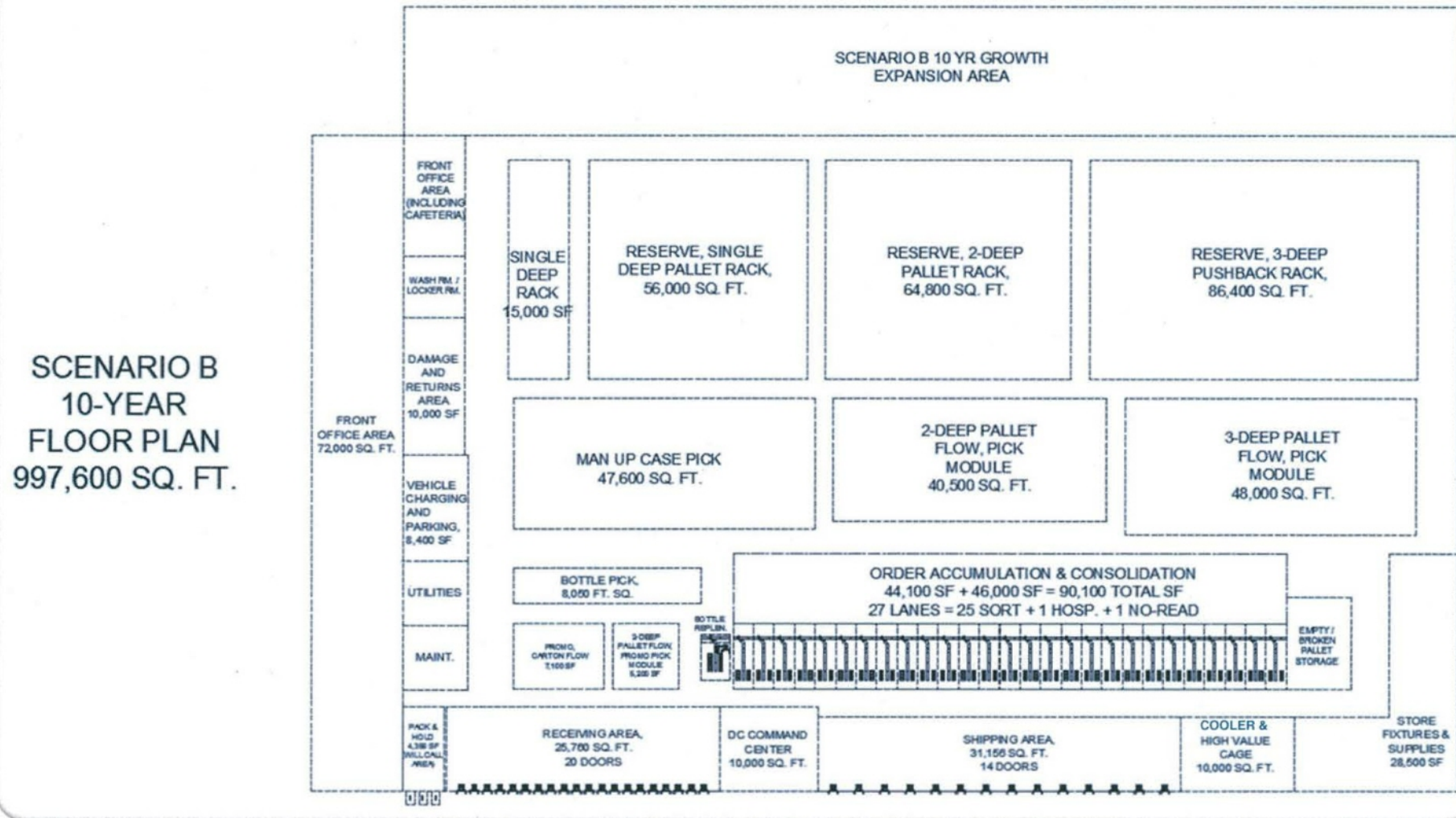
Scenario A - 10 yr. (2023) Facility Block Layout

SCENARIO A
10-YEAR
FLOOR PLAN,
835,200 SQ. FT.



