



LCBO NOTICE OF INTENDED PROCUREMENT AND TENDER NOTICE

Request for Proposal (RFP): 2024-077
RFP Title: FOR COMMUNITY AGREEMENT TO SELL BEVERAGE ALCOHOL
AS PART OF A RETAIL BUSINESS
Issue Date: May 6, 2024
LCBO Contact: Robert Babin, Senior Manager
Contact email: robert.babin@lcbo.com
Questions Deadline: May 13, 2024 12:00:00 PM Toronto time
Submission Deadline: May 27, 2024 2:00:00 PM local time (Toronto)

The RFP is available for download through LCBO's Doing Business with LCBO website – Wholesale/Convenience Outlets
(<https://www.doingbusinesswithlcbo.com/content/dbwl/en/basepage/home/Wholesale/lcbo-convenience-outlet/ApplyforanLCBOConvenienceOutletAuthorization1.html>.)

Bids must be completed, signed and dated and must be submitted via email to lcbosubmissions@lcbo.com

Late submissions will not be considered. Bids must be in English.

This procurement may be subject to Chapter 5 of the Canada Free Trade Agreement (“CFTA”) and Chapter 19 of the Comprehensive Economic Trade Agreement (“CETA”).

The LCBO expects all suppliers to adhere to the LCBO's Supplier Code of Business Conduct, which is available on the LCBO's website under “Doing Business with the LCBO”. The Supplier Code sets out principles applicable to all suppliers (including both suppliers of beverage alcohol products and suppliers of non-alcohol goods or services) that wish to establish and maintain a business relationship with the LCBO.

Brief Description of the Procurement:

This Request for Proposals (the “RFP”) invites prospective respondents to this RFP (referred to as “Respondents”) who currently operate an existing retail business in one of the various communities across the Province of Ontario listed in Appendix “A” to this RFP (each a “Community”) to submit proposals (“Responses”) to establish and operate a government store (an “LCBO Convenience Outlet”) for the retail sale of beverage alcohol within their existing retail business premises (“Business Premises”).

Term of Contract: The fixed term of the agreement is to be for a period of five (5) years with an option to extend the Agreement for an additional five (5) year option, commencing on a date to be determined by the LCBO.

Information Session: NO

Site Meeting: NO

LCBO

REQUEST FOR PROPOSAL
FOR COMMUNITY AGREEMENT TO SELL BEVERAGE ALCOHOL AS PART
OF A RETAIL BUSINESS

RFP 2024-077

Issue Date: May 6, 2024

Deadline for Submission of Responses:
May 27, 2024 at 2:00:59 pm Eastern Standard Time (EST)

LCBO Submission Link: lcbo submissions@lcbo.com

PART I - GENERAL INFORMATION

1.1 Introduction

The Liquor Control Board of Ontario (the "LCBO") invites prospective respondents to this RFP (referred to as "Respondents") who currently operate an existing retail business in one of the various communities across the Province of Ontario listed in Appendix "A" to this RFP (each a "Community") to submit proposals ("Responses") to establish and operate a government store (an "LCBO Convenience Outlet") for the retail sale of beverage alcohol within their existing retail business premises ("Business Premises"). Also included in Appendix "A" are the identified street intersections for which operators' proposed businesses must be within five (5) kilometres. In this RFP, "beverage alcohol" means spirits, wine and beer.

1.2 Summary of LCBO Convenience Outlet Program

The LCBO agency store program has been in operation since 1962 and has now been rebranded as the LCBO Convenience Outlets program (the "Program"). The Program provides access to beverage alcohol to communities that lack convenient access to an LCBO store location. Historically, operators were selected through a competitive process and the successful Respondent for each location was awarded a five (5) year Agreement.

The Program delivers economic benefits to the Community, through revenue generation, employment and an overall broadening of the Community's business base. Under the Program, the LCBO authorizes local retailers to sell beverage alcohol in conjunction with other retail goods. LCBO Convenience Outlets sell beverage alcohol to the public at the same prices charged at regular LCBO retail stores, The Beer Store ("TBS") and other retail outlets. However, purchases of beverage alcohol by a Convenience Outlet operator (the "Operator") from the LCBO will be at a discounted price. Operators issued an Agreement under this RFP will be able to begin to sell beverage alcohol once they receive their first order of product.

1.3 Executive Summary of Criteria for an Existing Retail Business

The following is a summary of the qualifying criteria that an existing retail business must meet in order to be considered for award of an Agreement. Respondents should note that this executive summary is included for convenience and a full list of the requirements for submitting a Response and for the evaluation of same are set out in Part III – Submission and Selection Process.

In order to qualify for an Agreement, a retail business must:

- a) Be an existing retail business that is currently in operation. An "existing retail business" means a business that is currently in operation and sells a variety of goods to consumers, but does not include retailers that primarily identify to the public as a pharmacy or a restaurant;
- b) Be within five (5) kilometres of the identified intersection as set out in Appendix "A";
- c) Not be within five (5) kilometres of an existing LCBO, TBS retail outlet;
- d) Have a proposed area for the sale of beverage alcohol that is not greater than 50% of the total selling area of the operational retail business; and
- e) Have sufficient space to meet the following minimum storage and shelving requirements if selected:
 - (i) 16-foot shelves or any combination of shelving that totals to 80 linear feet of high quality industry standard shelving sufficient to hold the weight of beverage alcohol products;
 - (ii) A 4 x 4 square foot space for seasonal product display; and
 - (iii) A 100 square foot separate storage area for empty beverage alcohol containers.

