

April 20, 2023 Board Meeting

Virginia ABC Board of Directors



Agenda

- Call to Order
- Approval of Minutes
 - *Approve minutes from March 20, 2023*
- New Business
 - *Approve recommendations of Real Estate Committee (REC) from March 2023 (Hill)*
 - *Information Item: Procurement Policies to be approved at June 8 Board Meeting*
 - *Board consideration of creation of an advisory committee pursuant to § 4.1-101.01*
- Chief Reports
- Closed Session
- Comments from the Board
- Public Comments
- Adjournment

Minutes: March 20, 2023

Required Action

Approval of Minutes from March 20, 2023 meeting and hearing

BOARD MEETING MINUTES: March 20, 2022
ABC Headquarters

Call Meeting to Order at 9:01* a.m.

At Attendees

Board Chair Tim Hugo
Board Vice-Chair Maria Everett
Board Member Greg Holland
Board Member William Eulle *
Board Member Mark Rubin
Chief Executive Officer, Travis Hill
Chief Government Affairs Officer, John Daniel
Chief of Law Enforcement, Tom Kirby
Chief Retail Operations Officer, Mark Dunham
Chief Digital and Brand Officer, Vida Williams
Chief Administrative Officer, David Alfano
Chief Transformation Officer, Elizabeth Chu
Deputy Secretary, Chris Curtis
Chief Information Officer, Paul Williams
Office of the Attorney General, Jim Flaherty
Executive Assistant, Kathleen LaMotte

* Mr. Eulle joined at 9:20

Approval of Minutes

The board reviewed the minutes from the February 23, 2023 board meeting. The Board asked to add “Board Members” as also being unable to participate in the lottery. Board member Holland moved to accept the minutes as amended, Board Member Rubin seconded the motion. The motion passed on a roll-call vote of 4 – 0.

Approve Recommendations of Real Estate Committee

Board Vice-Chair Everett moved to accept the REC’s recommendations as amended for one relocation, Store 253 (Charlottesville), one expansion, Store 139 (Winchester) and four renewals, Stores 114 (Colonial Heights), 168 (Arlington), 268 (Springfield) and 423 (Norfolk). ABC has outgrown the current square footage in Charlottesville, which is a very successful store. There are no items of controversy this month. Board Member Rubin seconded the motion, and the Board adopted the recommendations of the REC on a roll-call vote 5– 0.

Delisting Report

The Board reviewed parameters for delisting products in ABC stores and the results of the recent delisting process, the first completed since the COVID pandemic. The Authority will provide data to vendors on a monthly basis so suppliers may have more of an opportunity to see how their products are performing in our stores and to adjust their marketing plans if needed.

Approve Resolution

The Board reviewed a resolution acknowledging certain ABC staff for their efforts at the recent National Conference of State Liquor Administrators (NCSLA) conference held in Richmond in October. Vice-Chair Everett said all aspects of the conference were well run, and she received many compliments from other attendees. Vice-Chair Everett moved to approve the resolution, Board member Holland seconded the motion, and the motion passed on a roll-call vote of 4 – 0.

CEO Update

Mr. Hill reported that:

- The Legal Symposium held by the National Alcoholic Beverage Control Association (NABCA) in Northern Virginia last week and three ABC Board members attended. NABCA is an organization of control states who have been very supportive of ABC's efforts to improve retail.
- The Authority's Supplier Advisory Committee is meeting next week. There will be an update on the Authority's financial performance, marketing programs, and efforts around improving the listings and de-listings processes.
- A Town Hall for all ABC teammates will be held on Wednesday, March 22 at 1:00 and Board Members are welcome to join. Topics and updates discussed will include Distribution Center Optimization Impact, Year to date Financial Review, Review of Strategic Plan and Values Renewal, Performance Management and Digital Transformation Strategy.
- Update materials from the other Chiefs were provided in the Board's materials and the Chiefs will be available for questions from the Board after the hearing today.
- The Chiefs will participate in a strategic planning session to align new objectives with strategic goals.

Closed Session and Hearing

At 9:24 a.m., Vice Chair Everett moved that the Board enter closed session Virginia Code §2.2 37.11(A)(46) to discuss investigations of applicants for licenses and permits of licensees and permittees before the Board. Board Member Euille seconded. The motion passed on a roll call vote of 5 – 0. Attending the closed session in full were Tim Hugo, Maria Everett, Greg Holland, Mark Rubin, William Euille, Jim Flaherty, Travis Hill, John Daniel and Chris Curtis.

Return to Open Session

When the Board returned from Closed session at 10:45, Board Vice Chair Everett moved to certify that to the best of her knowledge nothing was discussed in the closed sessions but licensee matters pursuant to §2.2 37.11(A)(46), and only public business matters lawfully exempted from open meeting requirements was discussed. Board Member Euille seconded; the motion passed on a roll-call vote of 5 - 0.

Internal Audit Update

Mike Skroki, the new director of Internal Audit, was introduced to the Board and reported that:

- Reviewed the materials in the Board's book.
- The Authority is prioritizing audits of distillery stores.
- The audits of Small Purchase Charge Cards (SPCC) will begin in the next few weeks.
- Special projects are taking a lot of time and resources from the Audit Department.

- APA Audit will begin soon, the IT Audit team will be working with an asset management project. This will help mitigate findings with the APA when they do occur.
- The Payment Card Industry (PCI) compliance audit was recently completed with no issues found.
- Many planned audits have been delayed but will be re-evaluated as ABC goes through a risk assessment.
- Before the end of this year will try to audit LRM and Education Grants
- An IT Audit of the POS Audit is on hold, some was covered during PCI, but many changes at the store meant it was moved to accommodate their busy season.

Chair Hugo requested more statistical analysis and numbers when the auditing is complete. Mr. Skroki will provide more granular detail for common things and metrics achieved and needing to be met.

Mr. Hill added that Mr. Skroki will report out to the Board at a regular cadence and a report regarding inventory will be issued to the Board.

Chief Reports

The Board heard updates from Elizabeth Chu, Chief Transformation Officer, Vida Williams, Chief Digital and Brand Officer, John Daniel, Chief Government Affairs Officer, Tom Kirby, Chief of Law Enforcement, Mark Dunham, Chief Retail Operations Officer, David Alfano, Chief Administrative Officer, Paul Williams, Chief Information Officer, and Travis Hill, Chief Executive Officer.

Closed Session

At 12:45 p.m., Vice Chair Everett moved that the Board enter closed session Virginia Code §2.2 37.11(A)(1)(7)(19) to discuss personnel matters, probable litigation and store security. Board Member Rubin seconded. The motion passed on a roll call vote of 5 – 0. Attending the closed session in full were Tim Hugo, Maria Everett, Greg Holland, Mark Rubin, William Euille, Jim Flaherty, Travis Hill, John Daniel, Mike Skrocki and Chris Curtis.

Return to Open Session

When the Board returned from Closed session at 1:30, Board Vice Chair Everett moved to certify that to the best of her knowledge nothing was discussed in the closed sessions but personnel matters, probable litigation and store security pursuant to §2.2 37.11(A)(1)(7)(19), and only public business matters lawfully exempted from open meeting requirements was discussed. Board Member Euille seconded; the motion passed on a roll-call vote of 5 - 0.

Comments from the Board

April 20 – April board meeting

June 8 – June board meeting

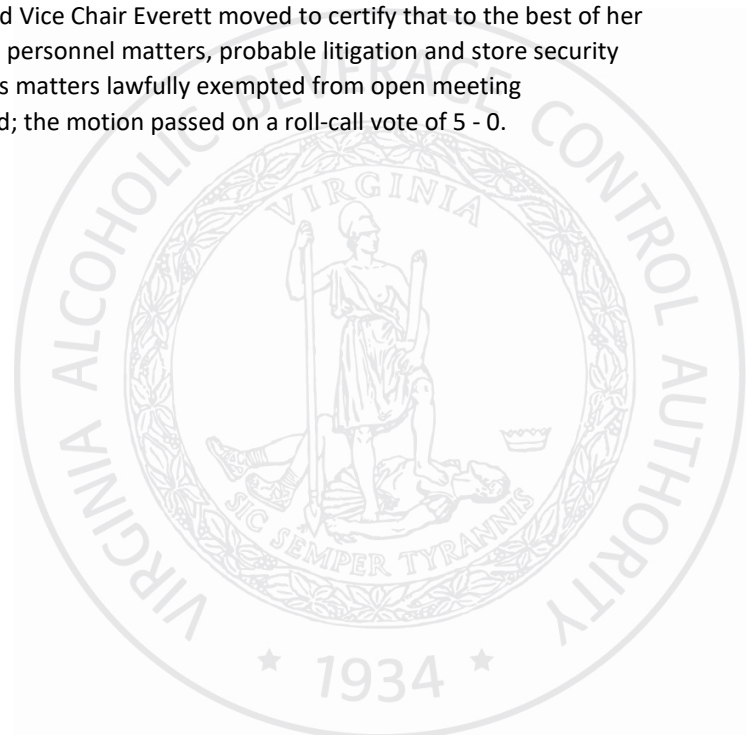
July 20 – July board meeting

Public Comments

None

Meeting Adjournment

Meeting adjournment at 1:30 p.m.



APPEAL HEARING MINUTES

1. **Kind of meeting:** Appeal Hearings
2. **Date:** 3-20-2023 **Place:** Central Office -Hanover
3. **Present:** T. Hugo, M. Everett, M. Rubin, G. Holland, W. Euille
J. Daniel, C. Curtis, AAG J. Flaherty, T. Hill, K. Miles, K. Hodge

10:08 a.m. - Hearing was called to order

- **Virginia ABC Authority BLE** - Maureen Mshar, Esq., Associate Legal Counsel
v.
Crisp Salad and Juice Bar – Sean Alexander, Owner

**New Business: Approval of September 2022 through February 2023 Board Orders for Board Minutes
Approval of September 2022 through February 2023 Board Minutes for Archives**

11:03 a.m. - Approved and Adopted Board Orders for Board Minutes for **M. Everett**, **motioned** to approve and adopt Board Orders for Board Minutes and adopt the Board Minutes for Archive, **W. Euille**, **seconded** and the motion unanimously passed by vote.

11:04 a.m. – Hearing adjourned.

11:10 a.m. - Closed session Resumed - Attending closed session were
T. Hugo, M. Everett, G. Holland, M. Rubin, W. Euille, C. Curtis, J. Daniel, AAG J. Flaherty , T. Hill,
K. Miles.

11:45 a.m. M. Everett **motioned** to return to open session, W. Euille **seconded** the motion and the Board voted unanimously to go back into open session. The Board (**Hugo, Everett, Rubin, Holland, Euille**) then certified by voice vote that to the best of their knowledge nothing was discussed in the closed session but legal matters pursuant to 2.2-3711(A)(7)(8), and only public business matters lawfully exempted from open meeting requirements were discussed.

- In the matter of *Virginia ABC Authority v. Crisp Salad and Juice Bar* – Board Member M. Everett **motioned** to **modify the initial decision** the objection(s) and **modify** the initial decision dated December 2, 2022. The motion was seconded by Mark Rubin and passed.

New Business

Board Review: Real Estate Recommendations (Hill)

Board Information: Procurement Policies

Real Estate Committee Recommendations

Overview

March:

0 New Stores

2 Relocations

0 Expansions

3 Renewals

Action

Approve Real Estate Recommendations

Real Estate Committee Recommendations

ACTION	COMMENTS
March 2023 New Stores	
Relocations	
Store #136 (Leesburg)	Center is being redeveloped as mixed use; we will be relocating within the redevelopment in 2026 to 5275 square feet at \$35 per square foot, with 3% annual escalations, for a 10 year term (Landlord initially proposed \$45 per square foot)
Store #328 (Chesapeake)	Relocating to Town Place at Greenbriar to 5000 square feet at \$30 per square foot, with 2% annual escalations, for a 10 year term (Landlord initially proposed \$35 per square foot)
Renewals	
Store #073 (Ashburn)	2400 square feet at \$37.55 per square foot, with 2% annual escalations, for a 5 year term (REC voted contingent on Landlord agreeing to counter proposal offered by RE); subsequent to the Meeting, Landlord agreed to our counter proposal
Store #175 (West Point)	3100 square feet at \$14 per square foot, with 2% annual escalations, for a 5 year term
Store #303 (Warrenton)	5000 square feet at \$30.02 per square foot, with 2% annual increases, for a 5 year term

Procurement Policies

Overview

Review of revised Procurement Policy and procedures. Policy to be approved at a later Board meeting

MEMORANDUM

To: Virginia Alcoholic Beverage Control (ABC) Authority Board of Directors

From: Director of Procurement

Date: April 5, 2023

Subject: Procurement Policy and Procedures Memorandum

The Procurement Division at the Virginia Alcoholic Beverage Control Authority (ABC) is proposing the following:

1. Consolidating and rescinding policies.
2. A substantive change to the purchasing threshold to address the changing needs of the organization.

Consolidating and Rescinding Policies

The Procurement Division at the Virginia Alcoholic Beverage Control Authority (ABC) is proposing rescinding 26 policies and seven procedures to (i) consolidate the information into fewer documents (one policy and four procedures), standardize requirements and expectations and increase accessibility for Virginia ABC employees, (ii) remove policies and procedures that are no longer applicable to Virginia ABC in our status as an authority and (iii) to meet the expectations for the policy development (e.g., differentiating policy and procedural language, rephrasing language to improve readability and clarity, reorganizing topics and adding instructions to mirror the flow of the procurement process). The attached table illustrates where the relevant information in the existing policies and procedures are included in the new documents.

The Procurement Division recommends rescinding the existing policies and procedure and not replacing the documents because these practices are no longer applicable to Virginia ABC. In instances where information is still applicable, the requirements are included in the new documents.

1. **Sealed Requests for Proposal (RFPs) Policy and Sealed Requests for Proposal (RFPs) Procedure:** Virginia ABC requires vendors to respond to solicitations through electronic means, and the sealed requests for RFPs are obsolete as this practice involves hardcopy submissions.
2. **Source of Supply Policy:** Virginia ABC transitioned into an authority and is exempt from purchases from mandatory sources, such as the Department for the Blind and Vision Impaired, in accordance with *Code of Virginia §4.1-101.010*. This change supports cost savings by increasing price competitiveness for common goods (e.g., receipt paper, price tags, standard office supplies). The pertinent information regarding state contracts and cooperative contract purchases is included in the *Selection of Procurement Method Procedure*.
3. **Contract License Requirements Policy, Procurement of Professional Services Policy, Real Estate & Construction Policy, Vendor Insurance, Performance Bonds, Bid Bonds Policy:** Since Virginia ABC transitioned to an authority and in accordance with *Code of Virginia §4.1-101.010*, Virginia ABC is

MEMORANDUM

exempt from *Code of Virginia* §§ 2.2-1109 et seq. and 2.2-1129 et seq., which outlines the review and oversight by the Division of Purchases and Supply and Division of Engineering and Buildings (DEB) of the Department of General Services. These documents outlined the requirements set forth by DEB and are no longer applicable. Virginia ABC's Procurement Division and Real Estate & Facilities Management Division account for a high standard of care and due diligence through internal processes.

4. **Preferences Policy:** The current policy outlines that if the lowest responsible and responsive bidder is not a resident of Virginia, Virginia ABC may select a vendor that is not the lowest responsive and responsible bidder if this vendor is a Virginia resident. Since Virginia ABC's transition as an authority, the cost of a contract is a factor in selecting a vendor; however, it is not the most important consideration. Virginia ABC strives to award contracts to vendors who are the most qualified to meet the needs of Virginia ABC. Consequently, this policy is an outdated practice.

Substantive Change

The Procurement Division proposes that the \$10,000 purchase threshold be increased to \$50,000. Currently, if a purchase exceeds \$10,000, competitive requirements and additional approval measures must occur. This practice was implemented as part of the *Virginia Public Procurement Act* and is no longer applicable to Virginia ABC. Less than 10% of Virginia ABC's transaction fall below \$50,000, and most of these transactions are one-time purchases of goods or services for the Real Estate and Facilities Management Division. The proposed change would allow the Procurement Division to focus on authority-wide complex, high-value business needs and will reduce review and approval time periods. This change mitigates Virginia ABC's risk by allowing the Real Estate and Facilities Management Division to purchase essential goods or services to address safety hazards in a timely manner and does not change the approval requirements.

Existing Document	Proposed Action	New Document Location	Justification for Rescinded Documents (If not included in the new documents)
Exceptions to Competitive Requirements Policy	Rescind & Replace	Selection of Procurement Method Procedure	
Emergency & Urgent Planning Policy	Rescind & Replace	Selection of Procurement Method Procedure	
Guidelines & Planning Policy	Rescind & Replace	Procurement Policy & Identification & Planning Procedure	
Informal Solicitations/Quick Quotes & Unsealed RFPs Policy	Rescind & Replace	Selection of Procurement Method Procedure	
Informal Solicitations Procedure	Rescind & Replace	Selection of Procurement Method Procedure & Selecting Preferred Offerors and Assessing Risk Procedure	
Responsible Responsive Offeror Policy	Rescind & Replace	Selecting Preferred Offerors and Assessing Risk Procedure	
Sealed Requests for Proposals (RFPs) Policy	Rescind	N/A	An obsolete practice with the use of electronic submissions.
Sealed Requests for Proposals (RFPs) Procedure	Rescind	N/A	An obsolete practice with the use of electronic submissions.
Single Quote	Rescind & Replace	Selection of Procurement Method Procedure	
Sole Source Purchases Policy	Rescind & Replace	Selection of Procurement Method Procedure	
Sole Source Procedure	Rescind & Replace	Selection of Procurement Method Procedure	
Sources of Supply Policy	Rescind	N/A	Virginia ABC exempt as permitted by <i>Code of Virginia §4.1-101.010</i> .
Three Quotes for Non-Contracted Goods and Services Policy	Rescind & Replace	Selection of Procurement Method Procedure	
Three Quotes Coordination with Procurement Procedure	Rescind & Replace	Selection of Procurement Method Procedure	
Contractor License Requirements Policy	Rescind	N/A	Virginia ABC exempt as permitted by <i>Code of Virginia §4.1-101.010</i> .
Preferences Policy	Rescind	N/A	
Procurement of Professional Services Policy	Rescind	N/A	Virginia ABC exempt as permitted by <i>Code of Virginia §4.1-101.010</i> .
Real Estate & Construction Policy	Rescind	N/A	Virginia ABC exempt as permitted by <i>Code of Virginia §4.1-101.010</i> .
Vendor Insurance, Performance Bonds, Bid Bonds Policy	Rescind	N/A	Virginia ABC exempt as permitted by <i>Code of Virginia §4.1-101.010</i> .
Contracts Policy	Rescind & Replace	Procurement Policy & Procurement Division's internal procedure	
Contracts Procedure	Rescind & Replace	Selecting Preferred Offerors and Assessing Risk Procedure	
E-Procurement Policy	Rescind & Replace	Selecting Preferred Offerors and Assessing Risk Procedure	
Procurement Advertising/Award Notification Policy	Rescind & Replace	Selecting Preferred Offerors and Assessing Risk Procedure	
Procurement Documentation Policy	Rescind & Replace	Vendor Management Procedure	
Purchase Orders Policy	Rescind & Replace	Selection of Procurement Method Procedure	

Existing Document	Proposed Action	New Document Location	Justification for Rescinded Documents (If not included in the new documents)
Purchase Orders Procedure	Rescind & Replace	Selection of Procurement Method Procedure	
Risk Management & Review Policy	Rescind & Replace	Selecting Preferred Offerors and Assessing Risk Procedure & Vendor Management Procedure	
Contract Administration	Rescind & Replace	Procurement Policy & Procurement Division's internal procedure	
Debarred Vendors Policy	Rescind & Replace	Vendor Management Procedure	
Receipt of Goods & Services Policy	Rescind & Replace	Vendor Management Procedure	
Receipt of Goods & Services Procedure	Rescind & Replace	Vendor Management Procedure	
Vendor Appeals, Disputes & Remedies	Rescind & Replace	Vendor Management Procedure	
Vendor Management	Rescind & Replace	Selecting Preferred Offerors and Assessing Risk Procedure & Vendor Management Procedure	

PROCUREMENT POLICY

POLICY AUTHORITY	Director of Procurement		
EFFECTIVE DATE	July 1, 2023	REVISION DATE	March 29, 2023

Purpose of Policy

The purpose of Virginia Alcoholic Beverage Control Authority's (ABC) *Procurement Policy* is to provide the framework to procure goods or services, to provide a greater understanding of expectations between Procurement Division and business units and to assist business units in following acceptable procurement principles in common and unique scenarios.

Applicability

This policy applies to all Virginia ABC full-time employees and contract employees (e.g., contract positions within the Project Management Office, Change Management Office, IT) seeking to procure goods or services on behalf of the business unit to fulfill a potential and/or approved business need.

This policy does not apply to e-procurement system-approved vendor catalog purchases (e.g., punch-out catalogs).

Definitions

Business and Technical Requirements — The accurate, detailed and known specifications and minimum necessary conditions that satisfy the business need.

Business Unit — The division of Virginia ABC that is in need of the good or service and is the user/customer of the vendor.

Contract Administrator — An individual (e.g., contract officer, project manager, program manager or an individual from within the business unit) who is designated and authorized to monitor an active written agreement.

Contract Officer (CO) — An individual within the Procurement Division who is designated and authorized in writing to perform specific duties or technical functions on written agreements or task/delivery orders with vendors.

Emergency — An unforeseen circumstance where health or public safety is at risk and renders the requirements for competition impossible or impracticable and which requires immediate action.

Lead-Time — The duration from formal initiation (i.e., the submission of the Procurement Intake Form in the electronic ticketing system) of the requirement by the business unit to issuance of an award.

Offeror — A person or entity that makes a proposition to perform the contract requirements fully.

Order/Ship Time (OST) — The duration required by vendors to fill the purchase and ship by designated means (truck, rail or air) to the delivery point.

Order Splitting — The placement of multiple purchases to one or more vendors for the same, like or related goods or services to avoid using the appropriate method of procurement or to remain within the delegated purchasing authority.

Value/Lifecycle Cost - The anticipated worth of the contract (e.g., sum of the initial one-time, internal, external or recurring expenses, all possible renewal periods).