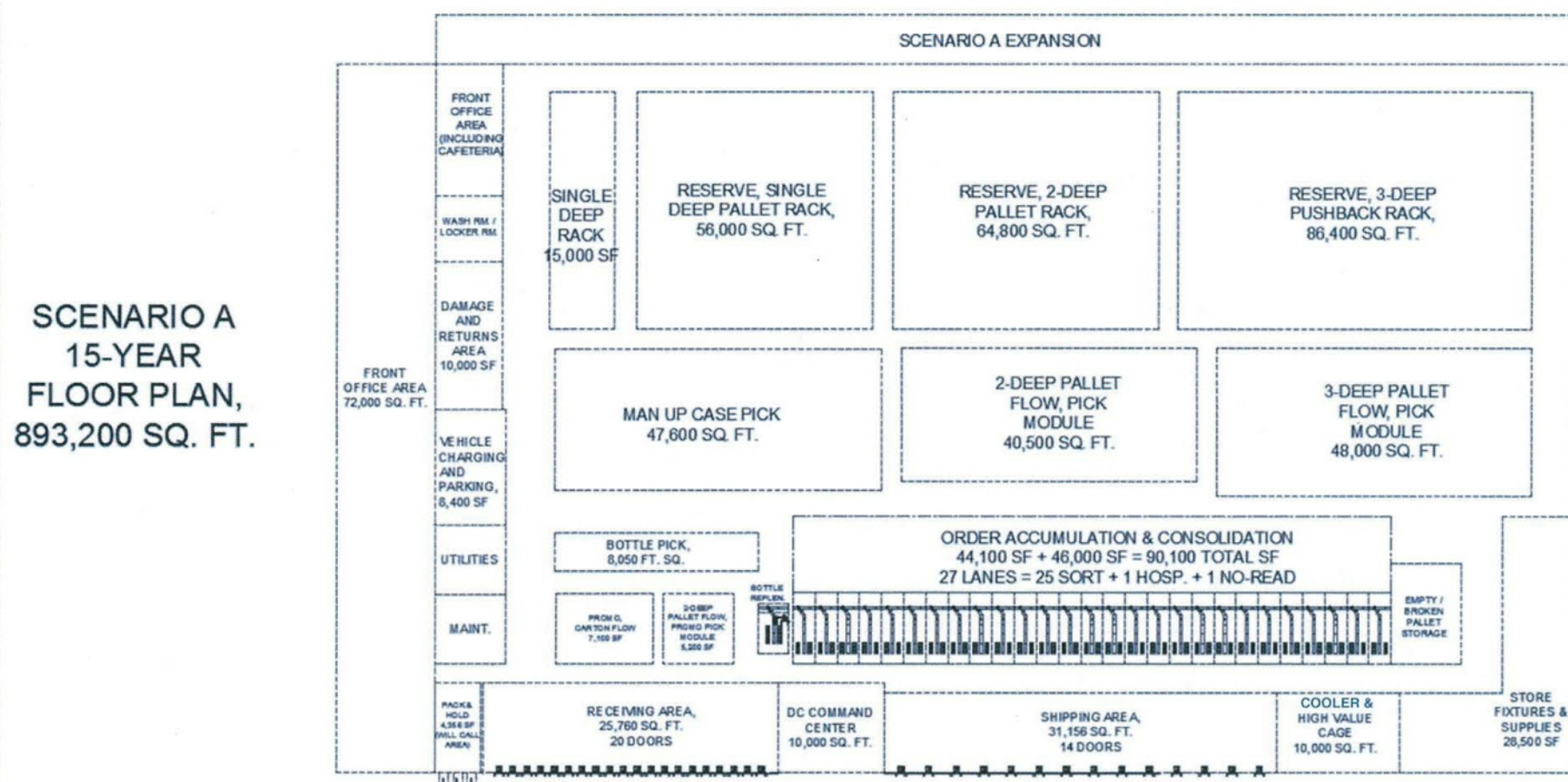
Conceptual Facility Layout

Scenario B - 10 yr. (2023) Facility Block Layout



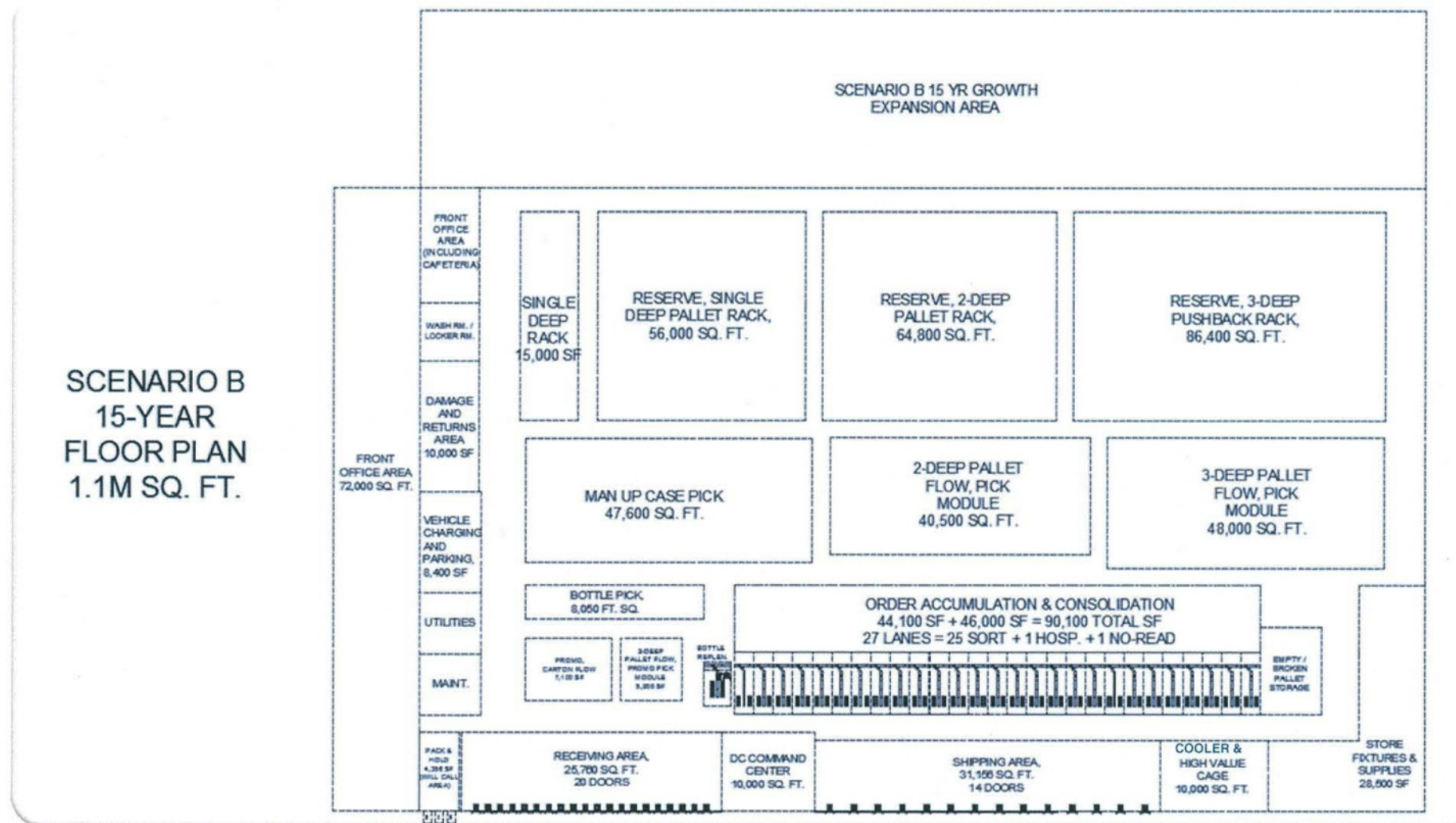
Conceptual Facility Layout

Scenario A - 15 yr. (2028) Facility Block Layout



Conceptual Facility Layout

Scenario B - 15 yr. (2023) Facility Block Layout



- ☐ Phase 1 Recap & Review
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- ☐ Phase 1 Recap & Review
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Preliminary Capital Investment Estimates



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s.13,s.17

Preliminary Capital Investment Estimates



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Preliminary Capital Investment Estimates

■ *Information Systems & Technology*

- Warehouse Management System - s.13,s.17
- Warehouse Control System - s.13,s.17
- Labor Management System - s.13,s.17
- Yard Management System - s.13,s.17
- Transportation Management System - s.13,s.17
- Warehouse Slotting Tool - s.13,s.17
- Demand Planning & Forecasting Tool - s.13,s.17
- Systems Total - s.13,s.17

Preliminary Capital Investment Estimates

- *Partial Listing of MHE (estimates are at Yr. 1)*
 - Traditional Counterbalance Lift Trucks (8) - s.13,s.17 ea.
 - Narrow-Aisle Stand-up Reach Trucks (6) - s.13,s.17 ea.
 - Man-Up Order Selector Trucks w/Cage (4) - s.13,s.17 ea.
 - Powered Single & Double Pallet Jacks (16) - s.13,s.17 ea.
 - Various Pallet Rack for Configuration - s.13,s.17
 - Consolidation Sortation System - s.13,s.17
 - Pick Modules (4) - s.13,s.17

- ☐ Phase 1 Recap & Review
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- ☐ Next Steps & 'Bridge' Project Plan