PART II – PROGRAM DESCRIPTION

2.1 Purchasing Beverage Alcohol

- a) **LCBO Products** - Spirits, wine, and beer produced outside of Ontario must be purchased from a designated LCBO Wholesale Depot. The LCBO will sell these products to the Operator at a percentage discount calculated on the retail price at which beverage alcohol is sold in LCBO stores, excluding container deposit and Harmonized Sales Tax (“**HST**”). Currently, the discount on products purchased from the LCBO is ten (10) percent. The LCBO reserves the right to change the discount at any time during the term of the LCBO Convenience Outlet Agreement (the “**Agreement**”) granted by the LCBO to the Operator. Respondents should take note that each successful Respondent can expect an outlay of \$30,000 to \$80,000 for start-up inventory of products purchased from the LCBO. The first inventory order must be paid by way of a certified cheque or bank draft. The LCBO will deliver purchases of spirits, wine and import beer to the Convenience Outlet with a delivery fee by region.
- b) **Domestic Beer** - As defined in the location list (Appendix A), Operators located in Northern Ontario will purchase Ontario-produced beer (“**Domestic Beer**”) from the LCBO, while Operators located in Southern Ontario will purchase Domestic Beer from TBS. For domestic beer not available through TBS, operators will be permitted to purchase directly from licensed manufacturers, subject to the satisfaction of certain conditions established by the LCBO.
- c) **HST** - The Operator must pay applicable HST on all purchases of beverage alcohol.

2.2 Sale Price and Taxes

The Operator must sell all beverage alcohol products at the same price charged at LCBO stores, outlets of TBS or a Domestic Beer manufacturer's on-site retail store. The Operator must collect, record, and remit HST. The Operator may only accept cash, credit cards or debit cards as payment for beverage alcohol.

2.3 Training and Age of Employees

Preventing sales to minors and customers who appear to be intoxicated are key elements of social responsibility. The Operator's employees who work in the LCBO Convenience Outlet must meet the requirements of the Liquor Licence Act. All employees who sell beverage alcohol in the Operator's LCBO Convenience Outlet must be at least eighteen (18) years old. The LCBO will provide the Operator with its mandatory social responsibility video-training program, “*Challenge & Refusal: It's Not Personal, It's The Law*”. All of the Operator's employees who work in the LCBO Convenience Outlet must complete the Challenge & Refusal training program prior to selling beverage alcohol to the public. All challenges and refusals of service for reasons of age or intoxication must be documented by the Operator as prescribed by the LCBO. The Operator will also be required to comply with applicable requirements, specifications and standards for accessibility (including, without limitation, training of staff) established under the *Accessibility for Ontarians with Disabilities Act, 2005* and its regulations.

2.4 Business Hours

The Operator's LCBO Convenience Outlet should be open to the public for a minimum of eight (8) hours per day for six (6) days per week, one of which should be Saturday. Hours of operation for the sale of beverage alcohol must comply with the acceptable hours of operation as outlined by the Alcohol and Gaming Commission of Ontario (“**AGCO**”).

Where a Respondent operates a seasonal business, the LCBO may authorize reduced hours of operation where the LCBO determines that it is warranted given local demand. For the purposes of this RFP, “**Seasonal Business**” means a business that shuts down operations for a period of time as a result of business demand changing in relation to the seasons (e.g., shutting down during the winter months). Respondents should note that LCBO has a preference for businesses that do not operate as Seasonal Businesses. Please see Part III – Submission and Selection Process for further details.

2.5 Separate Area of Store for Beverage Alcohol Display

Beverage alcohol must be displayed in an area of the Business Premises that is physically segregated from other goods. At no time can beverage alcohol be the main focus of the business. The LCBO Convenience Outlet is considered an adjunct service to the Operator's main business operations. During those hours when the Operator's Business Premises is open, but beverage alcohol may not be sold, the beverage alcohol should be inaccessible.

Respondents should note that optimal inventory levels need a proposed selling area within the Business Premises for Domestic Beer of a minimum of 150 square feet retail. However, Respondents should note that there are minimum requirements for space allocation and fixturing that must be met in order to be awarded an Agreement. Please see Part III – Selection and Submission Process, Section 3.3.

2.6 Insurance

The Operator must maintain insurance satisfactory to LCBO throughout the term of the Agreement including, without limitation, Commercial General Liability Insurance in the amount of \$5,000,000 per occurrence protecting the Operator and its employees and agents from all claims, demands, actions and causes of action that may be made against the Operator for bodily injury (including death), personal injury, and property damage.

This policy must also include contractual liability, employers' liability, liquor liability, non-owned automobile liability, products and completed operations coverage, as well as severability of interests and cross liability clauses. The policy must be endorsed to add the LCBO as an additional insured with respect to the operations of the Operator.

The policy must include a Primary Non-Contributory clause applicable to Commercial General Liability Policy Form 40000, Section IV – Commercial General Liability Conditions, Item (8.), (d) Primary and Non-Contributory:

The insurance is primary to, and will not seek contribution from any other insurance available to an additional insure under this policy provided that:

- I. The additional insured is Named Insured under such other insurance, and
- II. The insured has agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

This policy will undertake to provide the LCBO with 30 days' notice of cancellation and shall act as primary and not excess to any other insurance available to the LCBO. Certificate(s) of Insurance evidencing the insurance coverage required and signed by the insuring company or authorized broker or agent must be submitted within ten (10) calendar days of the effective date and annually on or before the coverage expiry date. The insurance policy must be maintained in full force and effect at all times throughout the term of the Agreement or such longer period as may otherwise be specified in the Agreement.

2.7 Books and Records

The Operator must segregate sales of beverage alcohol from sales of other goods in its books and records. The Operator must set up and maintain books and records (i.e., POS electronic journal data/retail beverage alcohol sales purchase and sales receipts) governing the operation of the LCBO Convenience Outlet as required by the LCBO. The LCBO will be entitled to inspect the records and books of the Operator's LCBO Convenience Outlet business during normal business hours, without prior notice.

2.8 Signs

Exterior signage identifying the sale of beverage alcohol in the Operator's Business Premises will be provided by the LCBO and must be prominently displayed.

2.9 Empty Beverage Alcohol Containers

The Operator must accept and redeem empty beverage alcohol containers within the Community where the Operator's LCBO Convenience Outlet is located in accordance with the Ontario Deposit Return Program established by the Government of Ontario.