Detailed Policy Statement

A. Introduction

1. Virginia ABC business units may procure goods or services through the procurement process set forth in this policy, the *Identification and Planning Procedure*, *Selection of Procurement Method Procedure*, *Selecting Preferred Offerors and Assessing Risk Procedure*, *Vendor Management Procedure*. Virginia ABC is exempt from the requirements of the Virginia Public Procurement Act (*Code of Virginia* §§ 2.2-4300 et seq.). Virginia ABC established and implements policies and procedures governing the procurement of goods and services. Virginia ABC is (a) not subjected to the requirements of the Virginia Public Procurement Act and (b) will not impose requirements above and beyond those set forth in *Code of Virginia* § 4.1-101.010(C) or successor statute.
2. The Procurement Division must establish an ongoing review process to:
 - a. Evaluate contract language, identify opportunities for standardization and to reduce duplicative work.
 - b. Create and maintain standardized contract templates and a repository of active and closed contracts.
 - c. List an index of resources for price comparisons and benchmarking.
3. The procurement process is multi-step and must involve:
 - a. Identifying a need and planning to procure the needed good or service.
 - b. Selecting the appropriate procurement method.
 - c. Reviewing vendor information and submissions and conducting risk assessments.
 - d. Awarding contracts based on the value offered to Virginia ABC and ongoing vendor and performance management.
4. Virginia ABC employees who fail to follow the provisions of this policy and the accompanying procedures may be subject to disciplinary action under the Standards of Conduct policy.

B. Identification and Planning

1. To initiate the procurement process, a business unit must identify a need for a good or service and provide accurate, detailed and known business and technical requirements to the Procurement Division.
2. The business unit's planning must consider and incorporate the varying supply chain lead-times and OST.

C. Selection of Procurement Method

1. After a need for a good or service is identified and formally communicated to the Procurement Division, the director of procurement and CO must determine the appropriate method for the procurement of the good or service based on the business need.
2. The director of procurement and CO must collaborate with the business unit to review and finalize the specific business and technical requirements for the solicitation.
3. The Procurement Division must estimate a contract's value/lifecycle cost when the purchase is not an emergency.
4. Virginia ABC must seek competition to the most practical extent to obtain fair and reasonable prices.
5. A business unit must submit a written request for an exemption from the procurement method selected by the Procurement Division, and the Chief Administrative Officer must approve this appeal in accordance with the *Selection of Procurement Method Procedure*.

D. Reviewing Submissions, Selecting Preferred Offerors, and Assessing Risk

1. When the solicitation closes, the Procurement Division must review submissions for responsibility and responsiveness, except when a cooperative contract is utilized. The Procurement Division must verify the vendor is not on the Commonwealth of Virginia's Vendor Debarment List.
2. Submissions must be deemed responsible and responsive by the Procurement Division to proceed in the procurement process. The business unit must review the qualifying submissions to identify preferred offerors.
3. The Procurement Division must assess preferred offerors for financial, strategic, operational, compliance and reputational risk to inform an appropriate vendor selection, except when a cooperative contract is utilized.

E. Vendor Management

1. After preferred offerors' risk is evaluated, the business unit must select the vendor that best suits the business need and accept the associated risk.
2. The Procurement Division must provide training and establish a procedure to instruct:
 - a. COs how to draft, review and award a contract and manage the vendor contract folder.
 - b. Contract administrators how to review a draft contract, conduct contract compliance and management responsibilities, complete performance monitoring activities, how to request the renewal of an existing contract and how to close out a contract.
 - c. Key stakeholders how to review a draft contract, approve and how to close out a contract.
3. The selected vendor must be assessed and reassessed for a supplier category classification using the vendor's risk level and value/lifecycle cost to determine the type and frequency of performance monitoring activities (i.e., Audit Scorecards, Business Reviews) to evaluate contract compliance and identify issues and cure defaults.
4. Virginia ABC must hold vendors responsible to deliver the required goods or services.
5. The Procurement Division must track contract terms, expiration dates, renewal options and extension requirements.

Records Retention

Library of Virginia General Schedule:

- GS 101, Series 100350: Policy and Procedure Records: Agency Record Copy.
- GS 102, Series 200114: Purchasing Records.
- GS 102, Series 200110: Contracts.

Reference Policies, Procedures, Documents, Forms

The following *Code of Virginia*, policies and procedures are referenced or associated with this policy:

- *Code of Virginia* § 4.1-101.010. Alcoholic Beverage and Cannabis Control.
- Identification and Planning Procedure
- Selection of Procurement Method Procedure
- Selecting Preferred Offerors and Assessing Risk Procedure
- Standards of Conduct Policy
- Vendor Management Procedure

The following forms and documents are associated with this policy:

- Audit Scorecard
- Contract Administration Letter
- Contract Award Checklist
- Contract Close-Out Checklist
- Contract Risk Assessment Template
- Contract Templates
- General Terms & Conditions (on the Virginia ABC website)
- Onboarding Checklist
- Procurement Intake Form
- Procurement Method Appeal Memorandum
- Supplier Category Classification Matrix
- Vendor Data Sheet

Policy Change History

Revision Date	Author	Description <i>Identify if the policy is new or briefly describe the substantive revisions to the policy</i>	Board Approval Required? (Y/N)
7/31/2017	D. Corley	Policy created.	
4/16/2018		Transition to Authority.	
3/29/2023	M. Watts	Rescinded 26 existing procurement policies and seven procedures, as documented in the change memorandum. Updated policy to remove procedural language, incorporated language to address reviewing submissions, selecting preferred offerors, and assessing risk, vendor management and standardized contracts, documents and controls. The name of the policy was modified (formerly known as <i>Guidelines & Planning</i> policy).	Board Meeting Date MM/DD/YYYY

IDENTIFICATION AND PLANNING PROCEDURE

POLICY IN REFERENCE	Procurement Policy		
PROCEDURE AUTHORITY	Director of Procurement		
EFFECTIVE DATE	July 1, 2023	REVISION DATE	March 29, 2023

Purpose of Procedure

The purpose of Virginia Alcoholic Beverage Control Authority’s (ABC) *Identification and Planning Procedure* is to establish the requirements for procurement identification and planning process and to provide Virginia ABC business units with the information to initiate the procurement process in common and unique scenarios.

Applicability

This procedure applies to all Virginia ABC business units that need to purchase a good or service through the procurement process.

This policy does not apply to e-procurement system-approved vendor catalog purchases (e.g., punch-out catalogs).

Definitions

Business and Technical Requirements — The accurate, detailed and known specifications and minimum necessary conditions that satisfy the business need.

Business Unit – The division of Virginia ABC in need of the good or service and is user/customer of the vendor.

Offeror – A person or entity that makes a proposition to perform the contract requirements fully.

Order Splitting — The placement of multiple purchases to one or more vendors for the same, like or related goods or services to avoid using the appropriate method of procurement, or to remain within the delegated purchasing authority.

Detailed Procedure

- A. Once a business unit identifies a need, the business unit must develop a detailed plan to acquire the needed good or service and is encouraged to engage the Procurement Division in the identification and planning process as subject matter experts.
- B. To prepare for the procurement process, gather the following information:
 - a. For goods, details about the:
 - i. Product name, description or function.
 - ii. Quantity.
 - iii. Impacted stakeholders.
 - iv. Estimated cost/budget.

- v. Delivery time/dates and any additional information/preferred qualifications for potential offerors (e.g., vendor certifications, licenses), if applicable.
- b. For services, details about the:
 - i. Overview of the service needed.
 - ii. Business and technical requirements the selected vendor must complete by the end of the contract term.
 - iii. Timeline for the project milestones.
 - iv. On-site attendance and access expectations and business and technical requirements.
 - v. Needed resources (e.g., equipment, systems, platforms, information, data) and relevant onboarding tasks (e.g., privacy/security training, site visit, contract kick-off meeting).
 - vi. Expectations for vendor support after the service is completed (e.g., customer service support team, customized training, 24-hour support).
 - vii. Preferred qualifications for potential offerors (e.g., vendor certifications, licenses) or any additional information, if applicable.
- C. When planning, the business unit must:
 1. Complete all the fields in the Procurement Intake Form and submit it in the electronic ticketing system with as much specificity as possible to search for and procure the accurate good or service using the appropriate procurement method.
 2. Not practice order splitting.
 3. Combine business and technical requirements when it is practical for efficiency and to obtain quantity discounts.
 4. Consider term contracts (e.g., annual, multi-year) if the cumulative annual cost is:
 - a. Over \$25,000 and a fixed price contract or a unit priced requirements contract can be awarded.
 - b. Under \$25,000 and a term contract is advantageous for ABC.
 5. Ensure the forms contain sufficient detail about the good's or service's business or technical requirements.
 6. Consult with the Procurement Division if the needed good or service:
 - a. Exceeds the single quote dollar limit of \$50,000.
 - b. Includes complex business and technical requirements (e.g., technology-related business need, multiple related services).
 - c. May impact other business units.
- D. The Procurement Division must:
 1. Evaluate the business unit's needs.
 2. Determine the best course of action for Virginia ABC and timeline.
 3. Collaborate with the business unit to determine if a term contract is appropriate and necessary.
 4. Consider alternatives that may be more efficient or cost-effective.
- E. Once the identification and planning process is completed, the Procurement Division must select the appropriate procurement method in accordance with *Selection of a Procurement Method Procedure*.

Records Retention

Library of Virginia General Schedule:

- GS 101, Series 100350: Policy and Procedure Records: Agency Record Copy.
- GS 102, Series 200114: Purchasing Records.
- GS 102, Series 200110: Contracts.

Reference Policies, Procedures, Documents, Forms

The following *Code of Virginia*, policies and procedures are referenced or associated with this procedure:

- *Code of Virginia* § 4.1-101.010. Alcoholic Beverage and Cannabis Control.
- Procurement Policy
- Selection of Procurement Method Procedure

- Selecting Preferred Offerors and Assessing Risk Procedure
- Vendor Management Procedure

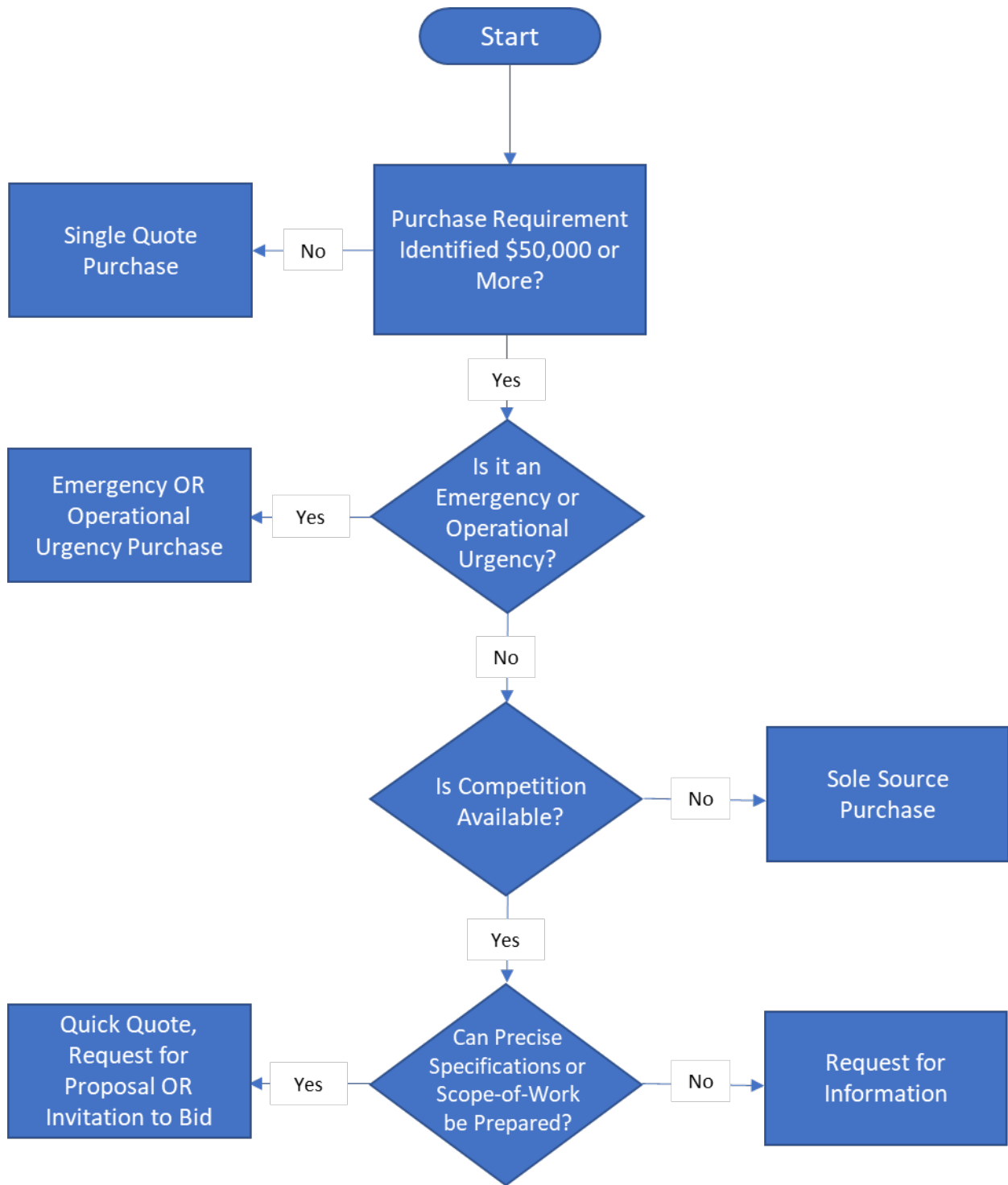
The following form is associated with this procedure:

- Procurement Intake Form

Procedure Change History

Revision Date	Author	Description <i>Identify if the policy is new or briefly describe the substantive revisions to the policy</i>	Board Approval Required? (Y/N)
3/29/2023	M. Watts	This procedure expands upon the Procurement Policy (formerly known as the <i>Guidelines & Planning</i> policy). Substantive changes include removing the procedural language from the old policy and adding instructional language in this procedure.	Board Meeting Date MM/DD/YYYY

Selection of Procurement Method Procedure – Procurement Methods Flowchart*



*Cooperative Contract purchases and Government-to-Government purchases are not limited to a specific dollar amount and are excluded from the chart above.



Virginia Alcoholic Beverage Control Authority

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SELECTION OF A PROCUREMENT METHOD PROCEDURE

POLICY IN REFERENCE	Procurement Policy		
PROCEDURE AUTHORITY	Director of Procurement		
EFFECTIVE DATE	July 1, 2023	REVISION DATE	March 29, 2023

Purpose of Procedure

The purpose of Virginia Alcoholic Beverage Control Authority’s (ABC) *Selection of a Procurement Method Procedure* is to assist Virginia ABC business units to fulfill an identified need by selecting an appropriate procurement method and provide the business units the information needed to continue through the procurement process in common and unique scenarios.

Applicability

This procedure applies to all Virginia ABC business units that identified and planned to address a business need and need to purchase a good or service through the procurement process and the assigned contract officer and contract administrator.

This policy does not apply to e-procurement system-approved vendor catalog purchases (e.g., punch-out catalogs).

Definitions

Business and Technical Requirements — The accurate, detailed and known specifications and minimum necessary conditions that satisfy the business need.

Business Unit – The division of Virginia ABC that is in need of the good or service and is the user/customer of the vendor.

Contract Administrator – An individual (e.g., contract officer, project manager, program manager or an individual from within the business unit) who is designated and authorized to monitor an active written agreement.

Contract Officer (CO) — An individual within the Procurement Division who is designated and authorized in writing to perform specific duties or technical functions on written agreements or tasks/delivery orders with vendors.

Emergency — An unforeseen circumstance where health or public safety is at risk and renders the requirements for competition impossible or impracticable, and which requires immediate action.

Offeror – A person or entity that makes a proposition to perform the contract requirements fully.

Operational Urgency — An unexpected, time-sensitive business need which renders the conservation of public resources at risk and some aspects of competition impractical.

Proprietary Purchase – The required product is restricted to a specific brand, make or model, but is sold through competing distributors, resellers and dealers.

Value/Lifecycle Cost - The anticipated worth of the contract (e.g., sum of the initial one-time, internal, external or recurring expenses, all possible renewal periods).

Detailed Procedure

- A. After the identification and planning process is complete, the CO must determine the appropriate procurement method for the business unit's need by using expertise and training in collaboration with the business unit.
- B. If the business unit disagrees with the procurement method selected by the Procurement Division and would like to utilize another procurement method, the business unit must submit a written justification to the chief administrative officer to request an exemption by completing the Procurement Method Appeal Memorandum template.
- C. The following are procurement methods the Procurement Division may select:
 1. Sole Source Purchase: Only one practicable vendor is available and capable of fulfilling a required good or service in the required timeframe, and competition is not available. This method is exempt from competition.
 2. Cooperative Contract Purchase ("Piggyback Contract Purchase"): Procuring goods or services of any dollar amount using national and regional purchasing cooperatives or existing contracts, solicitations and awards. Care must be exercised to be certain the price is fair and reasonable. This method is exempt from competition.
 3. Single Quote Purchase: One quote obtained for the solicitation of goods or services with an estimated value/lifecycle cost of \$50,000 or less. While a single quote is likely the quickest way to obtain goods or services that are readily available, it is not the appropriate procurement method in all instances.
 4. Informal Solicitation: An efficient method to introduce competition into the procurement process using one of the following methods:
 - a. Quick Quote: Soliciting multiple estimates from vendors when competition is available, and business and technical requirements are defined. This method includes procuring goods or services that are not available through an existing contract with an estimated cost between \$50,000 and \$150,000 annually and the contract is awarded based on the lowest price.
 - b. Three Quotes for Non-Contracted Goods and Services: If a particular good or service is not available through an existing contract and the purchase is over \$50,000, the business unit must consult with the Procurement Division to discuss potential solutions. This method is exempt from competition.
 - c. Request for Information (RFI): A method for when the potential solution(s) and/or vendor are unknown, or the business and technical requirements of the need are unclear. The RFI is issued to vendors selected by ABC through the procurement platform or other appropriate electronic means. This solicitation type does not end in an awarded contract.
 - d. Request for Proposal (RFP) or Invitation for Bid (IFB): The needs for the goods or services are known and documented to allow vendors to respond.
- D. Potential Exceptions from Competition: In some situations, competition is not required. The business unit must consult with the Procurement Division to determine if an exception is applicable. Some exceptions include a(n):
 1. Purchases under \$50,000.
 2. Government-to-Government Purchase: The procurement of goods or services at any dollar amount *from* Commonwealth of Virginia agencies and authorities, institutions, localities and public bodies, the federal government, other states and their agencies or institutions, localities and public bodies. Care must be exercised to be certain that the price is fair and reasonable, using the Procurement Division's expertise and knowledge.
 3. Emergency Purchase: Must be limited to goods or services necessary to meet the needs of the emergency.
 - a. This method can be utilized when:
 - i. Virginia ABC is faced with an occurrence of an unexpected, sudden, serious in nature that demands immediate action;
 - ii. There are conditions that create an immediate and serious need for supplies or services that cannot be met through normal procurement methods and schedules; or
 - iii. The lack of these supplies or services could seriously threaten government functioning, property preservation and/or the protection, health or safety of any person or cause non-performance of any duty or obligation of the Virginia ABC imposed by law or contract.

- b. An emergency purchase over:
 - i. \$50,000 must be approved by a procurement manager.
 - ii. \$150,000 must be approved by the director of procurement and the director of procurement must notify the Chief Executive Officer (CEO).
 - c. If the emergency purchase is required to protect personal safety or property, Virginia ABC must find a vendor and initiate the procurement process. Such purchases must be made competitively as practicable and does not relieve Virginia ABC from negotiating fair and reasonable prices.
 - d. The CO must negotiate with the vendor and document negotiations and the reasonableness of the price.
4. Operational Urgency
- a. Such procurements must be made competitively as practicable and does not relieve Virginia ABC from negotiating a fair and reasonable price.
 - b. The CO must negotiate with the vendor and document negotiations and the reasonableness of the price.
5. Purchases of used equipment.
6. Purchases for testing and evaluation and are limited to purchases of quantities considered necessary for complete and adequate testing and cannot exceed \$200,000.
7. The purchase of goods or services are produced or performed by or related to:
- a. Persons, or in schools or workshops, under the supervision of the Virginia Department for the Blind and Vision Impaired;
 - b. Community rehabilitation programs, previously referred to as nonprofit sheltered workshops or other nonprofit organizations that offer transitional or supported employment services serving the differently abled;
 - c. Private educational institutions or other public educational institutions for academic and/or research consulting services.
8. Speakers, lectures and performing artists.
9. Writers, artists (not graphic designers), and photographers.
10. Advertisements.
11. Specialized trainings.
12. Utility charges.
13. Exhibition rental fees.
14. Professional memberships and association dues.
15. Sponsored research grant sub-awards and contract sub-awards, not to include the purchase of goods or services by the Institution.
16. Group travel in foreign countries.
17. Conference facilities and services when the use of a specific facility is directed by an outside donor, sponsor or organization.
18. The purchase of legal services provided the Office of the Attorney General has been consulted or expenses for expert witnesses or other services associated with litigation or regulatory proceedings.
19. Purchases of a good or service from a small women- and minority-owned business vendor up to \$50,000.
- E. Procurement Methods Flowchart**
- The director of procurement, CO, contract administrator and business unit must refer to the Procurement Methods Flowchart to guide the selection of a procurement method.
- F. Procurement Method Steps**
- 1. Once a procurement method is selected, the business unit and any relevant key stakeholders must complete the steps that are applicable to all procurement methods and those that are specific to the selected procurement method as outlined below.
 - 2. These steps are applicable to all procurement methods:
 - a. All offerors must complete the *Vendor Data Sheet*, except when a cooperative contract is utilized.
 - b. Offerors must be evaluated for responsibility and responsiveness and assessed for risk in accordance with the *Selecting Preferred Offerors and Assessing Risk Procedure* and as established by the Procurement Division, except when a cooperative contract is utilized.