Phase 2 – Detailed Design - Discussion



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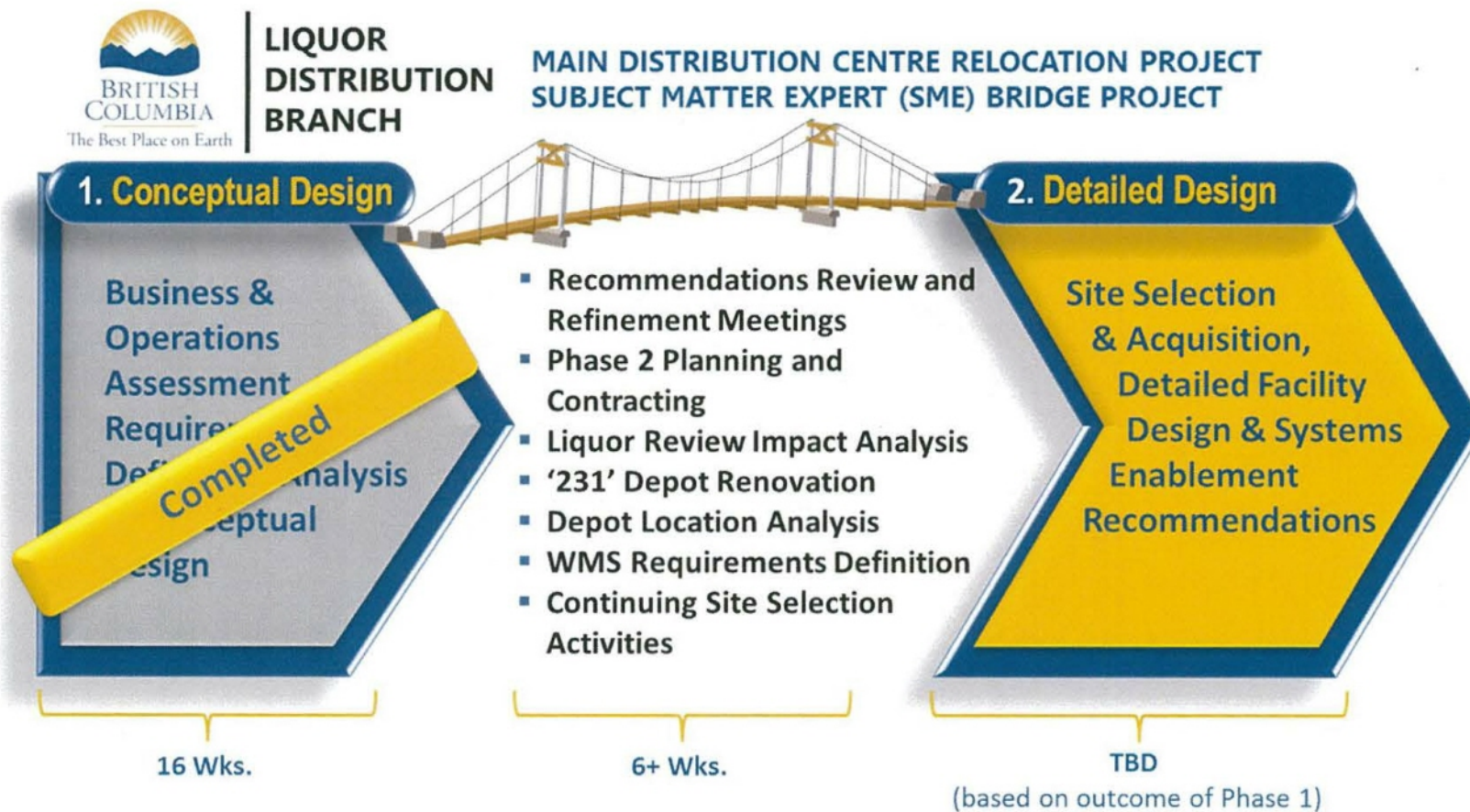
MAIN DISTRIBUTION CENTRE RELOCATION PROJECT
SUBJECT MATTER EXPERT (SME) APPROACH



- ☐ Phase 1 Recap & Review
- ☐ Volumetrics Adjusted for Growth
- ☐ Operating Strategy & Operating Model
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- ☐ Preliminary Capital Investment Estimates
- ☐ Phase 2 Detailed Design Approach
- ☒ **Next Steps & 'Bridge' Project Plan**

Bridge Project Plan

BCLDB & Sedlak have reached agreement on the 'Bridge' agreement and work commenced on 3/3/14...



Next Steps

- **Make any additional changes/updates to Recommendations based on today's discussions and review**
- **Conduct additional/ongoing Recommendation Reviews, as necessary**
- **Initiate discussions on 'Liquor Review' impacts**
- **Develop ongoing 'Bridge' initiatives schedule**
- **Continue 'Bridge' initiatives**
- **Develop Phase 2 Approach, Scope and Statement of Work**

Thank You!



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