2.10 Store Alterations

The Operator, not the LCBO, will pay for any required alterations to the Business Premises for the purposes of accommodating or improving the LCBO Convenience Outlet section, as approved by the LCBO. The LCBO Convenience Outlet section of the Business Premises should be able to accommodate the core listing of brands and related minimum shelving requirement, as described in Part III – Selection and Submission Process, Section 3.3(a)(ii).

2.11 Advertising

All advertising for beverage alcohol must comply with all of the regulations enacted pursuant to the *Liquor Licence Act*. It shall be the responsibility of the Operator to ensure that all advertisements fall within the parameters set out in the regulations and in the AGCO Liquor Advertising Guidelines, as may be amended from time to time.

2.12 Liquor Licence

The Operator shall not, during the term of the Agreement, hold a licence to sell liquor pursuant to the Liquor Licence Act (Ontario), nor have any direct interest in any business entity which holds such a licence. If the Operator has such a license or such an interest, or if at any time during the term of this Agreement, the Operator acquires such a licence or such an interest, then the LCBO, in its absolute discretion, may require the Operator to relinquish it prior to the award of an Agreement or the LCBO may revoke the Agreement or suspend it until such time as the Operator divests itself of such licence or such interest or the LCBO may impose such additional conditions as the LCBO considers appropriate to ensure that there is no conflict between the Operator's interest in such licensed business and the Operator's obligations under this Agreement.

2.13 Agreement

The Agreement awarded by the LCBO to the successful Respondent will be for a period of five (5) years with an option to extend the Agreement for an additional five (5) year option, subject to earlier termination in accordance with the terms and conditions of the Agreement, including, without limitation, for the breach of any of its provisions. The Agreement will reflect the requirements of this RFP, together with any other requirements determined by the LCBO.

At the end of the initial term of the Agreement or any extension thereof, if applicable, if the LCBO wishes to continue the operation of the Program in the Community, a new competitive process will be initiated in the Community, so that all existing retail businesses in the Community have an opportunity to compete for an LCBO Convenience Outlet on a periodic basis.

2.14 No Transfer of Business

The Agreement may not be transferred or assigned by the Operator, either directly or indirectly.

2.15 Contact Information

In order for the LCBO to communicate effectively with its LCBO Convenience Outlet Operators, Operators must have a working telephone and email (*preferred*) at the Business Premises. It is the Operator's responsibility to ensure their contact information is always current and to contact the LCBO should any of this information change.

2.16 French Language Services

Where a Community has been identified as a designated community under the *French Language Services Act* (Ontario), the Operator will be required to adhere to all applicable legislative requirements regarding the provision of service to customers in both French and English languages.

2.17 Compliance with Applicable Laws

- (i) The successful Respondent will be required to comply with all applicable laws, by-laws, orders, ordinances, permits and regulations ("Applicable Laws") in its operations, and in particular, the Liquor Licence Act and all amendments thereto. It is the Respondent's responsibility to ensure that the Respondent's business, Business Premises and property (including its existing use as a retail business and its proposed use as a retailer of beverage alcohol) comply with Applicable Laws.
- (ii) If the business premise is located on a reserve as defined under the Indian Act, R.S.C., 1985, c. I-5, the Respondent must have support from the band council, or if there is no band council, the chief of the band to retail alcoholic beverages on the premises. A written letter from the band council or chief indicating their support, as applicable, must be included with the Response.

2.18 Disclaimer

The LCBO makes no guarantee of the value or volume of sales to Operators under the Program and does not guarantee the renewal of Agreements. During the term of the Agreement, the LCBO reserves the right to terminate an Agreement and may also, in its sole discretion, elect to discontinue the Program in a Community altogether or open an LCBO retail store in the Community. Furthermore, at the end of an Agreement's term, the LCBO may conduct another RFP lottery selection process.

PART III – SUBMISSION AND SELECTION PROCESS

Responses will be processed and, subject to the selection process detailed below, an Operator may be selected for each Community. Respondents should note that, given the number of Responses that LCBO anticipates receiving in response to this RFP, LCBO may not process and evaluate all Responses at the same time. For further clarity, LCBO reserves the right to process Responses in batches. Accordingly, Respondents may not receive an update in connection with their Response immediately and should not assume that they are either successful or unsuccessful until they have been notified in writing by the LCBO.

3.1 STAGE I – Geographical Qualifications

Retail Business Premises located further than five (5) kilometres from the intersection as identified for each Community in Appendix “A” are not eligible.

Further, any retail Business Premises located (a) within five (5) kilometres of an LCBO, & (b) within five (5) kilometres of a TBS outlet are also not eligible.

Stage I will consist of a review of each proposed Business Premises location using the address provided in the Response to confirm that the proposed location is eligible based on the criteria set out above. Using Google Maps, LCBO will validate the distance in accordance with the following criteria:

- a) For the first substage of Stage I, LCBO will measure the distance from:
 - (i) the applicable intersection;
 - (ii) the closest LCBO retail location; and
 - (iii) the closest TBS retail location.

to the proposed business location using a radius calculation. If the proposed Business Premises location is greater than five (5) kilometres from the applicable intersection, that Response will be disqualified. If it is within five (5) kilometres of the applicable intersection, that Response will proceed to Stage II.

If the proposed Business Premises location is greater than five (5) kilometres from the closest LCBO retail location, and the closest TBS retail location using a radius calculation, then that Response will proceed to Stage II. If the proposed Business Premises location is less than five (5) kilometres from the closest LCBO retail location, TBS retail location using a radius calculation, then LCBO will proceed to the second substage as set out below for that Response.