- c. The CO must collaborate with the contract administrator and business unit to define critical deliverables, establish metrics for contracts and develop contracts for selected vendors in accordance with Section B, Drafting, Reviewing and Awarding a Contract, in the *Vendor Management Procedure*.
 - d. The selected vendor must be classified for a supplier category in accordance with *Vendor Management Procedure*.
 - e. Procurement Division and contract administrator must monitor the vendor's performance for the life of the contract in accordance with the *Vendor Management Procedure*.
- 3. Sole Source Purchase**
- a. The business unit must submit a memorandum using the Practical Sole Source Procurement Justification Memorandum template documenting the justification for a purchase over \$50,000 with the request of a sole source purchase. The memorandum must explain why this:
 - i. Is the only product or service that can meet the needs of the Virginia ABC.
 - ii. Vendor is the only practicably available source from which to obtain this product or service.
 - b. The CO is responsible for verifying the validity of the sole source purchase justification provided by the business unit.
 - c. After the request is approved, a written quote outlining the business and technical requirements must be obtained from the sole source vendor.
 - d. A sole source purchase over:
 - i. \$50,000 must be approved by a procurement manager and the CIO if the purchase is for a technology-related business need.
 - ii. \$150,000 must be approved by the director of procurement, approved by the CIO if the purchase is a technology-related business need and the director of procurement must notify the CEO.
 - e. If a sole source purchase request is deemed necessary, the CO must negotiate with the sole source vendor, document negotiations, if applicable, and the reasonableness of the price as established by the Procurement Division.
 - f. Once a final negotiated agreement is reached, the:
 - i. CO must upload the contract into the electronic procurement system and make the award to the vendor.
 - ii. Required authorizing signatures must be captured in the electronic procurement system.
 - iii. Electronic requisition is converted to a purchase order.
 - iv. Purchase order is sent electronically to the selected vendor.
 - v. Procurement Division, the Program Management Office, and/or the business unit must conduct a contract kick-off meeting with the contract administrator and the vendor, if applicable based on the business and technical requirements.
- 4. Cooperative Contract Purchase**
- a. If a cooperative contract purchase is available and deemed appropriate by the Procurement Division, the:
 - i. Procurement Division must complete a Participating Addendum and negotiate additional terms and conditions, as needed.
 - b. Once a final negotiated agreement is reached and the appropriate approvals are completed, the:
 - i. CO must upload the contract into the electronic procurement system and make the award to the vendor.
 - ii. Required authorizing signatures must be captured in the electronic procurement system.
 - iii. Electronic requisition is converted to a purchase order.
 - iv. Purchase order is sent electronically to the selected vendor.
 - v. Procurement Division, the Program Management Office, and/or the business unit must conduct a contract kick-off meeting with the contract administrator and the vendor, if applicable based on the business and technical requirements.
- 5. Single Quote Purchase**
- a. A written quote outlining the business and technical requirements must be obtained from the single source vendor.

- b. If a single quote purchase request is deemed necessary, the CO must negotiate with the vendor, document negotiations, if applicable, and the reasonableness of the price as established by the Procurement Division.
 - c. Once a final negotiated agreement is reached and the appropriate approvals are completed, the:
 - i. CO must upload the contract into the electronic procurement system and make the award to the vendor.
 - ii. Required authorizing signatures must be captured in the electronic procurement system.
 - iii. Electronic requisition is converted to a purchase order.
 - iv. Purchase order is sent electronically to the selected vendor.
 - v. Procurement Division, the Program Management Office, and/or the business unit must conduct a contract kick-off meeting with the contract administrator and the vendor, if applicable based on the business and technical requirements.
6. Quick Quote
- a. If quick quote is deemed appropriate, the:
 - i. Business unit must provide the CO with the business and technical requirements for the required goods or services.
 - ii. CO must:
 - 1) Create the electronic solicitation and request an electronic quote outlining the business and technical requirements from each offeror.
 - 2) Evaluate each submission for reasonableness and responsiveness in accordance with the *Selecting Preferred Offerors and Assessing Risk Procedure*.
 - 3) Make the award to the vendor with the lowest quote by converting the electronic solicitation into an electronic requisition.
 - iii. Required authorizing signatures must be captured in the electronic procurement system.
 - iv. Electronic requisition is converted to a purchase order.
 - v. Purchase order is sent electronically to the selected vendor.
 - vi. Procurement Division, the Program Management Office, and/or the business unit must conduct a contract kick-off meeting with the contract administrator and the vendor, if applicable based on the business and technical requirements.
7. Three Quotes for Non-Contracted Goods and Services
- a. If three quotes for non-contracted goods and services are deemed necessary, the CO must:
 - i. Request a written quote outlining the business and technical requirements from a minimum of three offerors, when possible.
 - ii. Review the quotes from offerors with the business unit.
 - iii. Negotiate with the vendor and document negotiations and the reasonableness of the price.
 - iv. Verify the purchase of services in the electronic ticketing system includes a written statement of work details, such as business and technical requirements of the vendor, schedule, deliverables, acceptance criteria, payment milestones.
 - b. Once a final negotiated agreement is reached and the appropriate approvals are completed, the:
 - i. CO must upload the contract into the electronic procurement system and make the award to the vendor.
 - ii. Required authorizing signatures must be captured in the electronic procurement system.
 - iii. Electronic requisition is converted to a purchase order.
 - iv. Purchase order is sent electronically to the selected vendor.
 - v. Procurement Division, the Program Management Office, and/or the business unit must conduct a contract kick-off meeting with the contract administrator and the vendor, if applicable based on the business and technical requirements.
8. RFI
- a. The CO must collaborate with the business unit and any relevant key stakeholders to:
 - i. Create the RFI (e.g., problem statement, Virginia ABC's background, questions to which potential offerors must respond, submission instructions).
 - ii. Identify any additional business and technical requirements (e.g., technology related business need).

- iii. Determine which vendors are invited to submit a response, when applicable.
 - b. Once submissions are received, the CO must:
 - i. Review the responses in accordance with the *Selecting Preferred Offerors and Assessing Risk Procedure*.
 - ii. Compare the submissions.
 - iii. Consult the business unit and any relevant key stakeholders to discuss the responses.
 - iv. Determine the appropriate next steps (e.g., continue with the procurement process, discontinue with the procurement method, proceed through other means) and document the decision in the vendor's contract folder.
- 9. RFP/IFB
 - a. The business unit must submit the request to the Procurement Division in the electronic ticketing system.
 - b. The CO must collaborate with the business unit to:
 - i. Create the RFP or IFB (e.g., problem statement, Virginia ABC's background, questions to which potential offerors must respond, submission instructions).
 - ii. Identify any additional business and technical requirements (e.g., technology-related business need).
 - iii. Verify all business and technical requirements are defined adequately.
 - iv. Identify who will be on the evaluation panel and will review the responses.
 - c. The CO must email the solicitation documents to the business unit for review, and the business unit must approve the solicitation documents before the request is posted.
 - d. The CO must:
 - i. Post the notification of opportunity to the electronic procurement system.
 - ii. Verify Virginia ABC's needs and the deadline for responses is posted clearly.
 - iii. Provide potential offerors with the appropriate amount of time to respond to the posting.
 - e. When the posting is closed, the CO:
 - i. Must review all responses to identify the responses that meet the minimum business and technical requirements, when applicable, in accordance with the *Selecting Preferred Offerors and Assessing Risk Procedure*.
 - ii. Along with the business unit and members of the evaluation panel (e.g., IT) must review all the responses that meet the minimum business and technical requirements and identify those that are deemed to be competitive to continue through the vendor negotiation process.
 - iii. Must lead and coordinate all vendor negotiations.
 - f. During the vendor negotiation process, the selected vendor(s) may be required to submit a revised proposal to account for any issues and concerns, which must be reviewed by the CO, business unit and the evaluation panel.
 - g. The CO must evaluate the potential vendor(s) (e.g., capabilities, facilities, quality assurance processes, financial banking) to request the best and final offer from the selected vendor(s).
 - h. The business unit must review all the documentation before the award is issued.
 - i. Once a final negotiated agreement is reached and a written statement of work detailing the minimum business and technical requirements, schedule, deliverables, acceptance criteria and payment milestones is submitted to Virginia ABC by the selected vendor, the:
 - i. CO must upload the contract into the electronic procurement system and make the award to the vendor.
 - ii. All required authorizing signatures must be captured in the electronic procurement system.
 - iii. Electronic requisition is converted to a purchase order.
 - iv. Purchase order is sent electronically to the selected vendor.
 - v. Procurement Division, the Program Management Office, and/or the business unit must conduct a contract kick-off meeting with the contract administrator and the vendor, if applicable based on the business and technical requirements.
- G. If a specific scenario is a potential exception to competition, the business unit must consult with the Procurement Division to discuss possible solutions and determine the best course of action.

Records Retention

Library of Virginia General Schedule:

- GS 101, Series 100350: Policy and Procedure Records: Agency Record Copy.
- GS 102, Series 200114: Purchasing Records.
- GS 102, Series 200110: Contracts.

Reference Policies, Procedures, Documents, Forms

The following *Code of Virginia*, policies and procedures are referenced or associated with this policy:

- *Code of Virginia* § 4.1-101.010. Alcoholic Beverage and Cannabis Control.
- Identification & Planning Procedure
- Procurement Policy
- Selecting Preferred Offerors and Assessing Risk Procedure
- Vendor Management Procedure

The following forms and documents are associated with this policy:

- Contract Risk Assessment Template
- General Terms & Conditions
- Participation Addendum
- Practical Sole Source Procurement Justification Memorandum
- Procurement Intake Form
- Procurement Method Appeal Memorandum
- Procurement Methods Flowchart
- Vendor Data Sheet

Procedure Change History

Revision Date	Author	Description <i>Identify if the policy is new or briefly describe the substantive revisions to the policy</i>	Board Approval Required? (Y/N)
3/29/2023	M. Watts	This procedure expands upon the Procurement Policy (formerly known as the <i>Guidelines & Planning</i> policy) and combines related rescinded policies (i.e., Emergency & Urgent Purchases, Informal Solicitations/Quick Quotes & Unsealed RFPs, Sealed Request for Proposals (RFPs), Single Quote, Sole Source Purchases, Three Quotes for Non-Contracted Goods and Services). Substantive changes include combining old policies and adding instructional language in this procedure.	Board Meeting Date MM/DD/YYYY



SELECTING PREFERRED OFFERORS AND ASSESSING RISK PROCEDURE

POLICY IN REFERENCE	Procurement Policy		
PROCEDURE AUTHORITY	Director of Procurement		
EFFECTIVE DATE	July 1, 2023	REVISION DATE	March 29, 2023

Purpose of Procedure

The purpose of the Virginia Alcoholic Beverage Control Authority's (ABC) *Selecting Preferred Offerors and Assessing Risk Procedure* is to establish how Virginia ABC assesses the risk of preferred offerors before awarding contracts to a vendor.

Applicability

This procedure applies to all Virginia ABC contract officers, business units and evaluation panel members who review submissions with the intention to award a contract to the vendor(s) that meets the business and technical requirements for an identified business need.

This policy does not apply to e-procurement system-approved vendor catalog purchases (e.g., punch-out catalogs).

Definitions

Business and Technical Requirements — The accurate, detailed and known specifications and minimum necessary conditions that satisfy the business need.

Business Unit – The division of Virginia ABC that is in need of the good or service and is the user/customer of the vendor.

Contract Administrator – An individual (e.g., contract officer, project manager, program manager or an individual from within the business unit) who is designated and authorized to monitor an active written agreement.

Contract Officer (CO) – An individual within the Procurement Division who is designated and authorized in writing to perform specific duties or technical functions on written agreements or task/delivery orders with vendors.

Offeror – A person or entity that makes a proposition to perform the contract requirements fully.

Detailed Procedure

- A. Once a procurement method is selected and the associated steps are completed in accordance with the *Selection of Procurement Method Procedure*, the CO must review all submissions for responsibility and responsiveness.
 1. Evaluating submissions for responsibility must consider if the vendor:
 - a. Is an authorized dealer of the needed goods or services, if applicable.
 - b. Has a designated bid and/or performance bond, if required.

- c. Can comply with the required delivery or performance schedule, and other business and technical requirements.
- d. Has a satisfactory record of performance and integrity.
- e. Has the necessary resources (e.g., facilities, organization, technical skills) to fulfill the contract requirements.
- 2. Evaluating submissions for responsiveness must consider if the vendor:
 - a. Complied with provisions of the solicitation (e.g., product or service specifications, terms and conditions).
 - b. Included and completed all required steps (e.g., signed the proposal, included required documents/ attachments).
 - c. Provided the appropriate pricing structure, if required (e.g., provided line-item prices instead of a total price, excluded labor costs in the pricing schedule of time and materials service contract).
- 3. If a vendor is identified as non-responsible or non-responsive, the CO must notify the vendor via email and certified mail. The notification must include with specificity the reason(s) the vendor was deemed non-responsible or non-responsive.
 - a. A vendor may appeal Virginia ABC’s determination of being non-responsible for a specific solicitation by:
 - i. Submitting a written justification to the director of procurement postmarked if mailed or delivered within five calendar days after receipt of the CO’s determination.
 - ii. The appeal must be mailed or hand delivered to Virginia Alcoholic Beverage Control Authority Headquarters (C/O Director of Procurement, 7450 Freight Way, Mechanicsville, Virginia 23116).
 - b. The director of procurement must review the appeal in consultation with the Office of Legal Counsel and issue a written decision postmarked within five calendar days.
 - c. If the director of procurement overturns the CO’s determination, one of the following relief must be provided:
 - i. If the contract has not been awarded, the vendor initially declared as non-responsible is now the best value responsive and responsible vendor, the award must be made to the appealing vendor.
 - ii. If the contract is already awarded to another vendor, but the contract term has not begun, the contract must be terminated. A new contract must be awarded to the appealing vendor if the vendor provides the best value.
 - iii. If the contract is already awarded and the performance activities have begun, Virginia ABC may terminate the contract upon a finding that this action is in Virginia ABC’s best interest. If the contract is terminated, the selected vendor must be compensated for the cost of performance up to the time the contract is terminated. The selected vendor is not entitled to lost profits.
- B. The CO must review the Vendor Data Sheet and confirm it is completed and included with each submission, except when a cooperative contract is utilized.
- C. The CO must consult with the business unit and:
 - 1. Review the submissions deemed responsible and responsive.
 - 2. Select the preferred offeror(s) to go through the risk assessment process based on the vendor’s reputation, offerings, and cost, except when a cooperative contract is utilized.
- D. **Vendor Contract Folder**

After the preferred offerors are identified, the CO must create a folder for all preferred offerors in the Procurement Division shared drive with the name format “VENDOR NAME_PERFORMANCE YEAR_CO LAST NAME.”
- E. **Assessing Preferred Offeror’s Risk**
 - 1. After creating the Vendor Contract Folder, if applicable, the CO must complete the Contract Risk Assessment template to assess each preferred offeror’s risk using the:
 - a. Vendor Data Sheet completed by the vendor, except when a cooperative contract is utilized.
 - b. Preferred offeror’s bid.
 - c. Information from pre-bid meetings or interviews, if applicable.
 - 2. The CO must collaborate with the business unit and any relevant key stakeholders (e.g., evaluation panel members) to accurately assess the risk score in the five risk categories (i.e., financial, strategic, operational, compliance, reputational) as established by the Procurement Division. The weighted risk score will determine the risk level.

3. The table below illustrates how a preferred offeror’s weighted risk score is calculated.

Risk Score (Probability of Impact X Probability of Occurrence)	Probability of Impact	Probability of Occurrence				
		1 = Rare	2 = Unlikely	3 = Possible	4 = Likely	5 = Most Likely
	1 = Low	1	2	3	4	5
	2 = Low-Medium	2	4	6	8	10
	3 = Medium	3	6	9	12	15
	4 = Medium-High	4	8	12	16	20
	5 = High	5	10	15	20	25

4. The weighted risk score determines the preferred offeror’s risk level. The table below illustrates how a preferred offeror’s risk score translates into a risk level.

Risk Level	Risk Score and Description
Low	A weighted risk score of 1-4, which has a limited impact to a business service, product or project.
Medium	A weighted risk score of 5-14, which may have a moderate to serious impact on a business service, product or project that is of importance to Virginia ABC. The risk has the potential to affect performance, cost, objectives or customer satisfaction.
High	A weighted risk score of 15-25, which may have a significant impact or possible default to a business service, product or project that is critical to Virginia ABC. The impact or default would have negative consequences and could possibly affect performance, cost, objectives or customer satisfaction.

5. The director of procurement must review and approve the risk assessment if the risk level is high.
6. If all the preferred offerors receive:
 - a. A weighted risk score of 14 or less, the CO must consider the cost/pricing, benefits, certifications and diversity of each offeror.
 - i. For complex business and technical requirements and competition (e.g., request for proposals, three quotes for non-contracted goods and services), the CO must provide the business unit with the preferred offerors’ information, and the business unit must select the offeror who will be awarded the contract.
 - ii. The business unit must review the Contract Risk Assessment and provide the CO with written approval stating the business unit understands the associated risk and is willing to accept the risk.
 - b. A weighted risk score of 15 or more, the CO must consult with the director of procurement to determine the appropriate next steps.
 - i. The director of procurement can make a recommendation to the business unit.
 - ii. The business unit must consider the recommendation and make the decision to proceed or not to proceed with the chief of the business unit’s preferred offeror recommendation.
 - iii. If the business unit elects to proceed with the chief of the business unit’s recommendation, the business unit must provide the CO with written approval stating that the business unit understands the associated risk and is willing to accept the risk from the preferred offeror and would like to award the contract to the respective offeror.
 - iv. If the business unit and the chief of the business unit decided not to proceed with the assessed vendors, the business unit and the Procurement Division will collaborate to find additional vendors.
7. The CO must place the risk assessment results in the preferred offeror’s vendor contract folder.
8. The CO, contract administrator, business unit, and all relevant key stakeholders must abide by the *Vendor Management Procedure* to select a vendor.

Records Retention

Library of Virginia General Schedule:

- GS 101, Series 100350: Policy and Procedure Records: Agency Record Copy.
- GS 102, Series 200114: Purchasing Records.
- GS 102, Series 200110: Contracts.

Reference Policies, Procedures, Documents, Forms

The following *Code of Virginia*, policies and procedures are referenced or associated with this policy:

- *Code of Virginia* § 4.1-101.010. Alcoholic Beverage and Cannabis Control.
- Identification & Planning Procedure
- Procurement Policy
- Selection of Procurement Method Procedure
- Standards of Conduct Policy
- Vendor Management Procedure

The following forms and documents are associated with this policy:

- Contract Risk Assessment Template
- General Terms & Conditions
- Vendor Data Sheet

Procedure Change History

Revision Date	Author	Description <i>Identify if the policy is new or briefly describe the substantive revisions to the policy</i>	Board Approval Required? (Y/N)
3/29/2023	M. Watts	This procedure expands upon the Procurement Policy (formerly known as the <i>Guidelines & Planning</i> policy) and expands upon the instructions on how consider a preferred offeror’s risk level when selecting a vendor.	Board Meeting Date MM/DD/YYYY



VENDOR MANAGEMENT PROCEDURE

POLICY IN REFERENCE	Procurement Policy		
PROCEDURE AUTHORITY	Director of Procurement		
EFFECTIVE DATE	July 1, 2023	REVISION DATE	March 29, 2023

Purpose of Procedure

The purpose of the Virginia Alcoholic Beverage Control Authority’s (ABC) *Vendor Management Procedure* is to establish how Virginia ABC classifies a selected vendor’s supplier category and monitors and assesses the quality, reliability and performance of a vendor after a contract is awarded.

Applicability

This procedure applies to all Virginia ABC contract officers, contract administrators, business units and any relevant key stakeholders that select a vendor and award a contract to meet an identified business need.

This policy does not apply to e-procurement system-approved vendor catalog purchases (e.g., punch-out catalogs).

Definitions

Business and Technical Requirements — The accurate, detailed and known specifications and minimum necessary conditions that satisfy the business need.

Business Unit — The division of Virginia ABC that is in need of the good or service and is the user/customer of the vendor.

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Contract Officer (CO) — An individual within the Procurement Division who is designated and authorized in writing to perform specific duties or technical functions on written agreements or task/delivery orders with vendors.

Offeror — A person or entity that makes a proposition to perform the contract requirements fully.

Value/Lifecycle Cost — The anticipated worth of the contract (e.g., sum of the initial one-time, internal, external or recurring expenses, all possible renewal periods).

Detailed Procedure

- A. Vendor Selection**
 - 1. After completing the Contract Risk Assessment in accordance with *Selecting Preferred Offerors and Assessing Risk Procedure*, the business unit must evaluate suitability for all the preferred offerors and select a vendor to award the contract.

B. Drafting, Reviewing and Awarding a Contract

1. After the business unit identifies the vendor that will be awarded the contract, the CO must complete the procurement method steps aligned with the selected procurement method in accordance with the *Selection of Procurement Method Procedure* section F and as established by the Procurement Division.
2. The business unit director must assign a contract administrator.
 - a. The contract administrator may be the CO, program manager or project manager if the:
 - i. Goods or services are procured to meet a business need of the Procurement Division.
 - ii. Contract is authority-wide vendor engagement.
 - iii. Contract is related to a system implementation (e.g., IT software implementation).
3. To draft a contract, the CO must:
 - a. Collaborate with the director of procurement, contract administrator, the business unit and any relevant key stakeholders to define the critical deliverables, establish measurable contract metrics, identify any special terms and conditions, and incorporate key performance metrics for special terms and conditions, if applicable.
 - b. Use the Contract Award Checklist to confirm all required elements are included in the contract.
 - c. Include the General Terms & Conditions.
 - d. Consult with the Office of Legal Counsel (OLC) as issues or questions arise.
4. The business unit or CO may have the draft contract reviewed by OLC.
 - a. OLC must be consulted and review the contract if the vendor negotiates the General Terms & Conditions or requests that the vendor's form contract be used.
 - b. If OLC is consulted, the OLC representative must sign the Contract Award Checklist.
5. The contract administrator must:
 - a. Review the draft contract for accuracy and completeness (e.g., statement of work is accurate, all key performance indicators are included).
 - b. Consider the CO's feedback and recommendations.
 - c. Document all decisions not to implement a CO's recommendation in the Contract Award Checklist.
 - d. Provide feedback to the CO and must be incorporated into the contract by the CO.
 - e. Approve the contract once all issues are addressed by signing the Contract Award Checklist.
6. Once the draft contract is finalized, the CO must approve the contract by signing the Contract Award Checklist.
7. The CO must place the final Contract Award Checklist, contract and all supplemental documentation in the "Sourcing and Contracting" folder within the vendor's contract folder on the Procurement Division shared drive.