- b) For a Response that moves to the second substage of Stage I, LCBO will measure the shortest driving distance from the proposed Business Premises location to the (i) closest LCBO retail location; and/or (ii) the closest TBS retail location. If the proposed Business Premises location is within five kilometres of either an LCBO retail location or a TBS retail location using the shortest driving distance, then that Response will be disqualified. If the proposed Business Premises location is farther than five (5) kilometres from any LCBO retail location, TBS retail location using the shortest driving distance, then that Response will be moved to Stage II.

LCBO will use Google Maps to calculate the distances as set out above but will use its discretion with respect to making the most reasonable determination as to the calculation of the applicable distances.

3.2 STAGE II – Submission Requirements

A Response must include certain documentation in order to be considered (the “**Mandatory Information**”). For those Respondents that pass Stage I, Stage II of the selection process will consist of a review of each Response to determine if all Mandatory Information has been submitted. If a Response is submitted at the Deadline for Submission of Responses and is missing any of the Mandatory Information, a Respondent may be provided with the opportunity to rectify any deficiencies; however, the LCBO is under no obligation to notify a Respondent of any deficiencies. The rectification period, which will be set out in the rectification notice, will begin to run on the date that the LCBO issues its rectification notice to the

Respondent and expires at 4:00 p.m. on the last day of the rectification period (the “**Rectification Period**”). A rectification notice sent to the Respondent is deemed to be issued on the day that it is sent, provide that it is sent prior to 4:00 p.m. If the rectification notice is sent after the end of a Business Day or on a day that is not a Business Day, then the rectification notice is deemed to be issued on the next following Business Day. For purposes of this RFP process, a “**Business Day**” means any day between 8:00 a.m. and 4:00 p.m., Monday to Friday inclusive, but excluding weekends, statutory holidays and other holidays days on which the LCBO has elected to be closed for business.

Responses satisfying the Mandatory Information requirements during the Rectification Period will proceed to Stage III of the evaluation process. Responses failing to satisfy the Mandatory Information requirements by either the Deadline for Submission of Responses or the end of the Rectification Period (as may be applicable) will be excluded from further consideration and such Responses will be disqualified.

Mandatory Information

A Response must include the Mandatory Information set out below:

1. Application for LCBO Convenience Outlet Agreement – LCB2456 (the “**Application Form**”) attached hereto as Appendix “B” signed as follows:
 - (i) **If the Respondent is a Corporation:** An authorized signing officer of the corporation
 - a. must sign the Application Form.
 - (ii) **If the Respondent is a Partnership:** Each partner must sign the Application Form.
 - (iii) **If the Respondent is a Sole Proprietorship:** The individual owner must sign the Application Form.
2. Personal History Form – LCB2461 (the “**Personal History Form**”) attached hereto as Appendix “C” signed as follows:
 - (i) **If the Respondent is a Corporation:** The LCBO requires a Personal History Form for each of the following individuals: the officers and directors of the corporation and the proposed manager of the LCBO Convenience Outlet.
 - (ii) **If the Respondent is a Partnership:** The LCBO requires a Personal History Form for
 - a. each of the following individuals: each partner and the proposed manager of the LCBO Convenience Outlet.
 - (iii) **If the Respondent is a Sole Proprietorship:** The LCBO requires a Personal History Form for each of the following individuals: the sole proprietor and the proposed manager of the LCBO Convenience Outlet.
3. Detailed copy of floor plan for the Business Premises, including details of proposed layout of the proposed LCBO Convenience Outlet.

Respondents should ensure that floor plan shows measurements of total floor area of Business Premises and of proposed beverage alcohol shelving, beverage alcohol floor area and refrigeration (if applicable). Only one (1) floor plan will be accepted with each Response. Additional floor plans will not be considered.

The floor plan must include the following, ensuring that all aspects of section 3.3(a)(ii) are incorporated in the plan:

- (i) the measurements, number of, and location of shelves and refrigeration, if applicable, for the display of beverage alcohol in the LCBO Convenience Outlet;
- (ii) the identification of space on the floor that would be allocated to beer;
- (iii) the location and measurements of the Additional Space Requirement, as described below (Section 3.3), for seasonal brands of beverage alcohol; and
- (iv) the measurements for the proposed storage areas for inventory and empty

beverage alcohol containers.

4. Criminal Background Check

The criminal background check will only be checked for inclusion in a submission at this stage of the process. The nature of the criminal background check will not be reviewed at Stage II.

a.) Respondents must submit a criminal background check for all individuals identified in subsection (b) below. Criminal background checks must be obtained using one (1) of two (2) methods:

(i) **Online by using Triton Canada**

(ii) Triton Canada (“Triton”) is a third-party supplier of criminal background checks. The Triton website can be reached through the following link:

English: <https://secure.tritoncanada.ca/Eiv/InitiateEiv?id=bf8f0635-c71e-1406-2e1f-75fa23ee1995&language=en>

French: <https://secure.tritoncanada.ca/Eiv/InitiateEiv?id=bf8f0635-c71e-1406-2e1f-75fa23ee1995&language=fr>

Criminal background checks completed online will see results returned usually within one (1) business day; however, Respondents are strongly encouraged to obtain the necessary criminal background checks early in the process to ensure that there is no delay on obtaining the necessary documentation.

Triton Canada will submit an electronic response to LCBO. **However, Respondents must also send a copy of the criminal background check results with their Response.** Criminal background checks must be dated within 90 days of the Deadline for Submission of Responses.

Please note that LCBO is not responsible for Respondents’ use of the Triton Canada service. Further, Respondents should note that there is a cost to use this service, which is the responsibility of the Respondent. Respondents are responsible for obtaining all necessary consents in relation to obtaining the required criminal background checks and making the same available to the LCBO.

(iii) **Criminal Background Check through Local Police Service**

Alternatively, Respondents can obtain a criminal background check through their local police service. Respondents should note that the timelines for criminal background checks can vary between local police detachments and can be quite long. The possible delays in obtaining a criminal background check through this method should be taken into consideration along with the Deadline for Submission of Responses. Respondents are responsible for obtaining a criminal background check and including it with their Response without exception. Criminal background checks must be dated within 90 days of the Deadline for Submission of Responses. **The completed background check must be mailed to 100 Queens Quay, 9th Floor, Dept. 0876, Toronto, ON. M5E 0C7**

b.) **Individuals Requiring Criminal Background Checks**

(i) **If the Respondent is a Corporation:** The LCBO requires a criminal background check for each of the following individuals: the officers and directors of the corporation and the proposed manager of the LCBO Convenience Outlet.

(ii) **If the Respondent is a Partnership:** The LCBO requires a criminal background check for each of the following individuals: each partner and the proposed manager of the LCBO Convenience Outlet.

(iii) **If the Respondent is a Sole Proprietorship:** The LCBO requires a criminal background check for each of the following individuals: the sole proprietor and the proposed manager of the LCBO Convenience Outlet.

5. Master Business Licence, Partnership Agreement and Articles of Incorporation

- a.) Where applicable, Respondents should submit a copy of their Master Business Licence;
- b.) If the Respondent is a partnership, Respondents should provide a copy of their Master Business Licence and a partnership agreement; and
- c.) If the Respondent is a corporation, Respondents should provide a copy of the Articles of Incorporation.

For any locations where a Response requires rectification, Procurement Services will review the draft rectification letter and will send all rectification notices out by email. Respondents requiring rectification will also be contacted by telephone to let them know that rectification is required.

Upon expiry of the rectification period, Procurement Services will review the rectification responses and any Responses that did not provide the required Mandatory Information by the required timeline will be disqualified.

3.3 STAGE III – Evaluation

For those Respondents that pass Stage II, Stage III of the selection process will be conducted on a pass/fail basis for each requirement below, based on the information submitted by Respondents in Stage I. Stages III – V of the Evaluation will be done separately for each Community.

In order to pass Stage III, Respondents must pass each requirement below.

1. **Assessment of Business Premises**

The LCBO will evaluate the overall size of the Respondent's Business Premises and the size and location of the space within the Business Premises that is proposed for the sale of beverage alcohol, including storage areas. Respondents should note that, while LCBO encourages use of a cooler or refrigerated area for storage of certain beverage alcohol products in order to ensure an optimal customer experience, Respondents are not required to have a cooler or refrigerated area.

The floorplan must show the following:

- a) The proposed area for the LCBO Convenience Outlet cannot be the main focus of the business; therefore, any Response where the LCBO Convenience Outlet is proposed to allocate more than 50% of the total operational selling area will not be accepted. For further clarity, the total operational selling area must be predominantly used for retail purposes in order to qualify.
- b) Sufficient space and the actual or proposed locations for beverage alcohol, empty beverage alcohol containers and fixturing requirements as set out below:
 - (i) **Shelving Requirement**
 - A. 16-foot shelves or any combination of shelving that totals to 80 linear feet
 - B. Industry standard metal shelving that is designed to carry the weight of beverage alcohol products.
 - (ii) **Additional Space Requirement**
 - A. 4 foot X 4 foot floor area to be allocated for seasonal LCBO displays.
 - (iii) **Empty Beverage Alcohol Containers** - As noted in Part II Section 2.9, the Operator must accept and redeem empty beverage alcohol containers within the Community where the Operator's LCBO Convenience Outlet is located in accordance with the Ontario Deposit Return Program established by the Government of Ontario. The LCBO will confirm the Operator's proposed area for the storage of empty beverage alcohol containers on the same premises as the retail business. The proposed area must be segregated from the retail area and have a minimum size of 100 square feet. This storage area can be in a different building than the Business Premises (e.g., an outdoor shed).

2. **Existing Retail Business**

The Respondent must, at the time of submitting a Response to this RFP, own and operate an existing retail business within the Community. This does not include retailers that primarily identify to the public as a pharmacy or a restaurant.

3. Past Performance

Where a Respondent has previously held an Agreement, which was terminated by the LCBO for non-compliance with the terms of the Agreement, such Respondent is not eligible for consideration under this RFP.

4. Year Round or Seasonal Retail Business

The LCBO prefers Respondents who operate businesses year-round. A Seasonal Business will **only** be considered for award in a Community if there are no Responses from other Respondents who operate year-round businesses. For further clarity, if LCBO receives more than one response for a particular Community (e.g., one from a Seasonal Business and one from a business that is not a Seasonal business), LCBO will only consider the Response from the Respondent who operates a non-Seasonal Business.

5. Conflict of Interest Check

Review of any potential, perceived or actual Conflicts of Interest arising in connection with the Respondent. For the purposes of this section, the term “Conflict of Interest” means any situation or circumstance where, in relation to the RFP, the RFP process, and/or Agreements, the Respondent or any advisor, officer, director, shareholder or employee of the Respondent has:

- a) other commitments, relationships or financial interests that:
 - (i) could or could be seen to exercise an improper influence over the objective, unbiased and impartial exercise of independent judgment by any personnel of the LCBO or the LCBO’s advisors; or
 - (ii) could, or could be seen to compromise, impair or be incompatible with the effective performance of a Respondent’s obligations under the Agreement if that Respondent was successful under this RFP process;
- b) contractual or other obligations to the LCBO, Government of Ontario or the AGCO that could, or could be seen to have been compromised or impaired as a result of its participation in the RFP process or under an Agreement, including where such individuals; or
- c) knowledge of confidential information of strategic and/or material relevance to the RFP process that is not available to other Respondents and that could or could be seen to give the Respondent an unfair competitive advantage.

For further clarity, Respondents should disclose whether the Respondent or any advisor, officer, director, shareholder or employee of the Respondent is:

- (i) an employee or official of the Government of Ontario;
- (ii) a member of the LCBO Board of Directors or an employee of the LCBO or the AGCO; or
- (iii) a manufacturer, importer, distributor or bottler of beverage alcohol or has any direct or indirect interest in same.