C. Protest of Award

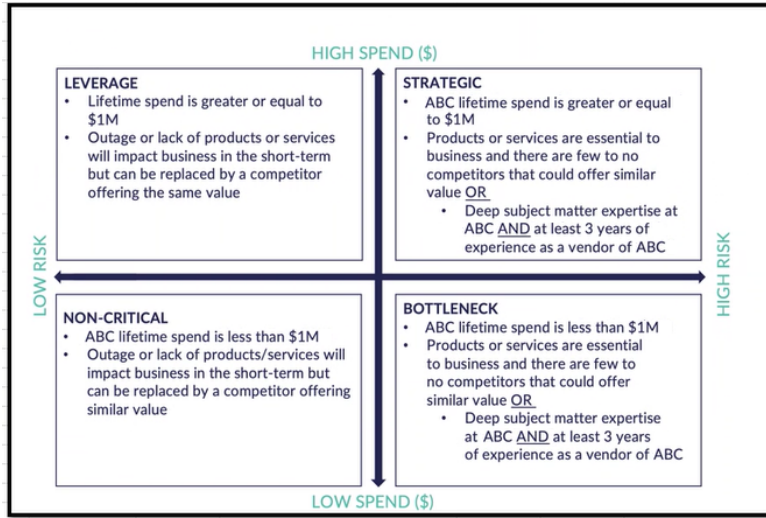
1. A vendor that submitted a response to a solicitation may protest Virginia ABC's vendor selection by:
 - a. Submitting a written justification to the director of procurement postmarked if mailed or delivered within five calendar days after receipt of the CO's determination.
 - i. The written justification must include:
 - 1) Specific basis for the protest.
 - 2) The resolution or relief the protesting vendor is seeking.
 - ii. The basis of the protest cannot be that the selected vendor is not a responsible vendor and cannot challenge the validity of solicitation's terms and conditions.
 - iii. The protest submission must include either:
 - 1) A certified check or money order in the amount equal to the lower of 5% of the proposal amount or \$5,000, or reduced to 2% of the proposal amount or \$2,000 for small, women- and minority-owned business certified vendors, or
 - 2) Evidence of an escrow payment of the said amount.
 - b. The protest must be mailed or hand delivered to Virginia Alcoholic Beverage Control Authority Headquarters (C/O Director of Procurement, 7450 Freight Way, Mechanicsville, Virginia 23116).
2. The director of procurement must review the protest and issue a written decision, with specific reason(s) for the basis of the decision, postmarked within five calendar days of receipt of the protest.
 - a. If the protest is upheld, the submitted funds will be returned to the protesting vendor.
 - b. If the protest is denied, no further action is required and the existing contract continues. Virginia ABC retains the funds submitted by the protesting vendor.

D. Appealing of Director of Procurement's Protest of Award Decision

1. The protesting vendor may appeal the director of procurement's protest decision by submitting a written justification to the Chief Administrative Officer (CAO) postmarked if mailed or delivered within five calendar days of receiving the director of procurement's decision.
 - a. The written justification must include:
 - i. A statement that an appeal is being filed.
 - ii. The decision for which the appeal is being filed.
 - iii. The solicitation, contract and/or reference number.
 - iv. The basis for the appeal.
 - v. The resolution or relief the protesting vendor is seeking.
 - b. The appeal must be mailed or hand delivered to Virginia Alcoholic Beverage Control Authority Headquarters (C/O Chief Administrative Officer, 7450 Freight Way, Mechanicsville, Virginia 23116).
2. The CAO must review the vendor's appeal justification, the director of procurement's decision in consultation with OLC and issue a written decision (i.e., uphold or overturn the director of procurement's decision, with specific reason(s) for the basis of the decision) postmarked within 3 business days of receipt of the appeal.
 - a. If the CAO overturns the decision, the following relief must be granted:
 - i. If the performance activities have not begun, Virginia ABC must cancel the contract and revise the award, as appropriate.
 - ii. If performance activities have begun, Virginia ABC may terminate the contract upon a finding that this action is in Virginia ABC's best interest. If the contract is terminated, the selected vendor must be compensated for the cost of performance up to the time the contract is terminated. The selected vendor is not entitled to lost profits.

E. Supplier Category Classification

1. The supplier category informs the performance monitoring schedule (i.e., the necessity and frequency of audit scorecards and business reviews) for the selected vendor.
2. Once a vendor is selected, the CO must classify the vendor into a supplier category (i.e., strategic, leverage, bottleneck or non-critical) assessing Virginia ABC's value/lifecycle cost with the selected vendor and the vendor's goods or services as established by the Procurement Division.
3. The following criteria must be used to classify the selected vendor:
 - a. To be classified in the strategic supplier category, the selected vendor must:
 - i. Have a value/lifecycle cost of greater than or equal to \$1 million; and
 - ii. Provide goods or services that are essential for business and have few-to-no competitors that could offer a similar value; or
 - iii. Be a subject matter expert (SME) of Virginia ABC's strategy and operations and have three or more years in experience of providing goods or services to Virginia ABC.
 - b. To be classified in the leverage supplier category, the selected vendor must:
 - i. Have a value/lifecycle cost of greater than or equal to \$1 million; and
 - ii. Provide goods or services that impacts Virginia ABC's strategy and operation in the short-term if there is an outage or a lack of availability, but the goods or services can be replaced by a competitor offering a similar value if the issue persists long term.
 - c. To be classified in the bottleneck supplier category, the selected vendor must:
 - i. Have a value/lifecycle cost of less than \$1 million;
 - ii. Provide goods or services that are essential for business and have few-to-no competitors that could offer a similar value; or
 - iii. Be a SME of Virginia ABC's strategy and operations and have three or more years in experience of providing goods or services to Virginia ABC.
 - d. To be classified in the non-critical supplier category, the selected vendor must:
 - i. Have a value/lifecycle cost of less than \$1 million;
 - ii. Provide goods or services that impact Virginia ABC's strategy and operation in the short-term if there is an outage or a lack of availability, but the goods or services can be replaced by a competitor offering a similar value if the issue persists long-term.



e. The selected vendor’s supplier category classification must be reassessed by the CO if the spending and/or associated risk change at any time (e.g., during contract negotiations, the processing of purchase orders).

F. Uploading the Contract and Entering Purchase Orders

1. Once the contract is finalized, the CO must upload the contract into the electronic procurement system, make the award to the vendor, convert the electronic requisition to a purchase order and send the purchase order electronically to the selected vendor in accordance with the *Selection of a Procurement Method Procedure* and as established by the Procurement Division.

G. Contract Administrator Letter

1. After the supplier category classification is completed and the contract is awarded, the CO must send the assigned contract administrator the Contract Administration Letter, which outlines the contract administrator’s responsibilities.
2. The contract administrator must:
 - a. Ask the CO for any clarifications regarding the assigned responsibilities.
 - b. Sign the Contract Administration Letter and submit it to the CO.
 - c. Facilitate the onboarding and training for the vendor using the Onboarding Checklist.
3. The contract administrator must complete and sign the Onboarding Checklist and submit it to the CO.
4. The CO must place a copy of the signed Contract Administration Letter in the vendor’s contract folder.

H. Contract Compliance and Management

1. The contract administrator must:
 - a. Review the contract, service level agreement and establish measurable contract metrics within 10 business days of the contract start date.
 - b. Review and verify the vendor is meeting contract requirements (e.g., the good or service is received in a timely manner, in good order).
 - c. Compare the contract expenditures against the total contract value each time a performance monitoring activity is completed. If expenditures vary from the anticipated expenditure, the contract administrator must inform the CO, the business unit director or chief, and the director of financial management services for further review and corrective action, if applicable.
 - d. Approve invoices, including milestone payments when acceptance criteria are met.
 - e. Consistently monitor, assess and document the quality, reliability and performance of the vendor in accordance with the performance monitoring and schedule section below.
 - f. Provide timely feedback to the vendor and CO.
 - g. Document and communicate all urgent and non-urgent issues to the vendor and take appropriate action.
 - h. Work with the vendor to set reasonable corrective action and timeframes.
 - i. Contact the CO to assist with corrective actions if the contract is at risk of being breached.
 - j. Inform the CO if the vendor fails to deliver the good or service.

I. Notice to Cure and Cure Default Period

1. If a vendor fails to deliver the good or service in a timely manner, the CO must verbally notify the vendor with a request to cure immediately and provide the vendor with a reasonable timeframe to cure the default or as defined in the contract.
2. The request to cure must be documented in the vendor's contract folder.
3. If the vendor fails to cure the violation, the CO will issue a written Notice to Cure and include a copy in the vendor's contract folder or as defined in the contract.
4. Any deviations from the cure periods must be approved by the director of procurement in consultation with OLC to the extent necessary.
5. If the vendor fails to rectify the Notice to Cure in the allotted timeframe, the CO must notify the director of procurement to discuss and begin additional punitive actions, as appropriate for the non-compliance.

J. Performance Monitoring and Schedule

1. Based on the vendor's supplier category classification, the contract administrator must complete performance monitoring activities (i.e., audit scorecards, business reviews).

Performance Monitoring Activity	Implementation Project Phase			
	Strategic	Leverage	Bottleneck	Non-Critical
Audit Scorecard	Quarterly	Semi-Annual	Annual	Annual
Business Review	Annual	Annual	N/A	N/A
Performance Monitoring Activity	Maintenance and Support Project Phase			
	Strategic	Leverage	Bottleneck	Non-Critical
Audit Scorecard	Semi-Annual	Semi-Annual	Annual	Annual
Business Review	Annual	Annual	N/A	N/A

2. An Audit Scorecard serves as a summary of a vendor's performance over a timeframe, includes a high-level summary and frequency of all urgent and non-urgent issues or contract breaches and identifies existing or new risks.
 - a. Prioritizes managing performance gaps.
 - b. Communicates any service gaps to the vendor.
 - c. Facilitates the request for an action plan from the vendor to address any concerns.
 - d. Provides accountability for Virginia ABC and the vendor.
 - e. Does not replace Notice to Cure.
 - f. The Audit Scorecard ratings are:
 - i. A passing rating is a weighted score of 3.0 or higher.
 - ii. A failing rating is a weighted score less than 3.0.
 - g. The CO must use the Audit Scorecard template and:
 - i. Enter the vendor's information.
 - ii. Adjust any area weights to reflect the vendor's contract (adjustments must be approved by the director of procurement).
 - iii. Provide the vendor's audit scorecard to the contract administrator.
 - h. The contract administrator must:
 - i. Complete the Audit Scorecard template to generate a weighted rating using the area ratings for Relationship, Communication & Support, Delivery, Compliance and Cost & Pricing, as applicable.
 - ii. Provide the Audit Scorecard to any relevant key stakeholders for review and approval signature(s) if the good or service is authority wide.
 - iii. Sign the Audit Scorecard and submit the final Audit Scorecard and any additional feedback to the CO.
 - i. The CO must submit the completed Audit Scorecard to the vendor's primary contact for review.
 - j. If the vendor receives a failing rating two times consecutively, the CO must consult with the business unit director to determine if the contract with the vendor will continue or be terminated.
 - i. If the business unit director proceeds with the vendor, the business unit director must approve and sign the Audit Scorecard.

- k. The CO and director of procurement must collaborate to identify necessary remedial actions for the vendor.
 - l. The CO must inform the vendor's primary contact of the remedial actions and the completion timeframe.
- 3. A Business Review examines the contractual key performance indicators, performance highlights and the value to Virginia ABC.
 - a. Discusses current challenges or strategic obstacles and opportunity for vendor growth plans or strategies.
 - b. Assesses Virginia ABC's growth plan and business need and provides vendor feedback.
 - c. Drives alignment in strategy, growth plans and collaborative efforts between the vendor and Virginia ABC.
 - d. Does not serve as a forum to discuss new issues, which must be addressed in a Notice to Cure.
 - e. If the vendor's supplier category classification is strategic or leverage, the contract administrator must ensure a business review is conducted. The contract administrator must:
 - i. Contact the vendor's primary contact to schedule a business review.
 - ii. Schedule the business review within 30 to 90 days prior to the renewal decision if a contract renewal is a possibility.
 - iii. Use the Business Review Checklist to initiate the business review meeting and may use the checklist as a presentation framework for the vendor.
- 4. Copies of the Audit Scorecards and Business Reviews must be included in the vendor's contract folder and uploaded in the electronic procurement system.
- 5. For a one-time good or service, the CO must create a calendar reminder for a one-time audit scorecard for the CO and contract administrator.
- 6. For ongoing goods or services, the CO must create calendar reminders for 30 days, 10 days and two days prior scheduled due date for the CO and contract administrator to facilitate the compliance of the performance monitoring activities within the required timeframes illustrated above.
 - a. During the transition of project phases or contract administrator, the CO must update the calendar reminders for accuracy.

K. Contract Modifications and/or Addendums

- 1. Contract modifications and/or addendums must be utilized when the scope of the business need has changed, and revisions to the written agreement must be finalized.
- 2. The CO must collaborate with the vendor and the business unit to document the required changes and will obtain the appropriate approvals.

L. Contract Close Out and Renewal

- 1. The contract administrator must:
 - a. Monitor the contract expiration date to ensure the contract requirements are met prior to the expiration date.
 - b. Ensure all contract deliverables and business and technical requirements are completed.
 - c. Confirm all invoices are paid.
 - d. Decide to renew the existing contract, close out the contract, or to resolicit vendors for a new contract based on Virginia ABC's business need.
- 2. To close out the contract, the CO must collaborate with the contract administrator and any relevant key stakeholders to complete the items outlined in the Contract Close Out Checklist up to 30 days prior to the contract's expiration date.
 - a. The CO and contract administrator must sign the finalized Contract Close Out Checklist.
- 3. To renew the contract, the existing contract administrator must create a request of services in the electronic ticketing system within 60 to 90 days of the contract's expiration date or as defined in the contract.
 - a. The decision to renew an existing contract must be made in collaboration between the CO and business unit and must consider the:
 - i. Market price benchmark.
 - ii. Audit Scorecard rating.
 - iii. Risk level.
 - iv. Business Reviews findings, if applicable.
- 4. To resolicit vendors for a good or service for a new contract, the existing contract administrator must create a request of services in the electronic ticketing system within six to nine months of the contract's expiration date.

M. Vendor Contract Folder

1. The CO must place the following in the vendor contract folder:
 - a. Procurement Intake Form.
 - b. A copy of request of services in the electronic ticketing system.
 - c. The copy of the solicitation.
 - d. Vendor Data Sheet, except when a cooperative contract is utilized.
 - e. Contract Risk Assessment, except when a cooperative contract is utilized.
 - f. The initial and updated supplier category classifications.
 - g. Documentation regarding contract negotiations and decisions.
 - h. Intent to Award/Notice of Award, if applicable.
 - i. Finalized contract.
 - j. Certificate of Insurance, if applicable.
 - k. Contract Administration Letter.
 - l. The completed onboarding checklist.
 - m. Audit scorecard(s).
 - n. Business reviews and supplemental materials, if applicable.
 - o. Request for Cure and/or Notice to Cure.
 - p. Contract Close Out Checklist.
 - q. Any additional relevant documents (e.g., price increase requests for renewals, cancellation notices, correspondence with the business unit).
2. If a new CO takes the place of an existing CO, the folder name must be updated.
3. If a contract is renewed or resolicited and awarded to the same vendor, the CO must create a new vendor contract folder.
4. If a contract is resolicited and awarded to a new vendor, the CO must follow the Section 1 and Section 2 of Vendor Contract Folder in this procedure.

Records Retention

Library of Virginia General Schedule:

- GS 101, Series 100350: Policy and Procedure Records: Agency Record Copy.
- GS 102, Series 200114: Purchasing Records.
- GS 102, Series 200110: Contracts.

Reference Policies, Procedures, Documents, Forms

The following *Code of Virginia*, policies and procedures are referenced or associated with this policy:

- *Code of Virginia* § 4.1-101.010. Alcoholic Beverage and Cannabis Control.
- Identification & Planning Procedure
- Procurement Policy
- Selection of Procurement Method Procedure
- Selecting Preferred Offerors and Assessing Risk Procedure
- Standards of Conduct Policy
- Vendor Management Procedure

The following forms and documents are associated with this policy:

- Audit Scorecard
- Contract Administration Letter
- Contract Award Checklist
- Contract Close-Out Checklist
- Contract Risk Assessment Template
- Contract Template

- General Terms & Conditions
- Onboarding Checklist
- Supplier Category Classification Matrix
- Vendor Data Sheet

Procedure Change History

Revision Date	Author	Description <i>Identify if the policy is new or briefly describe the substantive revisions to the policy</i>	Board Approval Required? (Y/N)
3/29/2023	M. Watts	This procedure expands upon the Procurement Policy (formerly known as the <i>Guidelines & Planning</i> policy) and expands upon the instructions on how classify a vendor’s supplier category, manage the vendor’s contract folder and conduct performance monitoring activities.	Board Meeting Date MM/DD/YYYY

Chief Reports

GAO – John Daniel

CTO Report – Elizabeth Chu

CBDO – Vida Williams

CLEO – Tom Kirby

CROO – Mark Dunham

CAO – David Alfano

CIO – Paul Williams

CEO – Travis Hill

GAO Report – John Daniel

Legislative Update

Legal Update

Hearings Summary

FOIA Requests

HEARINGS & APPEALS CASELOAD
March 6, 2023 – April 6, 2023

Total number of new referrals from Enforcement	143
Expedited Consent	
Number of expedited consents offered	131
Number of expedited consents accepted/completed	142
Collected <u>\$299,500 in civil penalties</u>	
Collected <u>fourteen (14) suspensions – 13 25- day suspensions and 1 15-day suspension</u>	
Pre-Hearing Conference and Formal Hearing Notice & Opportunity to Negotiate/Mediate Notice	
Number of Notices sent	20
Number of Pre-Hearing Conferences held	7
Number of cases to Formal Hearing held	7
Negotiated Settlements	
Number of negotiated cases executed	17
Collected <u>\$35,750 in civil penalties</u>	
Collected <u>one (1) 25-day suspension</u>	
Collected <u>one (1) revocation</u>	
Franchise Matters	
Number of active franchise matters	
1 – Premium Distributors of VA, LLC & Blue Ridge Beverage Company v. The Boston Beer Company Set for May 23-26, 2023	
2 – SanTan Brewing Co. v. Ferment Nation, LLC	
3 – International Cellars LLC v. Diamond Importers Inc.	
4 – Seed Imports v. Dionysos Imports, Inc.	
5 – Brew Hub, LLC v. Ferment Nation, LLC	
6 – Thomas Allen Vineyards & Winery v. Kysela Pere et Fils, Ltd.	6
Appeals to the Board	
Number of initial decisions appealed to the Board	
1 – Market Place 21 – 4/20/2023	
2 – Planthouse – 4/20/2023	
3 – The 4 Cyber Café – 6/8/2023	3
Number of cases resolved after initial hearing and before appeal hearing	0
Stays Issued	
1 – Vinoshipper.com – Stay extended until a final non-appealable order has been issued	1
Cases on appeal from Board to Circuit Courts	
1 – The Food Group Inc., t/a Hard Times Cafe v. VA ABC	
2 – 7 Eleven Inc. & Five Brother Corporation, Store 17697 B – hearing 12/13/22	
3 – Club Truth VA, LLC v. VA ABC	3
Cases on appeal from Circuit Court to Court of Appeal	
1 – Zero Links Markets, Inc., t/a VinoShipper.com v. VA ABC	1
Mediated Cases	
Number of cases to mediation	1
Number of cases settled by mediation	0
47	

Summary Suspensions	1
Greenleaf Pub and Tavern #90388 – resolved through negotiations	

Negotiations

Licensee	Lic. Num.	Charge(s)	Negotiated Resolution	Region	Agreement Send Date
Hari Om Enterprise, Inc. t/a Raceway 6799	079392	UAB	\$2,500 civil penalty	Hampton	3/7/2023
Miranda's Grill, LLC t/a Miranda's Grill	753191	Five (5) bad checks	\$250 civil penalty for each charge + licensee will be on a cash only basis for one year following the signing of this agreement	Chesapeake	3/8/2023
Brown Guys, LLC t/a 257 Grocery Express	756175	UAB	\$2,500 civil penalty	Staunton	3/8/2023
Turnoutz, LLC t/a Stop In Food Stores 160	088585	1. UAB 2. The licensee has knowingly employed a person who has been convicted of a felony or of any crime or offense involving moral turpitude, in violation of Sections 4.1-202 and 4.1-225 1.h. of the Code of Virginia and 3VAC5-50-40 D.	1. For charge 1, \$2,500 civil penalty 2. For charge 2, \$500 civil penalty 3. 12-month probation period for their wine and beer off premise license	Roanoke	3/8/2023
Super Val u Grocery # 1 t/a Super Val U Grocery #1	038221	UAB	\$2,500 civil penalty	Roanoke	3/13/2023
Avneet, Inc. t/a Easy Stop 3	088377	UAB	\$2,500 civil penalty	Roanoke	3/20/2023
Clark Gas & Oil Co, Inc. t/a Circle K 101	005550	UAB	\$2,500 civil penalty	Roanoke	3/21/2023
SRM Marina Concessions, LLC t/a Tidewater Yacht Marina	095605	UAB	\$2,500 civil penalty	Chesapeake	3/21/2023
Front Royal Wines, LLC t/a Front Royal Wines	755667	UAB	\$2,500 civil penalty	Staunton	3/22/2023
UCB RI, LLC & UCR, RIM, LLC t/a Residence Inn	092690	UAB	\$2,500 civil penalty	Roanoke	3/23/2023
7 Eleven Inc. & Kamal Hanna, Inc. t/a 7 Eleven Store 16771B	080859	UAB	\$2,500 civil penalty	Richmond	3/28/2023
Hethwood Market, Inc. t/a Hethwood Market	062026	UAB	25-day suspension	Roanoke	3/29/2023
Rickys 7 to 11, Inc. t/a Rickys 7 to 11, Inc.	11461	UAB	\$2,500 civil penalty	Roanoke	3/30/2023
Reservoir Distillery, LLC t/a Reservoir Distillery, LLC	63640	UAB	\$2,500 civil penalty	Richmond	3/31/2023
Samaro Fuels, Inc. t/a Hull Street Road Exxon	94404	UAB	\$2,500 civil penalty	Richmond	3/31/2023

Licensee	Lic. Num.	Charge(s)	Negotiated Resolution	Region	Agreement Send Date
Escapate Night Club Corp. t/a Escapate Bar & Lounge	95595	<p>1. On January 14, 2022, the licensee purchased wine or beer other than by cash paid and collected at the time of or prior to delivery, in violation of 3VAC5-30-30 A. & B. and Section 4.1-225 1.b. of the Code of Virginia.</p> <p>2. On November 1, 2021, the licensee purchased wine or beer other than by cash paid and collected at the time of or prior to delivery.</p> <p>3. On November 30, 2022, the licensee purchased wine or beer other than by cash paid and collected at the time of or prior to delivery.</p> <p>4. On January 14, 2022, the licensee purchased wine or beer other than by cash paid and collected at the time of or prior to delivery.</p> <p>5. On August 4, 2022, the licensee purchased wine or beer other than by cash paid and collected at the time of or prior to delivery.</p> <p>6. On November 18, 2022, the licensee purchased wine or beer other than by cash paid and collected at the time of or prior to delivery.</p> <p>7. The licensee failed to timely submit to the Board the annual review report for the year ending April 1, 2021 to March 31, 2022.</p>	License surrendered as revoked	Richmond	3/31/2023
Yamato JNJ Steakhouse, Inc. t/a Yamato Japanese Restaurant	95243	UAB	\$2,500 civil penalty	Roanoke	4/5/2023
Nooredin Ahmed Al Sahari t/a Fast Fuel #2	61759	UAB	\$2,500 civil penalty	Lynchburg	4/6/2023
Balos, LLC t/a Greenleaf Pub & Tavern	090388	<p>The licensee has failed to take reasonable measures to prevent an act of violence resulting in death or serious bodily injury, or a recurrence of such acts, from occurring on the licensed premises, any premises immediately adjacent to the licensed premises that is owned or leased by the licensee, or any portion of public property immediately adjacent to the licensed premises.</p>	<p>1. Licensee shall install additional lighting along the Scotland Street alley to improve visibility. The licensee shall engage Williamsburg Police Dept. and Virginia ABC to assess and approve the additional lighting before reopening the licensed establishment.</p> <p>2. Licensee shall install and maintain an upgraded video monitoring system at the licensed establishment within 30 days of this agreement. The video footage shall cover the interior and exterior licensed areas and footage shall be made available to law enforcement upon request. All ABC managers shall be trained and have the ability to access this footage upon request from law enforcement.</p> <p>3. Licensee will continue to cooperate with ABC and other law enforcement regarding the March 19th, 2023 incident currently under investigation. Additionally, licensee will agree to meet monthly with local police staff and ABC staff to continue discussions on safety.</p>	Hampton	3/24/2023

Licensee	Lic. Num.	Charge(s)	Negotiated Resolution	Region	Agreement Send Date
			<p>4. Licensee agrees that the following three licensed establishments shall be subject to additional negotiated license restrictions and conditions, found in sections 5-8 of this document: a. Green Leaf Pub & Tavern (License #90388); b. Paul's Delly (License #42735); and c. College Delly (License # 67818)</p> <p>5. Licensee shall stop all sales and service of any and all alcohol beverages at 1:00 a.m. each evening at each licensed establishment; at which time the licensee shall turn up the interior lighting to increase visibility and promote safe and orderly exit from the buildings. The licensed establishments shall close completely at 1:30 a.m. each evening.</p> <p>6. Licensee shall have 3 DCJS-certified security personnel from 10:00 p.m. until 30 minutes after the last customer leaves the establishment, each night that the business is open. There shall be 1 DCJS-certified personnel at each licensed establishment. The DCJS-certified personnel will be responsible for a security screen of each person entering, or re-entering, each establishment, which shall include bag searches and the use of a wand device.</p>		
			<p>7. Licensee shall have 1 uniformed Williamsburg Police Dept. Officer on duty who will canvas the exterior of the three licensed establishments. The officer shall conduct this canvas from 10 pm until at least 2:00 am, on Thursday, Friday and Saturday nights.</p> <p>8. Licensee shall require all employees involved in the sales and service of alcohol to take RSVP training within 10 days of this agreement. The licensee shall require all ABC managers to take the MART training within 10 days of this agreement. All newly hired employees shall take the required RSVP and MART training within 20 days of hire.</p>		
			<p>Total civil penalties: \$ 39,000.00 Total costs of investigation paid: \$ 0.00 Total days of suspension: days Licensees providing certified training: 0 12-month probationary period: 1 CPA-Audits: 0 License surrendered as revoked: 1 Cash only basis: 1 ** See special requirements for Greenleaf Pub & Tavern above*</p>		

Negotiations Accepted

Negotiations Accepted/Completed

March 6, 2023 – April 6, 2023

LICENSEE NAME	ABC LICENSE #	VIOLATION DATE	DISPOSITION DATE	CIVIL PENALTY (\$)	SUSPENSION / OTHER
RACEWAY 6799	079392	6/22/2022	3/13/2023	\$2,500	
BOS BELLY BARN 112 KERNSTOWN SHELL	008851	8/8/2022	3/14/2023	\$4,000	
MIRANDAS GRILL	753191	12/31/2022	3/15/2023	\$1,250	
257 GROCERY EXPRESS	756175	8/23/2022	3/16/2023	\$2,500	
STOP IN FOOD STORES 160	088585	7/10/2022	3/17/2023	\$3,000	
SUPER VAL U GROCERY #1	038221	5/26/2022	3/22/2023	\$2,500	
TIDEWATER YACHT MARINA	095605	9/18/2022	3/24/2023	\$2,500	
EASY STOP 3	088377	6/20/2022	3/24/2023	\$2,500	
CIRCLE K 101	005550	7/10/2022	3/27/2023	\$2,500	
GREENLEAF PUB & TAVERN (SUMMARY SUSPENSION)	090388	3/19/2023	3/27/2023		See below
RESIDENCE INN	092690	6/18/2022	3/30/2023	\$2,500	
FRONT ROYAL WINES	755667	7/6/2022	4/3/2023	\$2,500	
7 ELEVEN STORE 16771 B	080859	8/11/2022	4/3/2023	\$2,500	
HETHWOOD MARKET	062026	8/24/2022	4/3/2023		25 day suspension
ESCAPATE BAR & LOUNGE	095595	11/30/2022	4/4/2023		Surrendered as revoked
RICKYS 7 TO 11, INC.	011461	8/27/2022	4/4/2023	\$2,500	
RESERVOIR DISTILLERY LLC	063640	8/19/2022	4/5/2023	\$2,500	
			TOTAL	\$35,750	

Greenleaf Pub & Tavern –

- 1) The licensee shall install additional lighting along the Scotland Street alley to improve visibility. The licensee shall engage Williamsburg Police Department and Virginia ABC to assess and approve the additional lighting before reopening the licensed establishment.
- 2) The licensee shall install and maintain an upgraded video monitoring system at the licensed establishment within thirty (30) days of this agreement. The video footage shall cover the interior and exterior licensed areas and footage shall be made available to law enforcement upon request. All ABC managers shall be trained and have the ability to access this footage upon request from law enforcement.
- 3) The licensee will continue to cooperate with ABC and other law enforcement regarding the March 19th, 2023 incident currently under investigation. Additionally, Licensee will agree to meet monthly with local police staff and ABC staff to continue discussions on safety.
- 4) The licensee agrees that the following three licensed establishments shall be subject to additional negotiated license restrictions and conditions, found in sections 5-8 of this document:
 - a. Green Leaf Pub & Tavern (License #90388)
 - b. Paul's Delly (License #42735)
 - c. College Delly (Licensee #67818)
- 5) The licensee shall stop all sales and service of any and all alcohol beverages at one a.m. (1:00 am) each evening at each licensed establishment; at which time the licensee shall turn up the interior lighting to increase visibility and promote safe and orderly exit from the buildings. The licensed establishments shall close completely at one thirty am (1:30 am) each evening.
- 6) The licensee shall have three (3) Department of Criminal Justice Services (DOS) certified security personnel from 10:00 pm until thirty minutes (30) after the last customer leaves the establishment, each night that the business is open. There shall be one DOS certified personnel at each licensed establishment. The DCJS certified personnel will be responsible for a security screen of each person entering, or re-entering, each establishment, which shall include bag searches and the use of a wand device.
- 7) The licensee shall have one (1) uniformed Williamsburg Police Department Officer on duty who will canvas the exterior of the three licensed establishments. The officer shall conduct this canvas from 10pm until at 2:00am, on Thursday, Friday and Saturday nights.
- 8) The licensee shall require all employees involved in the sales and service of alcohol to take Responsible Sellers & Servers: Virginia's Program (RSVP) training within ten (10) days of this agreement. The licensee shall require all ABC managers to take Manager's Alcohol Responsibility Training (MART) training within ten (10) days of this agreement. All newly hired employees shall take the required RSVP or MART training within twenty (20) days of this agreement.

ECOs

Expedited Consent Orders Accepted/Completed
March 6, 2023 - April 6, 2023

4/20/2023

	A	B	C	D	E	F	G
1	Licensee (Trading As)	Lic. Num.	Charge(s)	Civil Penalty	Suspension Accepted (# of days)	Date Order Received	Region
2	MT. TORREY CONVENIENCE	753488	UAB	\$2,500		3/6/2023	STAUNTON
3	MINKS SHOP	755297	UAB	\$2,500		3/6/2023	CHESAPEAKE
4	RED BARN FOOD STORE	082487	UAB	\$2,500		3/6/2023	CHESAPEAKE
5	7 ELEVEN STORE 25146 15058 H	020614	UAB	\$2,500		3/6/2023	HAMPTON
6	COURTYARD MARRIOTT HARRISONBURG	751506	UAB	\$2,500		3/7/2023	STAUNTON
7	RIVERSIDE GROCERY	096165	UAB	\$2,500		3/7/2023	STAUNTON
8	CVS PHARMACY 3521	079902	UAB	\$2,500		3/7/2023	CHESAPEAKE
9	LEONS MARKET OF VIRGINIA	754217	UAB	\$2,500		3/8/2023	HAMPTON
10	DOLLAR GENERAL STORE 1543	086203	UAB	\$2,500		3/8/2023	HAMPTON
11	THE CAPITAL BURGER	751899	Bad check	\$500		3/8/2023	ALEXANDRIA
12	LITTLE EARLES	755030	UAB	\$2,500		3/8/2023	CHESAPEAKE
13	DOLLAR GENERAL STORE 20317	097977	UAB	\$2,500		3/8/2023	STAUNTON
14	MURPHY USA 7634	090820	UAB	\$2,500		3/8/2023	STAUNTON
15	MAYHUGHS 3	030515	UAB	\$2,500		3/8/2023	CHARLOTTESVILLE
16	SHEETZ 290	010237	UAB	\$2,500		3/8/2023	FREDERICKSBURG
17	FOOD LION 597	30515	UAB	\$2,500		3/8/2023	HAMPTON
18	DOLLAR GENERAL STORE 319	083617	UAB	\$2,500		3/8/2023	HAMPTON
19	FOOD LION 1625	013762	UAB	\$2,500		3/8/2023	HAMPTON
20	HOLIDAY INN EXPRESS	756263	UAB		25	3/8/2023	STAUNTON
21	FOOD LION 497	009713	UAB	\$2,500		3/8/2023	STAUNTON
22	FAIRFIELD INN & SUITES	090685	UAB		25	3/9/2023	STAUNTON
23	FRIENDLYS	093950	UAB	\$2,500		3/9/2023	CHESAPEAKE
24	WAL MART SUPERCENTER #5488	045369	UAB	\$2,500		3/9/2023	CHESAPEAKE
25	ROYAL FUELS	076252	Bad checks		15	3/9/2023	FREDERICKSBURG
26	TRU BY HILTON THORNBURG	753647	UAB	\$2,500		3/9/2023	FREDERICKSBURG
27	SUSSEX MINI MART	088197	UAB		25	3/9/2023	HAMPTON
28	THE ALEXANDRIAN - KING & RYE	095711	Bad check	\$500		3/9/2023	ALEXANDRIA
29	PLAZA ANTIGUA	751963	Bad check	\$1,000		3/9/2023	STAUNTON
30	7 ELEVEN STORE 33279 A	053673	UAB	\$2,500		3/10/2023	CHESAPEAKE
31	BRASSERIE SAISON	091364	Bad Check	\$500		3/10/2023	CHARLOTTESVILLE
32	WAWA MARKET #8629	084871	UAB	\$4,000		3/10/2023	HAMPTON
33	RT 1 BP	055569	UAB	\$2,500		3/10/2023	FREDERICKSBURG
34	CVS PHARMACY #1561	062911	UAB	\$2,500		3/10/2023	LYNCHBURG
35	SPEEDWELL MARKET LLC	048923	UAB	\$2,500		3/10/2023	ROANOKE
36	HOLIDAY INN CHRISTIANBURG/BLACKSBURG	069390	UAB	\$2,500		3/10/2023	ROANOKE
37	SMITHFIELD STATION	043243	UAB	\$2,500		3/10/2023	HAMPTON
38	HOLIDAY TRAV L PARK	056783	UAB		25	3/13/2023	CHESAPEAKE

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	A	B	C	D	E	F	G
1	Licensee (Trading As)	Lic. Num.	Charge(s)	Civil Penalty	Suspension Accepted (# of days)	Date Order Received	Region
39	7 ELEVEN STORE 18667 B	092610	UAB	\$2,500		3/14/2023	CHESAPEAKE
40	WAL MART SUPERCENTER 4636	064786	UAB	\$2,500		3/14/2023	LYNCHBURG
41	FOOD LION 219	009643	UAB	\$2,500		3/14/2023	LYNCHBURG
42	FOOD MART 2	095182	UAB	\$2,500		3/14/2023	ROANOKE
43	TRI STAR SUPER MARKET	045524	UAB	\$2,500		3/14/2023	FREDERICKSBURG
44	JUSTINS MARKET	756342	UAB	\$2,500		3/14/2023	FREDERICKSBURG
45	MACHIPONGO TRADING COMPANY	052496	UAB	\$2,500		3/14/2023	CHESAPEAKE
46	HOPE SPRINGS MARINA	059140	UAB		25	3/14/2023	FREDERICKSBURG
47	HOLIDAY INN ROANOKE VALLEY VIEW	090953	UAB	\$2,500		3/14/2023	ROANOKE
48	HILTON GARDEN INN	086206	UAB	\$2,500		3/14/2023	ROANOKE
49	JAVA SURF CAFÉ & EXPRESSO BAR	094170	UAB	\$2,500		3/15/2023	CHESAPEAKE
50	TRIANGLE QUICK MART	089384	UAB	\$2,500		3/15/2023	LYNCHBURG
51	HAPPY 21	754994	UAB	\$2,500		3/15/2023	RICHMOND
52	HOLIDAY INN OCEANSIDE	038081	UAB	\$2,500		3/15/2023	CHESAPEAKE
53	NEPTUNES SMOKE SHOP	756321	UAB	\$2,500		3/15/2023	CHESAPEAKE
54	7 ELEVEN STORE 33653 B	080943	UAB	\$2,500		3/15/2023	CHESAPEAKE
55	CORNER MARKET	025968	UAB	\$2,500		3/16/2023	LYNCHBURG
56	HOMEWOOD SUITES BY HILTON	096792	UAB	\$2,500		3/16/2023	CHESAPEAKE
57	PILOT TRAVEL CENTER 4651	098248	UAB	\$2,500		3/16/2023	LYNCHBURG
58	R & R MARKET	095509	UAB	\$2,500		3/16/2023	ROANOKE
59	BROOK STORE	085537	UAB	\$2,500		3/16/2023	STAUNTON
60	GULF	083780	UAB	\$2,500		3/16/2023	CHESAPEAKE
61	PARI FOOD MART	085689	UAB	\$2,500		3/16/2023	HAMPTON
62	TY THAI CUISINE	082272	UAB		25	3/16/2023	LYNCHBURG
63	CLARION POINTE	756150	UAB		25	3/17/2023	LYNCHBURG
64	NEIGHBORHOOD SUPER MARKET	055674	UAB	\$2,500		3/17/2023	CHESAPEAKE
65	OUTBACK STEAKHOUE 4727	057041	UAB	\$2,500		3/17/2023	RICHMOND
66	HAMPTON INN & SUITES BATTLEFIELD	063704	UAB	\$2,500		3/17/2023	CHESAPEAKE
67	TRU BY HILTON ROANOKE HOLLINS	095107	UAB		25	3/17/2023	ROANOKE
68	7 ELEVEN 39255 B	753358	UAB	\$2,500		3/17/2023	CHESAPEAKE
69	BIG LICK GENERAL STORE	755565	UAB	\$2,500		3/17/2023	ROANOKE
70	PAINT BANK GENERAL STORE	073966	UAB	\$2,500		3/17/2023	ROANOKE
71	ROYS SEAFOOD	072147	UAB		25	3/17/2023	FREDERICKSBURG
72	COMMUNITY INN	073979	UAB	\$2,500		3/17/2023	ROANOKE
73	MADE IN VA STORE INC	013151214	UAB	\$2,500		3/17/2023	FREDERICKSBURG
74	BLACK WATER TRADING POST	093173	UAB		25	3/20/2023	CHESAPEAKE
75	NORTH STREET MARKET	099065	UAB	\$2,500		3/20/2023	CHESAPEAKE
76	SHEETZ 627	092109	UAB	\$2,500		3/20/2023	RICHMOND
77	LIBERTY STREET MARKET	754454	UAB	\$2,500		3/20/2023	ROANOKE

**Expedited Consent Orders Accepted/Completed
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1	Licensee (Trading As)	Lic. Num.	Charge(s)	Civil Penalty	Suspension Accepted (# of days)	Date Order Received	Region
78	PEOPLES MARKET & DELI	087431	UAB	\$2,500		3/20/2023	FREDERICKSBURG
79	RED OAKS MARKET	753483	UAB	\$2,500		3/21/2023	LYNCHBURG
80	KROGER 400	006601	UAB	\$2,500		3/21/2023	ROANOKE
81	CAMBERLEYS MARTHA WASHINGTON INN	073011	UAB	\$2,500		3/21/2023	ROANOKE
82	TOBACCO & GAS CORNER	096802	UAB		25	3/21/2023	FREDERICKSBURG
83	FREDERICKSBURG SHELL	082416	UAB		25	3/21/2023	FREDERICKSBURG
84	KROGER 575	096703	UAB	\$2,500		3/21/2023	HAMPTON
85	KROGER #343	078005	UAB	\$2,500		3/21/2023	STAUNTON
86	WAWA FOOD MARKET #668	009009	UAB	\$2,500		3/21/2023	FREDERICKSBURG
87	WATTS & SONS SUPERMARKET	754840	UAB	\$2,500		3/21/2023	FREDERICKSBURG
88	CLARION POINTE	013149873	UAB		25	3/21/2023	ROANOKE
89	FAS MART #2	026108	UAB	\$2,500		3/22/2023	FREDERICKSBURG
90	APPLE MARKET 517	089417	UAB	\$2,500		3/22/2023	LYNCHBURG
91	JOLLY GRAPE	099909	UAB	\$2,500		3/22/2023	ROANOKE
92	FOOD LION 607	009736	UAB	\$2,500		3/22/2023	ROANOKE
93	FOOD LION 2508	012363	UAB	\$2,500		3/22/2023	CHESAPEAKE
94	DARBYTOWN MINI MART	013131050	UAB	\$2,500		3/22/2023	RICHMOND
95	FOOD LION 2636	038580	UAB	\$2,500		3/22/2023	RICHMOND
96	FAST STOP 1	086530	UAB	\$2,500		3/22/2023	LYNCHBURG
97	QUIK FUEL	066544	UAB	\$4,000		3/22/2023	LYNCHBURG
98	CORNER MARKET	752141	UAB	\$2,500		3/22/2023	LYNCHBURG
99	CHATMOSS COUNTRY CLUB	005309	UAB	\$2,500		3/22/2023	ROANOKE
100	FOOD LION 1058	009804	UAB	\$2,500		3/22/2023	ROANOKE
101	FOOD LION 271	009654	UAB	\$4,000		3/23/2023	RICHMOND
102	FAS MART #88	026082	UAB	\$4,000		3/23/2023	RICHMOND
103	QUAKER STEAK & LUBE	013186254	UAB	\$2,500		3/23/2023	STAUNTON
104	UNCLE RICOS CANTINA	752224	1 - Kept alcoholic beverage not bearing mixed beverage stamp 2 - Purchased beer/wine for resale from a person other than a wholesaler	\$1,500		3/23/2023	ALEXANDRIA
105	COUNTRY CORNER	069899	UAB	\$2,500		3/24/2023	LYNCHBURG
106	PRINCE FOOD MART	049482	UAB	\$2,500		3/24/2023	ROANOKE
107	SHEETZ 532	083715	UAB	\$2,500		3/24/2023	FREDERICKSBURG
108	THE LUCKY DUCKY	751430	UAB	\$2,500		3/27/2023	LYNCHBURG
109	CATINA D ITALIA	058620	Bad check	\$500		3/27/2023	ALEXANDRIA
110	MI PUEBLO SPORTS BAR & GRILL	752406	1. Failed to keep records 2. Designated manager not present	\$1,250		3/27/2023	ALEXANDRIA
111	WESTSIDE FOOD MART	090211	1. Designated manager not present 2. UAB	\$3,250		3/27/2023	LYNCHBURG