Respondents must disclose any of the potential conflicts of interest referred to in this section in the Application Form (Appendix “B”) and the LCBO will determine whether, in its sole discretion, a Conflict of Interest exists. The LCBO reserves the right to ask for further information if necessary in order to make this determination. The final determination of whether a perceived, potential or actual Conflict of Interest exists shall be made by the LCBO in its sole discretion and if the LCBO finds that a perceived, potential or actual Conflict of Interest exists that cannot be mitigated, the Respondent will be disqualified. The LCBO may (i) disqualify a respondent for any conduct, situation or circumstance that constitutes a Conflict of Interest in respect of this RFP process, as solely determined by the LCBO; or (ii) in its sole discretion, waive a potential or actual Conflict of

Interest, which waiver may be upon such terms and conditions as the LCBO, in its discretion, may require to satisfy itself that the Conflict of Interest has been appropriately managed, mitigated and minimized.

3.4 STAGE IV – Evaluation of Criminal Background Check, Site Visit, Past Performance and Other Due Diligence

Stage IV consists of:

1. Review of Criminal Background Check
2. Site Visits
3. Past Performance for Current Agency Store Operators
4. Other Due Diligence in Accordance with LCBO Policy
5. Tied Bid Process

1. Review of Criminal Background Check

- (i) LCBO will review each applicable criminal background check in accordance with LCBO policy. For background checks that indicate a non-clear status or which indicates a criminal record, Respondents may be required to provide additional information, including, but not limited to, a “criminal record and judicial matters check”, which will then be reviewed and assessed in accordance with LCBO policy. Any Response that presents a significant concern to the LCBO, will be disqualified.
- (ii) Responses where the background check submitted as part of Stage II indicates a “clear” status will proceed to the site visit.

2. Site Visit

The site visit will consist of a scoring by the LCBO of each existing retail business that passes Stage III and Stage IV, section 1, on the basis of the technical criteria as set out below:

Store Appearance	
Total sq. ft. of business: (i) 4000+ (10 points) (ii) 2000-3999 (7 points) (iii) 1000-1999 (4 points) (iv) <1000 (2 points)	/10
Accuracy for proposed layout to the floor plan and existing retail space	/5
Store exterior clean and free of debris (lawns cut in summer, snow removed in winter)	/5
Store is clean (1 point), organized (1 point), well lit (1 point), appropriate climate control- heat and air conditioning (2 points)	/5
Aisles free of obstructions (5 points) and appropriate width-(3ft.) (5 points)	/10
Store has a parking lot (3 points), and the lot is in good repair (2 points). Store is AODA accessible (5 points)	/10
Store Appearance is ready for business: (i) Storage for empties and inventory exists(5 points) (ii) No renovation required(5 points), (iii) one week of renovation required(3 points) (iv) over two weeks of renovation required (2 points)	/10
Total: Store Appearance	/55
Store Operations	
Store hours are at minimum 6 days a week at 8 hours	/2
Cash register system is able to separate sales (3points), Time stamp on cash register system is accurate (2 points)	/5
Store is able to facilitate pallet drops	/8
Describe product recall process (i.e. expired dairy products, unsafe food products etc.)	/10
Total: Store Operations	/25
Inventory	
Explain rotation of stock practices in place (presence of neglected or expired items, evidence of first- in, first - out procedures etc.)	/5
Safe block piling (where applicable) to ensure stock is stored safely and appropriately	/5
Non-beverage alcohol inventory levels (reasonable) as per representation of the retail space	/5
Total: Inventory	/15
Additional Services	
Presence of Post Office (1point)/OLG (1 point)/ Tobacco (1 point)/ ATM (1 point)/ Hunting & Fishing (1 point)	/5
Total: Additional Services	/5
Total: All Categories	/100

The LCBO will conduct site visits remotely via Microsoft Teams, or in person where internet access is unreliable. For a virtual tour of the store, Respondents need to have a cellphone or tablet with the Microsoft Teams app loaded onto it. Starting with the exterior of the store, Respondents will give the LCBO evaluators a virtual tour of the store. LCBO evaluators will provide the Respondent directions for the tour which will include 360-degree panoramic views of the retail business.

Respondents will be notified via email regarding the scheduling of their site visit.

The LCBO reserves the right to perform a site visit in person to validate the information provided in the virtual tour.

If the business does not have the required fixturing installed at the time of the site visit it will be documented and confirmed with the Respondent as to when the fixturing will be installed.

3. Past Performance for Current Agency Store Operators

As part of the technical criteria scoring, the LCBO will take into account the past performance of current agency store operators over the last five years. Points will be deducted from the site visit evaluation total for letters of noncompliance sent by the LCBO to a current agency store operator. For every issue that a current agency store operator has received a noncompliance letter for, points will be deducted as per the table below:

Per issue	Points Deducted
First letter of noncompliance	1
Second letter of noncompliance	2
Three letters of noncompliance or more	5

A current agency store operator will be deemed to have received a letter of non-compliance sent by the LCBO on the date on which it was emailed by the LCBO or the date on which the courier package was delivered, as applicable.

If a current agency store operator has an objection to any letter or letters of noncompliance that were issued by the LCBO in connection with a previous Agreement, they must send a written notice to lcbosubmissions@lcbo.com no later than **May 13, 2024** detailing their specific objection with such issued letter of noncompliance.

The written notice of objection must include a copy of the originally issued letter of non-compliance. LCBO will review an operator's objections with respect to applicable letters of noncompliance and may, in its sole and absolute discretion, reconsider the application of such letter of noncompliance for the purposes of evaluating past performance pursuant to this RFP.

If an operator does not communicate any concerns by **May 13, 2024** any letters of noncompliance that were issued in connection with a previous Agreement will be scored as part of the evaluation process set out in the table above.

4. Other Due Diligence in Accordance with LCBO Policy

The LCBO will take into consideration any matters related to the particular site evaluation that could have implications for LCBO's social responsibility mandate and other LCBO policies.