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1	Licensee (Trading As)	Lic. Num.	Charge(s)	Civil Penalty	Suspension Accepted (# of days)	Date Order Received	Region
112	DEL RIO OF STEPHENS CITY	066471	Bad checks	\$1,000		3/27/2023	STAUNTON
113	EDINBURG MILL RESTAURANT	094458	UAB	\$2,500		3/27/2023	STAUNTON
114	QUIK SERVE	051235	Bad check	\$500		3/27/2023	RICHMOND
115	FAMILY DOLLAR 26431	751418	1. Designated manager not posted 2. UAB	\$3,000		3/28/2023	ROANOKE
116	DOLLAR GENERAL STORE 2616	083638	UAB	\$2,500		3/29/2023	ROANOKE
117	DOLLAR GENERAL STORE 15072	086775	UAB	\$2,500		3/29/2023	CHESAPEAKE
118	DOGTOWN ROADHOUSE	084195	UAB	\$2,500		3/29/2023	ROANOKE
119	DOLLAR GENERAL STORE 12458	083690	UAB	\$2,500		3/29/2023	FREDERICKSBURG
120	DOLLAR GENERAL STORE 11686	083691	UAB	\$2,500		3/29/2023	FREDERICKSBURG
121	DOLLAR GENERAL STORE 14120	083708	UAB	\$2,500		3/29/2023	LYNCHBURG
122	DOLLAR GENERAL STORE 14251	083665	UAB	\$2,500		3/29/2023	ROANOKE
123	DOLLAR GENERAL STORE 393	083620	UAB	\$2,500		3/29/2023	HAMPTON
124	DOLLAR GENERAL STORE 13650	083703	UAB	\$2,500		3/29/2023	LYNCHBURG
125	TRU BY HILTON RADFORD	750212	UAB	\$2,500		3/29/2023	ROANOKE
126	COURTYARD VB OCEANFRONT SOUTH	053472	UAB	\$2,500		3/29/2023	CHESAPEAKE
127	BILLIKENS SMOKEHOUSE AT THE CHIMNEYS	092231	Consumption of alcoholic beverage while on duty	\$750		3/29/2023	FREDERICKSBURG
128	ADRIANAS MINIMARKET & GRILL	069590	Bad check	\$500		3/29/2023	RICHMOND
129	HOLLY JOS CREEKSIDE GRILL	750336	UAB	\$2,500		3/30/2023	ROANOKE
130	CURITIBA ART CAFÉ	094856	Bad check	\$500		3/30/2023	FREDERICKSBURG
131	TRIANGLE QUICK MART	089384	UAB	\$4,000		3/30/2023	LYNCHBURG
132	CARMELAS AT THE LOFT	095477	UAB	\$2,500		3/30/2023	LYNCHBURG
133	THE STADIUM INN	095367	UAB	\$2,500		3/31/2023	LYNCHBURG
134	CRAB DU JOUR OF LYNCHBURG INC	751761	UAB	\$2,500		4/3/2023	LYNCHBURG
135	KORNER STONE MARKET	099049	UAB	\$2,500		4/3/2023	LYNCHBURG
136	TIME CAFÉ & MARKET	086443	1. Kept alcoholic beverage not bearing mixed beverage stamp 2. Designated manager not on duty	\$1,000		4/3/2023	ALEXANDRIA
137	JOSE TEQUILAS	091754	Bad check	\$500		4/4/2023	HAMPTON
138	CAN CAN	753817	Bad check	\$500		4/4/2023	RICHMOND
139	MI PUEBLO SPORTS BAR & GRILL	752406	Permitted consumption of alcoholic beverages upon the licensed premises after hours	\$1,250		4/4/2023	ALEXANDRIA
140	EAGLE ROCK GRAB N GO	095157	UAB	\$2,500		4/4/2023	ROANOKE
141	INGLE KOREAN STEAKHOUSE	013283083	Kept alcoholic beverage not bearing mixed beverage stamp	\$500		4/5/2023	ALEXANDRIA
142	RED LOBSTER #0853	085139	UAB	\$2,500		4/6/2023	ROANOKE
143	CAPON RUN GENERAL STORE	755021	Bad check	\$1,000		4/6/2023	STAUNTON

OLC Status

Office of Legal Counsel Judicial Matters Report

JUDICIAL MATTERS

Style of Case	Court	Charges/Violations/ Complaint	Status of Case	Parties/Opposing Counsel Involved	Decision
Commonwealth v. Vinoshipper.com	Virginia Court of Appeals	Out-of-state wine shipper shipping from unlicensed locations	Waiting for oral argument to be scheduled by the Court; no change in status as of 4/4/2023; A call to the clerk's office confirmed that no panel date has been set and an email will be sent to all counsel when it is set	Mark Shuford-licensee/Rachel Yates, Maureen Mshar-ABC	N/A
7 Eleven Store Number 17697B and Five Brothers Corporation v. Commonwealth	City of Hampton Circuit Court	Sale to an underage buyer	Trial continued to 2/21/2023 at 9:00 a.m.; the court dismissed this matter, ruling in favor of ABC; per Jim Flaherty, order for dismissal was received and forwarded to the court for entry; waiting on entry of order as of 4/4/2023; court status does show as dismissed	Christopher Reagan-licensee/Jim Flaherty-AG's office (Maureen Mshar is support counsel)	N/A

Style of Case	Court	Charges/Violations/ Complaint	Status of Case	Parties/Opposing Counsel Involved	Decision
The Food Group, Inc. (Hard Times) v. Commonwealth	City of Fredericksburg Circuit Court	Reasonable measures charge arising from an argument that occurred inside the licensed premises that was taken outside where a shooting occurred.	no change in status as of 4/4/2023	C. David Sands-licensee/Jim Flaherty-AG's office (Maureen Mshar support counsel)	N/A
Sadler Brothers Oil Company, et al v. Commonwealth	Greensville County Circuit Court	Skill games	Transcripts were filed by the parties on 1/25/2023; defense filed a cross motion to the plaintiff's motion for a conference with the Court regarding disagreements on drafting of the injunction order on 3/27/2023; No change in status as of 4/4/2023	William Stanley-licensee/Jim Flaherty, Erin O'Neil, Calvin Brown-AG's office (Tonya Hucks-Watkins support counsel)	N/A
Falu Patel v. Commonwealth	City of Roanoke Circuit Court	Skill games	Last filing was transfer of matter from Roanoke County to Roanoke City on 1/13/2022; no service listed on court website; no new filing as of 4/4/2023	Stephen Heretick-licensee/Defendants listed as Commonwealth of VA, Mark Herring, and Donald Caldwell (no attorney information showing) (Tonya Hucks-Watkins support counsel)	N/A

Style of Case	Court	Charges/Violations/ Complaint	Status of Case	Parties/Opposing Counsel Involved	Decision
Club Truth VA, LLC	Hanover County Circuit Court	Denial of Application for a License	Appellate argument is set for April 21, 2023	Joseph R. Sanzone, II- Club Truth’s attorney and Lindsay R. Horne for Lynchburg PD/Rachel Yates/Maureen Mshar first chair	N/A
ABC Consulting VA, LLC v. Commonwealth of Virginia, Dept. Of Alcoholic Beverage Control	Hanover County Circuit Court	Motion for Declaratory Judgment	ABC Consulting filed a Motion for Declaratory Judgment alleging harassment and targeting of the consultants related to their practices; AG’s Motion to Dismiss the action was filed on 3/28/2023	Thomas L. Johnson, Jr. For licensee/Jim Flaherty (OAG) (Maureen Mshar monitoring but OLC is conflicted out of representation on this one)	N/A

Administrative Hearings

Administrative Hearings Status Report

ADMINISTRATIVE HEARINGS

Style of Case	Charges	Status of Case	Location of Hearing	Parties Involved	Date Decision Rendered
7- Eleven Store 24343C (Norfolk)	UAB	PHC – 2/28/2023 @ 10am HR – 3/7/2023 @ 10am	Chesapeake	ALJ – Griffin	\$2,650 or 28-day suspension <u>and</u> provides BLE with evidence that it has an "active" entity status with VA SCC
Georges Restaurant & Lounge (Hampton)	Application 1 – Misrepresented a material fact in applying for license 2 – Situated with respect to residence	PHC – 2/24/2023 @ 10am HR – 3/3/2023 @ 10am Cont. date – 3/23/23	Hampton	ALJ – Maxey Citizen objectors David Redden, Esq.	Substantiated Granted with restrictions
Remedy (Richmond)	Application – 1 – Retail on-premises license is constructed/arranged/illuminated 2 – Situated with respect to residence / area 3 – "Peace and Good Order"	PHC – 3/21/23 @ 9am HR – 3/28/23 @ 9am	Hanover	ALJ – Maxey Marc Shuford for objectors Michael Lafayette for applicant	
Food Craft (Yorktown)	1 – Selling/Sold alcoholic beverages with application pending 2 – Keeping alcoholic beverages with application pending	PHC – 3/23/23 @ 10am HR – 3/31/23 @ 10am	Hampton	ALJ – Maxey	

Style of Case	Type of Matter	Status of Case	Location of Hearing	Parties Involved	Date Decision Rendered
Escapate Bar & Lounge (Richmond) Public Safety	1, 2, 3, 4, 5, 6 – Purchased beer/wine except for cash 7 – MBAR	PHC – 3/29/23 @ 9am HR – 4/4/23 @ 10am	Hanover	ALJ – Richardson OLC – Hucks-Watkins	
7 Eleven Store 219374A (Portsmouth)	UAB	PHC – 4/3/23 @ 10am HR – 4/10/23 @ 10am	Chesapeake	ALJ – Griffin	
7 Eleven Store 33603A (Portsmouth)	UAB	PHC – 4/3/23 @ 11am HR – 4/10/23 @ 11am	Chesapeake	ALJ – Griffin	
7 Eleven Store 16170D (Norfolk)	UAB	PHC – 4/3/23 @ 1pm HR – 4/10/23 @ 1pm	Chesapeake	ALJ – Griffin	
El Tropi 2 LLC (Chesterfield)	1 – Kept unauthorized alcoholic beverage 2 – Sale of alcoholic beverage in unauthorized mannar 3 – Failed to keep records 4 – MBAR 5 – Qualification to retain MB 6 – Qualification to retain wine & beer license – Restaurant 7 – Purchase of wine/beer other than from wholesaler	PHC – 4/6/23 @ 9am HR – 4/13/23 @ 9am	Hanover	ALJ – Maxey	
Nexx (Richmond) Application	Application So located – violations	PHC – 4/11/23 @ 9am HR – 4/18/23 @ 9am	Hanover	ALJ – Richardson	

Style of Case	Type of Matter	Status of Case	Location of Hearing	Parties Involved	Date Decision Rendered
Stop In Food Stores160 (Rich Creek)	1 – UAB 2 – Employing convicted felon	PHC – 4/12/23 @ 11am HR – 4/19/23 @ 11am	Abingdon	ALJ – Richardson	Resolved through negotiations
K Food (Richmond)	Illegal use of controlled substance	PHC – 4/14/23 @ 10am HR – 4/24/23 @ 10am	Hanover	ALJ – Richardson	
Tajzmah’s Lounge (Roanoke)	So situated with to residence	PHC – 4/20/23 @ 10am HR – 4/26/23 @ 10am	Roanoke	ALJ – Richardson	
The Watering Hole (Roanoke)		PHC – 4/20/23 @ 1pm HR – 4/26/23 @ 1pm	Roanoke	ALJ – Richardson OLC – Ross	
Rileys (Radford)	Licensee or enumerated person of violating law involving alcoholic beverages	PHC – 4/19/23 @ 9am HR – 4/27/23 @ 9am	Roanoke	ALJ – Richardson	
Rooskys Bar & Grill (Martinsville)	UAB	PHC – 4/19/23 @ 11am HR – 4/27/23 @ 11am	Roanoke	ALJ – Richardson	
Mattapony Reserve (West Point)	Objection after farm winery license was issued 1 – Misrepresented material fact 2 – Misrepresented material fact 3 – Qualifications to retain license	PHC – 4/21/23 @ 9am HR – 4/28/23 @ 9am	Hanover	ALJ – Maxey Obj. – Mark Custalow	
West Store (Mechanicsville)	Convicted of Felony	PHC – 4/25/23 @ 9am HR – 5/2/23 @ 9am	Hanover	ALJ – Maxey	

Style of Case	Type of Matter	Status of Case	Location of Hearing	Parties Involved	Date Decision Rendered
Monarays (Petersburg)	1 – Qualifications to retain MB license 2 – Qualification to retain MB license	PHC – 4/25/23 @ 1pm HR – 5/2/23 @ 1pm	Hanover	ALJ – Maxey	
Phoebus Dive Bar (Hampton)	Qualifications to retain MB license	PHC – 4/27/23 @ 10am HR – 5/4/23 @ 10am	Hampton	ALJ – Maxey	
J H Bards Spirit Co (Blacksburg) ** 6 citizen objectors	1 – So situated school/playground 2 – Ordinance objection 3 – So situated....church etc. 4 – So situated....church etc. 5 – Misrepresented material fact 6 – So situated... residential	PHC – 5/2/23 @ 10am HR – 5/7/23 @ 10am	Roanoke	ALJ – Richardson	
Rooskys Bar & Grill (Martinsville)	UAB	PHC – 4/19/23 @ 11am HR – 4/27/23 @ 11am	Roanoke	ALJ – Richardson	

FRANCHISE

Style of Case	Type of Matter	Status of Case	Location of Hearing	Parties Involved	Date Decision Rendered
Premium Distributors of Virginia and Blue Ridge Beverage Company v. The Boston Beer Company	Distribution matter “Dual distribution”	11/16/22 – ABC asked the parties to agree to a schedule for any written or oral submissions regarding pending motions for a default judgment from the petitioner wholesalers and for leave to file late responsive pleadings from the respondent supplier. 11/17/22 – Petitioners Premium and Blue Ridge withdrew their motion for entry of default judgment in their franchise complaint. Upon receipt of responsive pleadings from Boston Beer, expected on or before November 30, 2022, an initial conference will be scheduled. ~ Informal Conference set for December 12, 2022, at 10 a.m. ~ Hearing scheduled for May 24 – 26, 2023		ALJ – Maxey Kevin McNally, Esq. for Premium Distributors & Blue Ridge Beverage Brian Wainger, Esq. w/ Kaleo Legal for Boston Beer Company	
SanTan Brewing Co., Inc v. Ferment Nation, LLC	Termination of agreement - default Failure to pay undisputed monies	2/17/23 – Initial teleconference Stay extended to 3/27/23 petitioner requested a 10-day extension on March 17, 2023. The petitioner informed the ALJ that the opposing party indicated that it was mailing a check that same day. The purpose of the extension was to confirm receipt of payment. On 3/28/23 – Stay extended six (6) weeks		ALJ – Richardson Thomas Lisk, Esq. for SanTan Brewing Co.	

Style of Case	Type of Matter	Status of Case	Location of Hearing	Parties Involved	Date Decision Rendered
Diamond Importers, Inc. v. International Cellars, LLC	Termination of Agreement	The parties have indicated they are attempting to negotiate a resolution.		ALJ – Griffin	
Brew Hub, LLC v. Ferment Nation, LLC	Termination of Agreement	Teleconference – 3/27/23 @ 2pm On April 5, 2023, the parties requested that proceedings be postponed. They requested 8 weeks to get the dispute resolved.		ALJ – Richardson Thomas Lisk, Esq. for Brew Hub	
Seed Imports v. Dionysos Imports, Inc.	Termination of Agreement	Teleconference – 3/20/23 @ 2pm Parties are interested in mediation – to be scheduled As of April 6, 2023, the parties informed they are working toward resolution.		ALJ – Richardson T. Wayne Biggs, Esq. for Dionysos	
Thomas Allen Vineyard v. Kysela Pere et Fils Ltd.	Termination of Agreement	Informal Teleconference scheduled for April 12, 2023.		ALJ – Maxey John West, Esq. for Kysela	

FOIA

Virginia ABC FOIA Report
March 7, 2023 – April 7, 2023

Date Received	Requester	Subject	Status
Tue 3/7/23	Conor Rooney Citizen	Summons for: Conor Rooney Charge: misdemeanor purchase/possession of alcohol Date: approximately 02/18/2015 Arresting officer: Off. D. Wood Location: 761 Scotland Street, Williamsburg VA 23185 (Paul's Deli)	Completed
Tue 3/7/23	B. Khatchi Citizen	Information pertaining to VA ABC license for Royal Deli & Mart, located at 1075 Garrisonville Road Suite 101 Stafford , VA 22556. The tenants are Afnan Ali Shafiq, Syed Shafiq Jafri, & Syed Imtanan Shafiq.	Completed
Wed 3/8/23	Donald Williamson Citizen	Info on recently-closed Van Winkle bourbon lottery (name, city & state, store numbers to which bottles were sent)	Completed
Fri 3/10/23	Thomas I. Roberts Citizen	Copy of the ABC Permit Application from J.H. Bards Spirit Co. LLC, Trading as J.H. Bards.	Completed
Mon 3/13/23	Joy Reeves Citizen	Documents regarding the Senior Manager Product Management position #71801 which closed 12/20/2022 and was filled 01/10/2023 <ul style="list-style-type: none"> • Documentation of all candidates interviewed for the position along with interviewing panel member names for each applicant. This should include applicant name and panel member names along with date and time of the interview. • Copies of each interviewed candidate’s application, cover letter and resume if included. • Panel interview note sheets for all candidates interviewed showing the panel member name, applicant name and questions asked plus any written comments and/or scoring of candidate answers by interview panel members. • Final scorecard sheet(s) showing final candidate ratings and determination of recommended hire by the interview panel. • Any other paperwork utilized during the panel interview process for this position or in support of the final hiring decision. 	Completed
Mon 3/13/23	Eric Medin Citizen	<ul style="list-style-type: none"> • For the dates February 23, 2023 through the date on which the analysis is being performed by the analyst • For stores all stores in the state of Virginia • The delivery date, store number, and quantities of any SKUs that are considered limited availability by the VABC; nominally that means the items on this page, but also includes Stagg Jr. (021540), Heaven Hill Heritage Collection St. Corn Whiskey (024759), Michter's 20 year Bourbon (019878), Michter's 10 Year Bourbon (019876), Parker's Heritage Collection 16th Edition (022390), Old Fitzgerald 19 [may be in the database as Old Fitzgerald Bottled in Bond Decanter] (016379) just to name some notable omissions from the linked page. 	Completed

Virginia ABC FOIA Report
March 7, 2023 – April 7, 2023

Date Received	Requester	Subject	Status
Wed 3/15/23	Stephen Terpak Attorney Sutter & Terpak, PLLC	Records pertaining to the surrender of ABC license #67249, BGR The Burger Joint (surrendered on 7/21/2021)	Completed
Wed 3/15/23	David Yost Citizen	I have seen a Public Notice, dated 09 March 2023, on Ashton Creek applying for a Caterers License. I am not sure if this is the remote "privilege" application related to the site on 3415 Leonards lane, Sutherland, VA or a caterers license in general. Could you confirm whether this application includes the remote site or is a separate and distinct application for their operation on Route 1.	Completed
Fri 3/17/23	Steve Busch Attorney McGuirewoods	Complaint and any answer or pleading filed in Premium Distribution LLC & Blue Ridge Beverage Co., Inc. v. The Boston Beer Company, Inc.	Completed
Tue 3/21/23	Det. Kimberly Wright Fairfax County Police Department	Copy of report - 17-02087 08/26/2017 ABC violation - Berhan Teferi	Completed
Tue 3/21/23	Collin Short Account Manager TEKsystems	Full organization chart for the Information Technology department (IT-D) at Virginia ABC, listing all personnel. Please have these records include all full-time and contractor employee names, as well as their emails addresses, phone numbers, and position titles.	Completed
Wed 3/22/23	Derek G. Challenger Deputy City Attorney City of Portsmouth	ABC Retail License Application with Personal Data Sheets for Five Boroughs Portsmouth located at 814 High Street, Portsmouth, VA 23704	Completed
Fri 3/24/23	Norma Jean Shaw Publisher/Editor The Shaw Report	List of all establishments in Warren County/Front Royal VA that have had a violation related to selling to a minor from the period of 1/1/2020-3/3423. If any establishments in that timeframe have had an order to close for any period of time, I am requesting electronic copies of any documents pertaining to a violation and closing order. An electronic copy of documents pertaining to the Virginia Beer Museum in Front Royal, VA, to include application for license, and any citations.	Pending
Fri 3/24/23	Scott Flax Citizen	Requesting the following information related to special release lottery winners for the two lotteries conducted so far in 2023 (Van Winkle Feb lottery and Van Winkle March Lottery) <ul style="list-style-type: none"> • Product Name • First and Last Name of the winner • City/Town of the winner (if available) 	Pending

Virginia ABC FOIA Report
March 7, 2023 – April 7, 2023

Date Received	Requester	Subject	Status
Fri 3/24/23	Lt. Karly Renaud Royal Oak Police Department	<p>Facility Concession Services, LLC is planning to obtain a liquor license in the city of Royal Oak. I am currently conducting a background investigation to determine if the prior establishment(s) had any issues, as Facility Concession Services, LLC holds a liquor license at the below establishment(s). I am requesting any contacts or violations they may have had with your agency. A copy reports would be greatly appreciated.</p> <p>NAME : The National ADDRESS: 708 E Broad St Richmond, VA 23219</p> <p>NAME : The NorVa ADDRESS: 317 Monticello Ave Norfolk, VA 23510</p> <p>NAME : Atlantic Union Bank Pavilion "Portsmith" ADDRESS: 16 Crawford Portsmouth, VA 23704</p>	Completed
Mon 3/27/23	Norma Jean Shaw Publisher/Editor The Shaw Report	<p>I am trying to track down some information regarding the 25-day closing of the Virginia Beer Museum (VBM) in Front Royal, which I learned about earlier this week. I got your name from the court filing documents, dated July 11, 2022 regarding the July 6, 2022 incident in which Taylor Mariah Budd was cited for a violation of ABC Board law.</p> <p>It appears that there was another incident at the VBM prior to Ms. Budd being cited. On April 11, 2022, April Elizabeth Lazo was cited by Warren County Sheriff's Deputy Wigington for failing to require ID before selling alcohol to an underaged person. The charge was then amended to failing to require ID prior to sale of alcohol. Lazo was represented by attorney David Downes, VBM owner, and the case was continued on June 8, 2022, and again on Aug. 3, 2022 before being finalized on Feb. 1, 2023, when it was dismissed.</p> <p>A docent at the establishment shared with me that there was another citation earlier this month, and that Ms. Budd was the person cited.</p> <p>I am requesting information related to the 25-day closing, and would appreciate electronic copies of correspondence, to include notifications, physical mail and email between your agency and establishment owner David Downes, regarding any issues with or violation of ABC law.</p>	Pending
Mon 3/27/23	Norma Jean Shaw Publisher/Editor The Shaw Report	<p>Electronic copies of documents pertaining to any citations for violation of ABC law by the Virginia Beer Museum in Front Royal, VA, to include incident reports, notices, written complaints provided to the owner, David Downes, from the time the entity opened in 2016 through today, March 25, 2023.</p>	Pending

Virginia ABC FOIA Report
March 7, 2023 – April 7, 2023

Date Received	Requester	Subject	Status
Mon 3/27/23	William Hawkins Citizen	Exxon 22539 Timberlake Rd Lynchburg VA. 24502 Request records for sale of alcohol and tobacco to minors. And any other Virginia ABC violation. Request dates 1-1-19 thru 3-20-23	Completed
Mon 3/27/23	Derek G. Challenger Deputy City Attorney City of Portsmouth	ABC License application for Rivers Portsmouth Gaming, LLC located at 3630 Victory Blvd, Portsmouth, Virginia 23701	Completed
Tue 3/28/23	Kayla Brown Citizen	Initial license application for Foxtrot, 701 King St in Alexandria, license # 013142403.	Completed
Wed 3/29/23	William Turner Citizen	Rather than spend \$30.00 to buy a pig in a poke, I want to narrow my request for copies of the travel expense vouchers to the month of January 2022 for your home office and the first 100 stores on your list of stores.	Pending
Mon 4/3/23	Jackie Omanoff	I am writing to request information related to the recent ABC embezzlement case that was reported in the Virginia Mercury on July 13, 2022. As a journalist, I am interested in learning more about this matter and would appreciate any information that you may be able to provide. This may include any internal reports, audits, or photographs that have been conducted regarding the matter.	Pending
Wed 4/5/23	Eric Medin Citizen	<ul style="list-style-type: none"> • For the dates March 13, 2023 through the date on which the analysis is being performed by the analyst (not the date of receipt of this email) • For stores all stores in the state of Virginia • The delivery date, store number, and quantities of any SKUs that are considered limited availability by the VABC; nominally that means the items on this page, but also includes Stagg Jr. (021540), Heaven Hill Heritage Collection St. Corn Whiskey (024759), Michter's 20 year Bourbon (019878), Michter's 10 Year Bourbon (019876), Parker's Heritage Collection 16th Edition (022390), Old Fitzgerald 19 [may be in the database as Old Fitzgerald Bottled in Bond Decanter] (016379) just to name some notable omissions from the linked page. 	Pending
Wed 4/5/23	Preston Haus Citizen	Any email containing the phrase "Preston Haus", "Preston", and/or "Haus" from the following persons email between the dates of 12/1/22 though 4/5/23: Sharon Bushy, Steven Poole, Julianna Fuellner, Jenifer Burke, Jaquett Nickens, Vickie Gay, Tom Kirby, John Singleton Video of Store 225 of the registers from 3/7/23 between the times of 11am-11:30am. Video of the back exit door of store 225 from the following dates and times: 3/23/23 9am-3pm 4/1/23 9am-5:30pm	Mon 1/30/00

CTO Report – Elizabeth Chu

Change Management Office
Diversity Equity and Inclusion
Project Management Office
Strategy and Analytics

Change Management Office

- **FY 24 Strategic Plan Focus for CMO** (Sponsor: Chief Chu)
 - 4 goals: Equip for Excellence; Build Sustainability; Lead Change, Prioritized Transformations; Deliver on Key Programs
 - Interviews scheduled for Change Practitioner (Manager Level) on April 11
- **Performance Management / Pay for Performance** (Sponsor: Chief Alfano)
 - Program Co-Lead with HR Director; 3-Year Roadmap Established
 - 51 FY23 deliverables on track; 68% complete; Training kicks off April 11
- **Service Now** (Sponsor: Chief Williams)
 - Service Ticketing Platform to replace Footprints on April 19; training underway
- **Change for several key programs underway** (Multiple Sponsors):
 - Strategic Planning; WOLO LA; VAL; Enterprise Workflow Automation (EWA)/Service Now; HR Modernization Phase 0; Combined Warehouse Orders (CWO); Development of CMO Training and Toolkit for late Spring release
 - Quarterly Director Calendar produced to better inform planning and prioritization

Diversity Equity and Inclusion Office

- **Programming** *(OneVA Goal #4, Infrastructure and Accountability, Objective #1, Develop agency wide communications plan)*
 - Currently executing “Celebrate Diversity Month/Autism Appreciation” for the month of April. Sample of Activities:
 - Autism Walk – 4/3/2023
 - Autism Guest Speaker – 4/11/2023
 - Non-profit fair – 4/25/2023
 - Authority wide DEI messaging on the topics of “Examples of ERGs” and “Allyship” on mixer
 - Informational vignettes on “Celebrating Diverse Perspectives.”
 - Establishing a formal committee consisting of representatives from marketing, communications, HR, EAC, and DEI to align appreciation month activities and messaging.
- **DEI Council** *(OneVA Goal #2, Climate & Intergroup Relations, Objective #2, Create opportunities for employees to feel valued and respected and have a platform for feedback)*
 - Next steps: All potential members have been notified, with 8 of 10 members accepting as of 4/9/2023. Planning for introductory meeting and communication campaign is underway.
- **Supplier Diversity Program** *(OneVA Goal #5, Focus Community Engagement Activities, Objective #3, Engage in diverse community events and outreach programs)*
 - Participated in listing and delisting meetings and provided feedback for Supplier Diversity considerations
 - Established connection with Diageo team to create dialogue and learn about their Supplier Diversity efforts and how we can collaborate

Project Management Office

- **Project(s) Progress**

- 9 active (*Pin Pad, Licensing Onboarding, SaaS Migration, Oracle Web-Logic, Freight Way, WOLO-LA, Product Data Hub, HRIS – Phase 0, Customer Support Process Reengineering, Enterprise Workforce Automation*)
 - Oracle Web-Logic, HRIS Phase 0, Customer Support Reengineering and Enterprise Workforce Automation are being implemented this month, will close in May
- 3 completed (*Warehouse Management, Reusable Bags, Oracle Upgrade*)

- **2 Senior Project Manager Positions**

- Positions reposted, closed on March 8
 - Position description rewritten to attract higher quality candidates
 - First round of interviews are scheduled for April 17

- **Project Management Office Director Position**

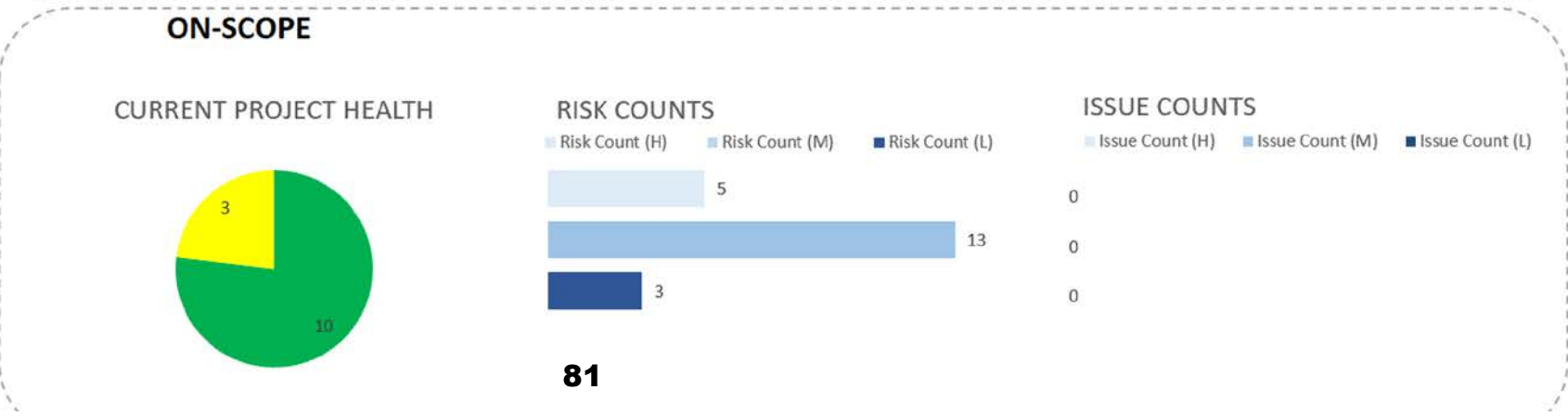
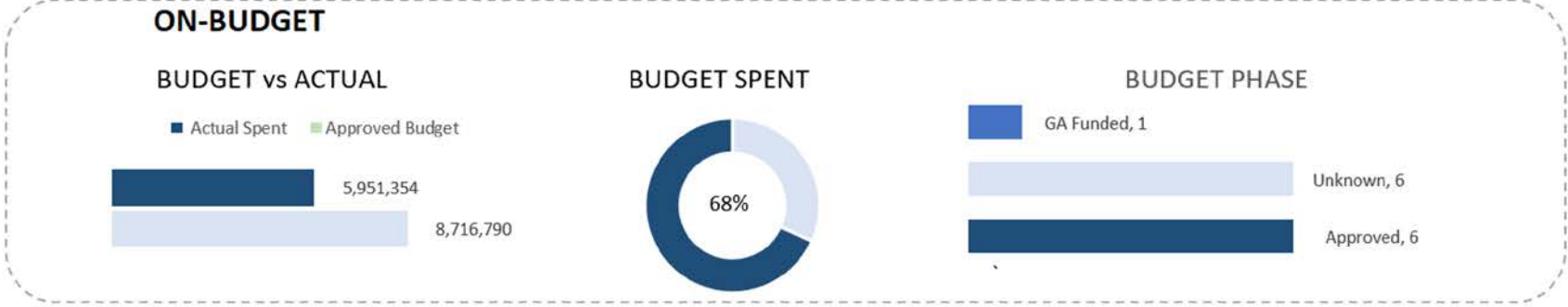
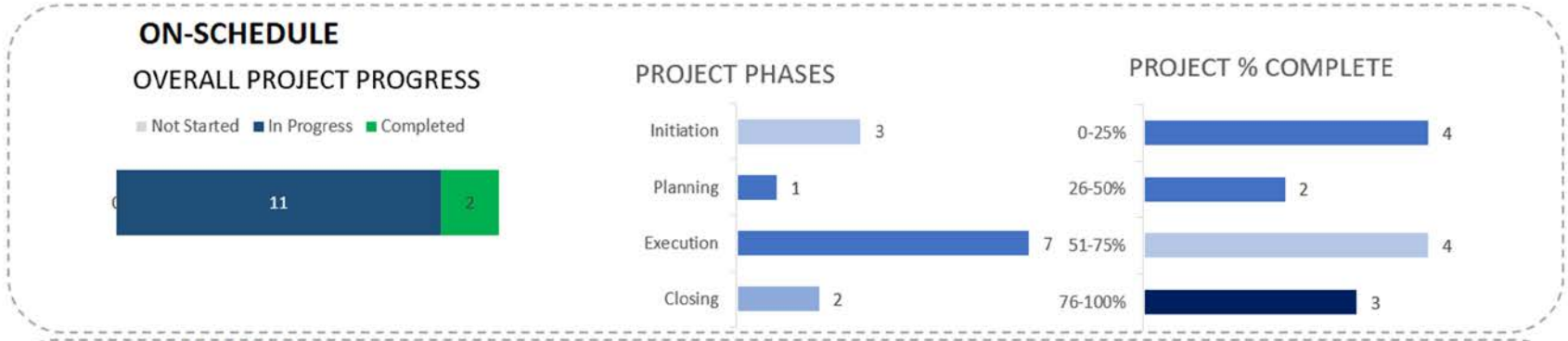
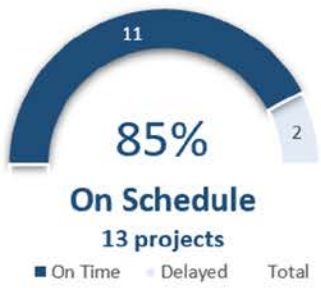
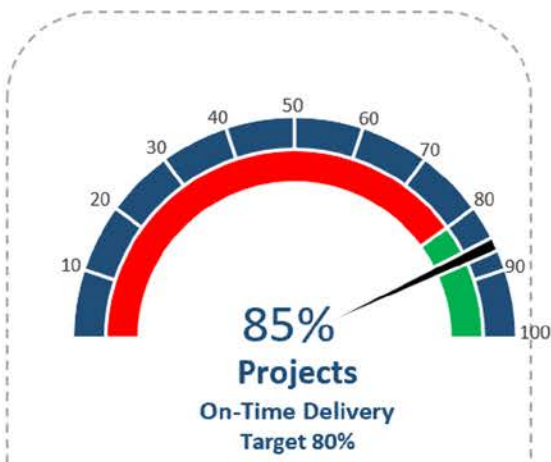
- Position became vacant on March 3
- Position posted and closed on March 20- interviews to begin end of April

- **PMO Quality and Performance Stakeholder Feedback**

- Formalization of an initiation checklist for projects and programs is in progress- will be finalized once new Director is hired
- Communication of checklist and its importance to all project stakeholders, to be determined once completed
- Scheduling of monthly meetings with major project stakeholders to capture ongoing project feedback in progress, cadence determined once new Director is hired

Portfolio Dashboard - All Projects

Total # Projects	Total Budget	Total # Resources
13	8,716,790	59



Strategy and Analytics Office

Priorities and Progress

- **Strategic Plan**

- Rollout plan has been developed in partnership with Change Management and Communications, is being socialized, and will be kicking off soon with Directors as the first target audience
- Monitoring plan has been developed, about to begin socialization

- **Data Management**

- Vendor selected for Data Management consulting engagement, contract in development





- **Team Updates**

- Sr Business Analyst backfill for Business Analytics Manager promotion is undergoing background checks, start date TBD
- Working with Talent Acquisition on making changes to the Strategy Analyst job requisition after identifying as a challenging role to fill

Appendix - CTO


3. Major Initiatives for the Month

Status	
On track	
Some issues	
On-hold	

Initiative Name	What Problem is the Initiative Solving	Description of the initiative Impact	Initiative Owner	Start Date	End Date	Status
E-Commerce Program	<ul style="list-style-type: none"> The eCommerce program is foundational for Virginia ABC to transform from a split, multi-channel retail environment to a real-time, omnichannel retail environment. This transformation not only provides Virginia ABC with increased operational efficiency and revenue opportunities, but also provides for the best possible customer experience. Currently Online Ordering and Product Data initiatives are in flight. 	<ul style="list-style-type: none"> eCommerce is growing significantly. This growth is not only in response to the pandemic, but projections indicate that eCommerce will continue to grow over the next five years, with a conservative increase of annual online orders to 1.8M, representing a 5x to 10x growth over current levels. Virginia ABC cannot hope to support even a fraction of this demand, including concomitant increases in customer service needs, without a program for expanding our infrastructure, eCommerce, and order management capabilities. 	<ul style="list-style-type: none"> Vida Williams 	<ul style="list-style-type: none"> 01/01/2022 	<ul style="list-style-type: none"> 7/30/2025 	
Enterprise Workflow Automation (EWA)	<ul style="list-style-type: none"> VA ABC will leverage an industry leading Enterprise Workflow Automation platform that will promote automated routing of internal and external customer requests, automation within the work process, a knowledge management centralized record, audit and compliance trail, and an integrated reporting dashboard which pulls data from ABC functional platforms. 	<ul style="list-style-type: none"> As it exists today Virginia ABC currently provides help desk support for internal and external customers through a combination of email, walk-up, phone calls, and ticket entry. ABC help desk agents receive over 2,000 monthly service requests, incidents, or general help desk tickets. This represents only a portion of the work and leaves customer support disconnected and inefficient across ABC business groups. 	<ul style="list-style-type: none"> Keith Russell 	<ul style="list-style-type: none"> 03/01/2022 	<ul style="list-style-type: none"> 06/30/2023 	
Customer Support Process Reengineering	<ul style="list-style-type: none"> VA ABC will leverage an industry leading Enterprise Workflow Automation platform that will promote automated routing of internal and external customer requests, automation within the work process, a knowledge management centralized record, audit and compliance trail, and an integrated reporting dashboard which pulls data from 	<ul style="list-style-type: none"> As it exists today Virginia ABC currently provides help desk support for internal and external customers through a combination of email, walk-up, phone calls, and ticket entry. ABC help desk agents receive over 2,000 monthly service requests, incidents, or general help desk tickets. This represents only a portion of the work and leaves customer support disconnected and inefficient across ABC business groups. 	<ul style="list-style-type: none"> Keith Russell 	<ul style="list-style-type: none"> 01/01/2022 	<ul style="list-style-type: none"> 06/30/2023 	
Human Resources Modernization - Phase 0	<ul style="list-style-type: none"> The current HR systems do not communicate well with each other and have outlived their support structure. Systems have become outdated in their ability to meet HR operational needs. The goal of the Human Resources Modernization Project is to implement agile tools and improve 	<ul style="list-style-type: none"> The current HR technology environment at Virginia ABC is a complex mix of internally developed, "homegrown" ABC systems and mandated integration with Commonwealth of Virginia state systems. The systems do not communicate well with each other and ABC has outgrown the current capabilities. Systems have become outdated in their ability to meet HR operational needs, needing frequent 	<ul style="list-style-type: none"> John Singleton 	<ul style="list-style-type: none"> 07/01/22 	<ul style="list-style-type: none"> 05/30/2023 	

3. Major Initiatives for the Month

Status	
On track	
Some issues	
On-hold	

Initiative Name	What Problem is the Initiative Solving	Description of the initiative Impact	Initiative Owner	Start Date	End Date	Status
Virginia ABC Licensing (VAL)	<ul style="list-style-type: none"> Virginia ABC Licensing (VAL) System Licensee Onboarding is an effort to roll out the new web-based licensing system that allows ABC license business transactions to occur on-line, any time. 	<ul style="list-style-type: none"> The web based licensing system will reduce manual processes and paperwork not only for the Authority but more importantly for our customers. Allowing customers to apply online and track their application through the licensing process. 	• Tom Kirby	• 09/20/2017	• based on onboarding month-to-month approach	
Pin Pad Upgrade	<ul style="list-style-type: none"> The project will upgrade all in-store VeriFone MX915 EMV (Europay, MasterCard and Visa) devices running PTS4 (Pin Transaction Security Version 4) software to VeriFone M440 EMV devices running PTS5 (Pin Transaction Security Version 5) software. 	<ul style="list-style-type: none"> The software to VeriFone Model M440 devices running PTS5 (Pin Transaction Security Version 5) will expire April 2024. The equipment and software needs to be upgraded to maintain compliance parameters set by Payment Card Industry (PCI). 	• David Walker	• 07/15/2022	• 09/30/2023	
Phase II Oracle WebLogic Upgrade Migration <i>On-hold</i>	<ul style="list-style-type: none"> During the Oracle database migration, WebLogic was moved to Oracle Cloud Infrastructure (OCI), but it was not upgraded. Much of the same team is needed to complete the application server upgrade. ABC's current version of WebLogic will end support in December 2023 and continuing the effort ensures that we will complete the upgrade ahead of time and have ample time to schedule the production upgrade when it is least impactful to the business. 	<ul style="list-style-type: none"> Upgrade should mitigate security and system downtime risks associated with out-of-date software infrastructure by upgrading WebLogic. 	• David Kuti	• 06/10/2022	• 09/30/2023	
VAL SaaS Migration	<ul style="list-style-type: none"> In 2021, Virginia ABC decided not to continue with the on-premises model and migrate to Accela's SaaS solution. It is a stated strategic goal of IT to migrate to SaaS models where appropriate. 	<ul style="list-style-type: none"> Virginia ABC is running version 20.2.0 of the Accela Civic Platform on Virginia ABC managed infrastructure- end-of-life (EOL) Oracle 12c database and Windows 2012 servers nearing their end of support 	• David Kuti	• 11/14/2022	• 10/30/2023	
Pay For Performance	<ul style="list-style-type: none"> This initiative continues the implementation of our strategic goal of investing in our people. The Pay for Performance plan reinforces a more comprehensive performance management structure. Moving to a Pay for Performance approach provides a consistent mechanism to compensate employees based on performance and level of contributions. 	<ul style="list-style-type: none"> The Authority is moving towards a pay for performance program that objectively measures performance and rewards differentiated contribution levels versus the prior year practices where everyone, regardless of contribution levels, receives the same salary increase percentage. Pay for performance is a plan that impacts base pay increases and should not be confused with other existing performance incentive or bonus plans, such as the current Retail and Distribution Center incentive plans 	• David Alfano	• 01/30/2022	7/30/2023	



CDBO Report – Vida Williams

Press Releases

E-commerce update

Press Releases

Date released	Topic	Distribution	Approved By
April 6, 2023 (target)	Store 523 Great Falls	Northern Virginia, D.C.	Travis Hill
April 4, 2023	Youth Alcohol and Drug Abuse Prevention Project (YADAPP) Enrollment	Statewide	Nick Schimick/Katie Crumble
March 20, 2023	Virginia ABC Honors 50th Anniversary of Triple Crown with Ragged Branch Secretariat Reserve bourbon	Statewide	Travis Hill
Feb. 8, 2023	Pappy Van Winkle lotteries	Statewide	Nick Schimick/John Shiffer
Jan. 24, 2023	Store 524 Roanoke grand opening	Roanoke media	Travis Hill
Dec. 14, 2022	Joint Statement Regarding Spotsylvania County Restaurant Gourmeltz	Northern Virginia, D.C. and Richmond media	Travis Hill
Dec. 8, 2022	Alcohol Education and Prevention grant applications	Statewide	Nick Schimick/Katie Crumble
Dec. 2, 2022	ABC actions involving Gourmeltz	Northern Virginia, D.C. and Richmond media	Travis Hill
Nov. 21, 2022	Shop Virginia-made products during Small Business Saturday (joint release with VDACS)	Statewide	Travis Hill
Nov. 17, 2022	Holiday store hours	Statewide	Nick Schimick
Nov. 16, 2022	Black Friday-Cyber Monday discounts	Statewide	Nick Schimick

Omnichannel Target State

- Maturity across core customer experiences for B2C and B2B
- Strategic alignment of digital and in-store experiences
- Rebranded site, providing product-centric storefront and noncommerce business portal
- Centralized inventory and order management to achieve omnichannel fulfillment
- System and data architecture that provides scalability for expansion and growth

Metrics Increases: 5-Year View

Add to Cart	7.00%
Funnel to checkout	14.00%
Avg bottle price	1.70%
Increased orders*	10.00%
Premiumization*	0.34%
New customers*	10.00%

Ecommerce 2022

Total orders	100,000
Total sales	\$10,000,000

Website Traffic 2022

Total users	5,600,000
Total sessions	11,000,000

Omnichannel/Ecommerce Projects & Initiatives

Capabilities roll out and track across projects in a multiyear program. Projects address both technical solutions and the people and resources required to obtain value from these solutions.