The LCBO reserves the right to request additional information to ensure that the retail business is consistent with LCBO policies.

5. Tied Bid Process

A tie Bid occurs when two (2) or more Respondents are identical in evaluation score for a community.

When there is a tied bid the LCBO will:

- a) Send a letter to the Respondents with the tied bids and invite them to participate in the coin toss;
- b) Be in attendance along with the participating Respondents;
- c) Toss the coin; and
- d) Announce the successful Respondent after the coin toss and in the presence of the participating Respondents.

3.5 Stage V - Agreements

The highest scoring Respondent per Community will be selected for an Agreement.

PART IV - PROCEDURES FOR SUBMISSION

4.1 Timing and Schedules

The following dates are tentative and subject to change without penalty to the LCBO. All Respondents will be given written notice of any changes via Addendum to this RFP (see below). Addenda will be posted on the LCBO website where Respondents downloaded the RFP. Therefore, Respondents should periodically check the website for any additional information, including addenda that the LCBO may issue.

Deadline for Submission of Responses	May 27, 2024 at 2:00:59 p.m. Eastern Standard Time (EST) Submissions must be sent to: lcbosubmissions@lcbo.com
Site Visits	Expected during the Month of May/June 2024
Anticipated Issuance of Agreements	Starting - July 2024
Question Submission Deadline and Response Deadline for Objections for Letters of Non- Compliance	May 13, 2024 at 2:00:59 p.m. lcbosubmissions@lcbo.com

4.2 Questions

Any Respondent who has questions about any element of this RFP or the Program or who believes the RFP contains any error, inconsistency or omission should make a written inquiry by email prior to the Deadline for Questions listed in Section 4.1 above, requesting clarification, interpretation or explanation. The LCBO may not respond to inquiries received after this deadline.

The inquiry should be addressed to lcbosubmissions@lcbo.com. Respondents should clearly identify "Questions - LCO RFP" in the subject line. The LCBO reserves the right to distribute any or all questions submitted and answers thereto to all other Respondents. Responses must be submitted by email to the email address set out in Section 4.1. No Respondent may claim any advantage from any error, inconsistency or omission in this RFP.

Respondents are requested not to make any verbal inquiries of LCBO staff, including staff within the Agency Store/LCBO Convenience Outlet department. No information given orally by the LCBO or by means of telephone or email will be binding nor will it be construed as to change the requirements of this RFP in any way. All questions in relation this RFP or the Program must be submitted in writing by email in accordance with this section.

4.3 Deadline for Submission of Responses

4.3.1 When and where to Submit a Response

Respondents must submit a Response, signed by an authorized representative, and including all required Mandatory Information, as set out in Part III by way of email to the following email address: lcbosubmissions@lcbo.com. Responses must be received by email no later than **2:00:59 p.m.** Eastern Standard Time (EST) on **May 27, 2024** (the “**Deadline for Submission of Responses**”). For the purpose of calculating time, the LCBO systems shall govern.

4.3.2 Format of Response

Respondents should note the following when preparing their email submissions:

- a) Email submission of Responses must not exceed 50MB in total;
- b) Format of Submissions:
 - (i) Respondents should ensure that the subject line of the email includes the appropriate Community name and location number as set out in Appendix “A”. **Do not include any other email subject line;** and
 - (ii) Where possible, a Response should consist of one (1) single document (e.g., one (1) PDF file that contains all required materials). Where a single document is not possible, Respondents should clearly label each file with its contents, including the title of the document and the name of the Respondent (e.g., “Application Form – Smith’s Convenience Store”).
- c) LCBO will confirm receipt of a submission once the Respondent email is received in the LCBO email system; however, Respondents are wholly responsible for ensuring that their Response is received in the LCBO email inbox by the Deadline for Submission of Responses. **LCBO is not responsible for any delays in receipt of submissions.**

4.4 Late Responses

Late Responses shall be disqualified and will NOT be considered.

4.5 Changes to Response

Other than as may be requested by the LCBO in accordance with the rectification process, no alteration of a Response will be accepted after the Deadline for Submission of Responses. However, a Respondent may alter or withdraw its Response at any time before the Deadline for Submission of Responses.

4.6 Nature of Procurement Process

- a) No Contract A and No Claims

This RFP process is not intended to create and shall not create a formal legally binding bidding process. For greater certainty and without limitation: (i) the RFP shall not give rise to any Contract A-based tendering law duties or any other legal obligations arising out of any process contract or collateral contract; and (ii) neither the Respondent nor the LCBO shall have the right to make any claims (in contract, tort, or otherwise) against the other with respect to the award of an Agreement, this RFP process, failure to award an Agreement or failure to honour a Response to the RFP. For further clarity, LCBO shall not be liable to any Respondent or potential Respondent for any cost or damage incurred as a result of participating or choosing not to participate in this RFP process, including, but not limited to, lost profits.

In its absolute discretion, LCBO reserves the right not to award an Agreement for a Community for any reason, including, but not limited to a lack of qualified Respondents pursuant to Stage II of the selection process.

b) **No Contract until Execution of Written Agreement**

The RFP process is intended to identify prospective Respondents for the purposes of awarding an Agreement. No legal relationship or obligation regarding any opportunity shall be created between the Respondent and the LCBO by this RFP process until the successful execution of a written Agreement.

4.7 Responses

If a Respondent wishes to submit for more than one (1) Community, it must submit a separate Response for each Community. If a Respondent operates more than one (1) retail business in a Community for which they wish to be considered for an Agreement within that Community, that Respondent **must submit a separate Response for each** proposed retail business.

4.8 Respondent to Ensure It Understands Requirements

It is the Respondent's responsibility to ensure that it has all the necessary information concerning the intent and requirements of this RFP and the Program.

4.9 Changes to RFP and Additional Information

Any changes or revisions to the RFP or additional information that LCBO wishes to share with potential Respondents will be issued as a formal addendum to all Respondents. If the LCBO, for any reason, determines that it is necessary to provide additional information relating to the RFP, such information will be communicated by addenda. Each addendum shall form an integral part of this RFP. Such addenda may contain important information, including significant changes to the RFP. Respondents are responsible for obtaining all addenda issued by the LCBO. If any addendum is issued, the LCBO may, at its discretion, extend the Deadline for Submissions of Responses for a reasonable period of time.

Addenda will be posted on the LCBO website where Respondents downloaded the RFP. Therefore, Respondents should periodically check the website for any additional information, including addenda that the LCBO may issue.

4.10 Information

All requirements, designs, documentation, plans and information obtained from the LCBO by the Respondent in connection with this RFP are the property of the LCBO and must be treated as confidential and not used for any other purpose than replying to this RFP and the fulfilment of any subsequent Agreement. Upon request of the LCBO, all such designs, documents, plans and information shall be returned to the LCBO.

4.11 Contact Person

Each Respondent is requested to designate, as early as possible, one (1) individual to whom any additional information deemed relevant to the RFP may be communicated.

4.12 Confidentiality

a) **Confidential Information of LCBO**

All information provided by or obtained from the LCBO in any form in connection with the RFP either before or after the issuance of the RFP:

- (i) is the sole property of the LCBO and must be treated as confidential;
- (ii) must not be used for any purpose other than replying to the RFP and the performance of any subsequent Agreement;
- (iii) must not be disclosed without prior written Agreement from the LCBO; and
- (iv) shall be returned by the Respondent to the LCBO immediately upon the request of the LCBO.

b) Confidential Information of Respondent

A Respondent should identify any information in its Response or any accompanying documentation supplied in confidence for which the Respondent would expect confidentiality to be maintained by the LCBO. The confidentiality of such information will be maintained by the LCBO, except (i) as otherwise required by law (including, without limitation the public access provisions of the *Freedom of Information and Protection of Privacy Act*, as amended from time to time) or by order of a court or tribunal; or (ii) where LCBO exercises its right to disclose information as set out below in Subsection (c) below – “Province of Ontario’s Open Data Directive”. Respondents are advised that their Responses will, as necessary, be disclosed on a confidential basis, to the LCBO’s advisers retained for the purpose of evaluating or participating in the evaluation of their Responses. If a Respondent has any questions about the collection and use of confidential information or personal information pursuant to the RFP, questions should be submitted to the LCBO Contact.

c) Province of Ontario’s Open Data Directive

In accordance with the Province of Ontario's Open Data Directive and as part of Ontario's commitment to open data, the LCBO may:

- (i) publish the name of the successful Respondent under this RFP; and,
- (ii) publish original data created or collected as an output of the Agreement.

4.13 Verification

When evaluating Responses, the LCBO may request further information from the Respondent in order to verify, clarify and supplement the information provided in the Respondent’s proposal. Respondents should respond promptly to any request for such additional information. If a Respondent does not respond in a timely way to a request for LCBO in connection with the RFP evaluation process, LCBO reserves the right to disqualify such Respondent.

4.14 Misleading Information

If there is any evidence of misleading or false information having been given by the Respondent, the LCBO may, in its sole discretion, reject the Response.

4.15 No Liability for Expenses

The LCBO will not be liable for: (i) any costs incurred by any Respondent in the preparation and submission of a Response including, if applicable, costs incurred for interviews or presentations; or (ii) any expenses, costs, losses or any direct or indirect damages incurred or suffered by any Respondent as a result of participating in, or otherwise in connection with, this RFP.

4.16 Award of RFP

The acceptance of a Response and the award of an Agreement will be made in writing and only in writing. The successful Respondent will be required to enter into and duly execute a written Agreement with the LCBO. In the event that a successful Respondent fails or refuses to enter into and duly execute a written Agreement acceptable to the LCBO within a reasonable time, the LCBO reserves the right, at its sole discretion, to award the Agreement to another Respondent, not to accept any Response, or to call for new Responses through another RFP process.

4.17 Right to Cancel or Not Proceed with this RFP

The LCBO reserves the right, in its sole discretion, and for any reason whatsoever, to accept or reject any or all Responses in whole or in part. The LCBO reserves the right not to proceed with this RFP in its entirety or to proceed with only part of it, for any reason whatsoever, without any obligation or liability to any Respondent.

4.18 Governing Law

The RFP process shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

4.19 Litigation

The LCBO may, in its absolute discretion, reject a Respondent's Response if the Respondent, or any officer or director of the Respondent, is or has been involved, within five (5) years of the date of this RFP, either directly or indirectly through another corporation, (i) in a legal action taken by the LCBO, any of its Board members, officers or employees in connection with any matter related to the LCBO, or (ii) in a legal action against the LCBO, any of its Board members, officers or employees, in connection with any matter related to the LCBO, including without limitation, arising from the LCBO's exercise of its powers, duties, or functions.

4.20 Debriefing

Respondents may request a debriefing after receipt of a notification of that they are not the successful Respondent. All requests must be in writing and sent to the lcbosubmissions@lcbo.com email address and must be made within thirty (30) days of notification of award. Debriefings will outline why a Respondent was unsuccessful in this RFP process. The intent of the debriefing is to provide feedback of the Respondent's Response. Any debriefing provided is not for the purpose of providing an opportunity to challenge the procurement process and is available only to those eligible Respondents that reach Stage II of the evaluation process.

4.21 Respondents Shall Bear Their Own Costs

Respondents shall bear all costs associated with or incurred in the preparation of their proposals. The LCBO will not be liable for any expenses, costs, losses or any direct or indirect damages incurred or suffered by a respondent as a result of participating in or otherwise in connection with, the RFP.

APPENDIX "A" – COMMUNITY LOCATIONS



Appendix A.pdf

APPENDIX "B" – APPLICATION FORM



Appendix B -
Application Form.pdf

APPENDIX "C" – PERSONAL HISTORY FORM



LCB 2461 LCO
Appendix C - Personal