Phase 0

Sitecore Upgrade ('20)

WOLO Ship to Store (STS) ('22)

WOLO Limited Availability Ordering ('23)

Product Master Data ('23)

Domain Migration

Phase 1

Ecommerce Experience Platform

WOLO Ship to Customer (STC) (includes Tax Service)

Phase 2

Order Management

Identity Management

Authenticated Customer Experience

Special Order Types

Phase 3

Licensee Commerce and Accounts

Customer Relationship Management (CRM)

Loyalty Program

Omnichannel/Ecommerce Key Updates

- **Customer journey mapping** is underway for B2C and B2B. These journey maps will be used in design discussions across the Authority..
- **Ecommerce Experience Platform** procurement is currently in the fourth round of interviews with three potential solutions. Decision on the solution is expected within the next two months.
- **Warehouse Limited Availability Ordering** capabilities will begin to be piloted in June. Initial focus will be online lottery functionality.
- As a first step in **product master data** capabilities, Oracle PDH is currently being configured and integrated with the ecommerce system.

CLEO Report – Chief Tom Kirby

Underage Buyer 2023 Results

Calendar Year: 2023	ALCOHOL		TOBACCO	
As of 04/03/2023	1 st Cycle (Ending: 5/31/23)	Calendar Year To Date	DBHDS Grant	DBHDS Supplemental
Scheduled	1084	1084	0	1027
No sale	157	157	0	721
Sale	37	37	0	157
Not completed	32	32	0	66
ABC Store: no sale	30	30		
ABC Store: sale	1	1		
Remaining	858	858	0	83
Compliance rate	80.9%	80.9%	N/A	82.1%

- Scheduled Alcohol includes 14 complaint-based checks, received and completed.
- ABC store results are subset of total results. ABC Store results include distillery stores.
- Not completed includes temporary/seasonal closed, unsafe, UAB known to clerk, etc. and are not considered in establishing the compliance rate because the check was not completed.



Compliance Approved Bond Waivers

Date Received	License #	Company Name	Trade Name	Type of License	Date Approval Letter Sent	Reason for Approval	Approval By
3/16/2023	13330593	Santorini Wines and Food LLC	Santorini Wines and Food LLC	Wholesale Wine 30,000 gallons or less annually	3/21/2023	As of this time the above mentioned, licensed wine wholesaler does not appear to have any outstanding issues thru Jan 2023 wine tax reporting.	Sylvenia Flowers-Tax Management

Retail Operations Update

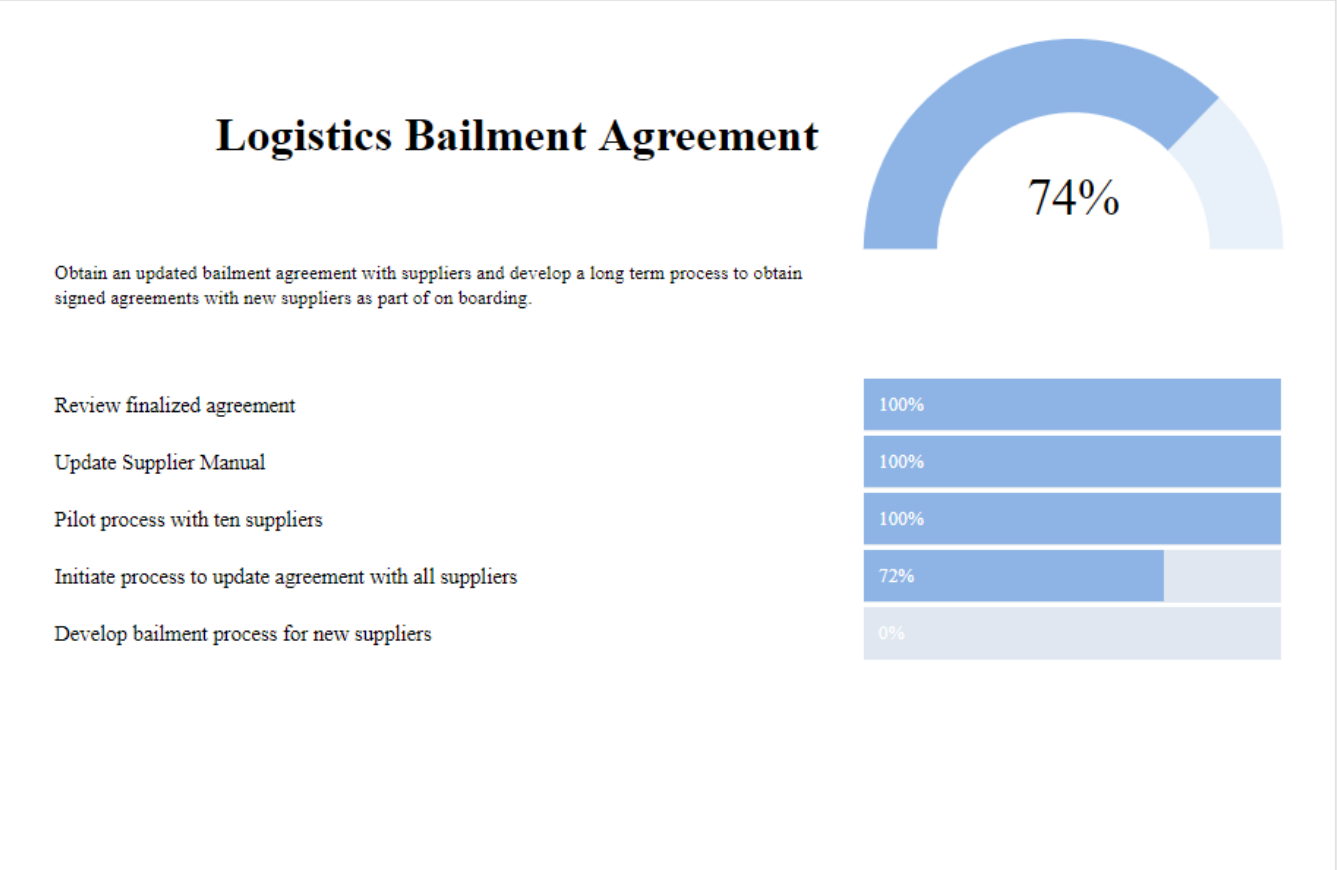
Strategic Priorities

Agreements with Distillery Stores

Strategic Priorities

Logistics Bailment Agreement

- 10% improvement since last board report



Retail Sales Summary

Weekly cumulative sales and bottles sold as March 26th

Sales totaling \$1,089,988,508 are up \$47,703,521 or **4.6%** when compared to last year and are \$20,293,637 or **1.9%** above the \$1,069,694,870 target. The weekly cumulative comparison includes 273 sales days this year and 274 last year.

To date bottles sold

Total number of bottles sold increased **3.0%** and retail bottles sold increased **2.9%**. Mixed beverage licensee bottles sold increased 4.0%. Mixed beverage licensee dollars represent **17.0%** of total sales, up from last year with 16.2% of total sales.

Retail Sales Summary

Sales Front Door and Licensee YTD as of March 30th

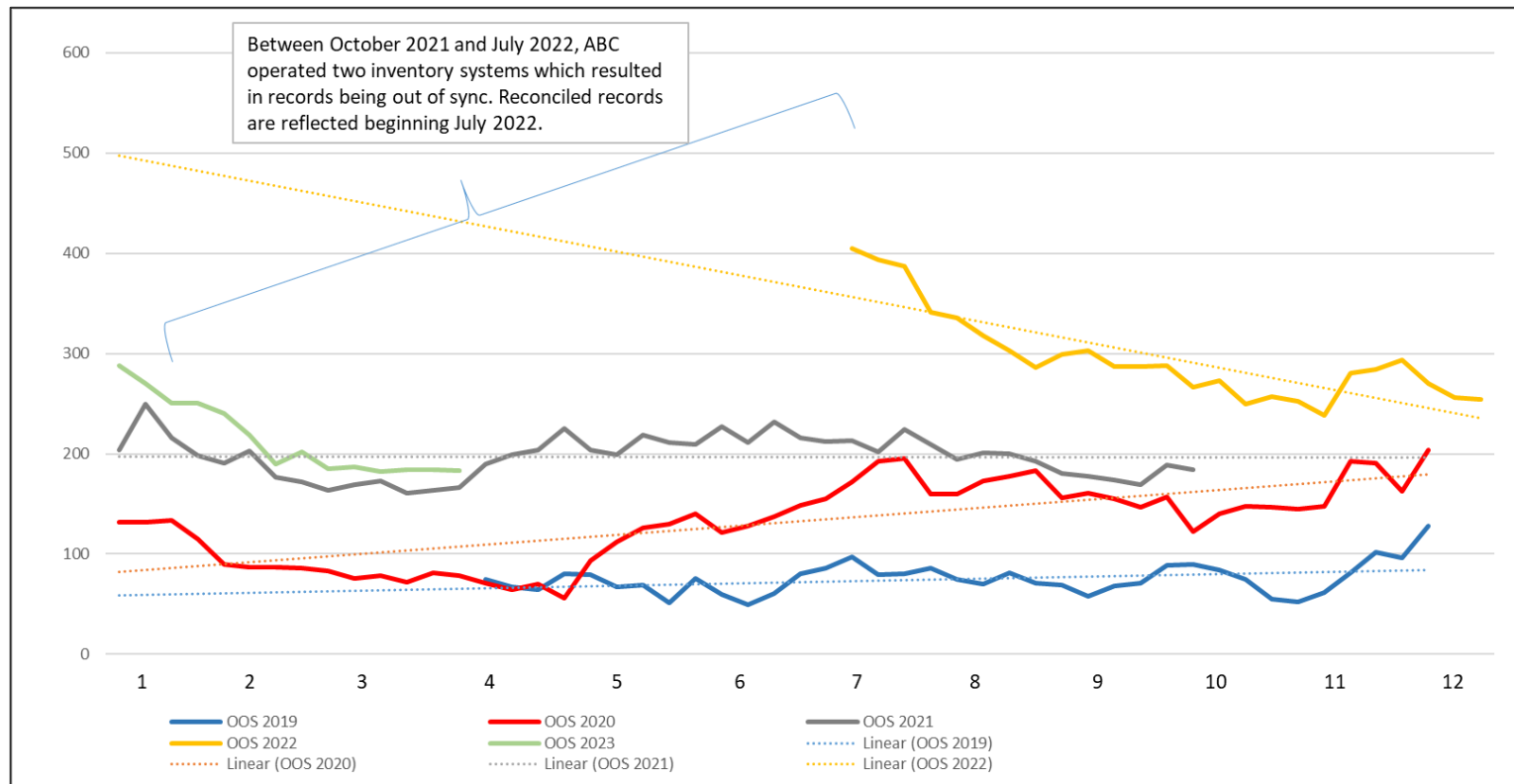
17%	YTD Lic %	Sales Trend (% and \$)			YTD Sales Target MAX	7.2%	
End date of reporting 3/30/2023		Current Month sales 3/30/2023	Current Qtr. to date	YTD sales			
Total sales		2.8%	4.4%	4.8%			
		2023	\$85,323,732	\$288,820,544	\$1,038,456,400		
		2022	\$83,005,535	\$276,772,727	\$991,191,788		
Front store sales		2.8%	2.4%	3.8%			
		2023	\$68,340,257	\$235,066,390	\$863,017,979		
		2022	\$66,460,628	\$229,576,174	\$831,588,248		
Licensee Sales		2.7%	13.9%	9.9%			
		2023	\$16,983,474	\$53,754,154	\$175,438,422		
		2022	\$16,544,907	\$47,196,553	\$159,603,541		

Sales by Department

	Brandy	Cocktails	Cordials	Gin	Mixers	Rum	Schnapps	Tequila	Vermouth	Virginia	Vodka	Whiskey
2023	\$73,843,867	\$12,921,860	\$71,227,980	\$35,374,448	\$5,868,827	\$61,719,981	\$7,891,306	\$175,949,769	\$1,682,108	\$2,136,472	\$199,361,621	\$387,653,640
2022	\$80,725,667	\$11,347,453	\$66,176,229	\$34,072,188	\$5,332,815	\$63,192,253	\$7,370,462	\$145,516,537	\$1,510,086	\$2,108,080	\$200,529,103	\$372,322,842
% change	-8.5%	13.9%	7.6%	3.8%	10.1%	-2.3%	7.1%	20.9%	11.4%	1.3%	-0.6%	4.1%
% of total	7%	1%	7%	3%	1%	6%	1%	17%	0%	0%	19%	37%

Distribution Center Out of Stocks

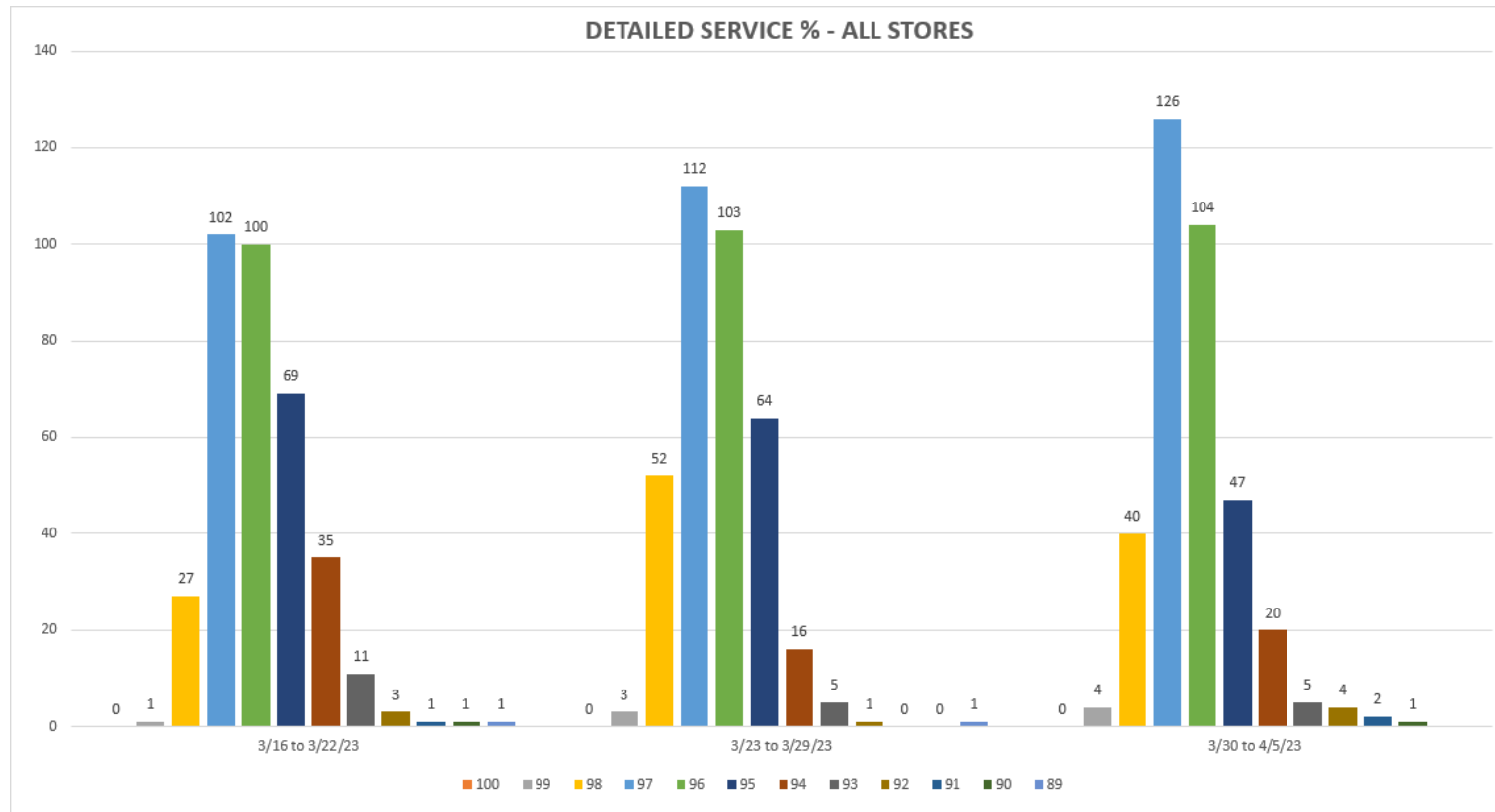
DC OOS continue to be higher than historical averages. OOS have hovered under 200 for the last five weeks.



Retail Store Out of Stocks

Retail Store In-stock - April

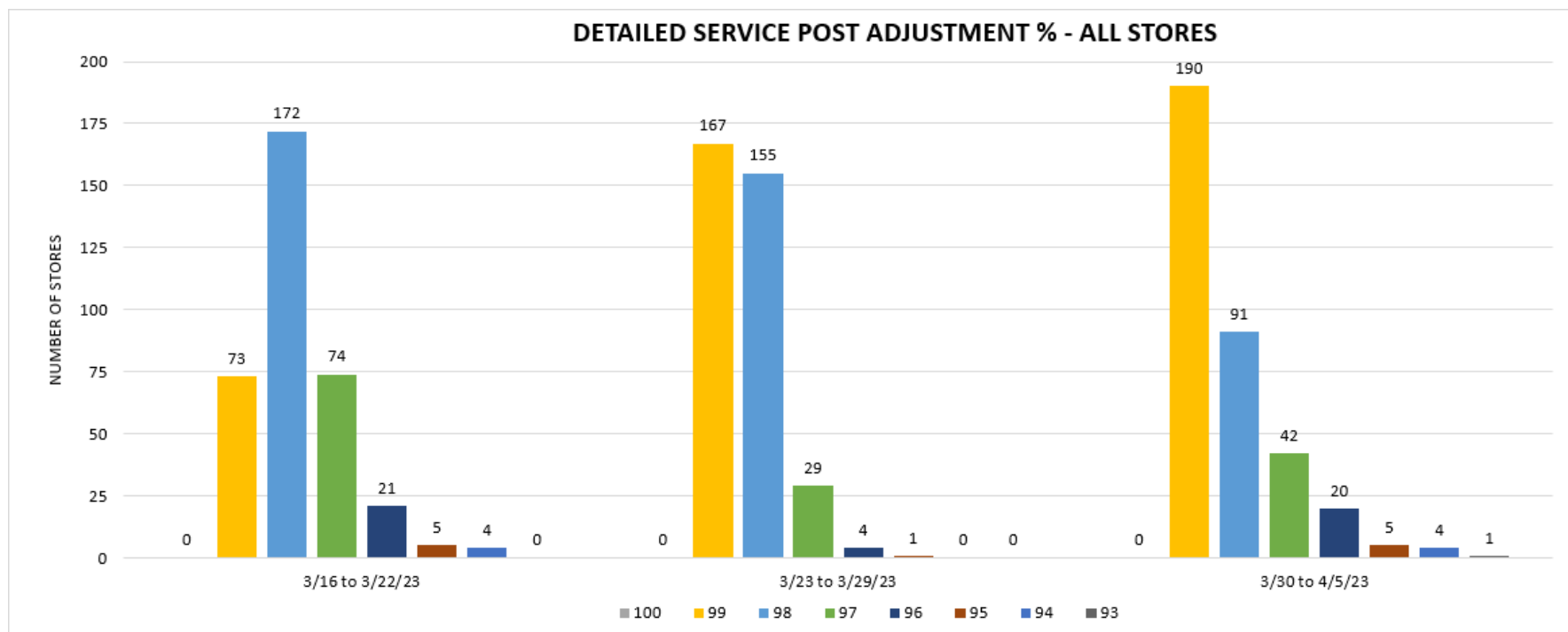
32 stores below 94% compared to 31 in March.



Retail Store Out of Stocks

Retail Store In-stock goal is 97%.

The below chart shows the same in-stock percentage for stores with DC out of stocks removed. This reduces stores below 97% in-stock to 30 a five-store improvement from the last board report.



Distribution Center

Average cases shipped daily in February 25,467 with a peak day of 34,131.

Month	2022 Cases Shipped Daily Avg.	Peak Day	2023 Cases Shipped Daily Avg.	Peak Day
Jan	24,534	34,621	23,360	29,165
Feb	25,740	31,489	24,819	30,387
Mar	28,764	36,556	25,467	34,131
Apr	25,538	30,011		
May	24,974	30,753		
Jun	25,090	36,093		
Jul	25,292	34,323		
Aug	23,377	30,802		
Sep	25,149	30,623		
Oct	25,903	31,400		
Nov	26,914	32,698		
Dec	28,490	37,347		
Average YTD	25,814	33,060	24,549	31,228

Distribution Center Stabilization:

Jan – 31.77 cases per labor hour

Feb – 33.785 cases per labor hour

Mar – 32.728 cases per labor hour

March was a large recovery month last year for out of stocks in ABC retail stores. Retail out of stocks were related to DC startup, supply chain issues, and a driver shortage the last week of December (five drivers tested positive for COVID).

Calendar YTD March shipped 4,840 cases less a forecast of 1,501,773.

Marketing Update

March – Irish Products

All products Irish related in support of St. Patrick's Day

Sales increased \$78,891 or 27%. Bottle sales were up 3,471 or 41% versus a year ago.

Total results quoted above include both in-store and online sales.

- Store performance increased by 27% in sales year-over-year, 40% in bottles sold.
- Redbreast 12 Year Irish Whiskey was the only product represented in the March 17, 2022 Spirited Thursday event.
- In the Irish Whiskey category, the Spirited Thursday sale accounted for 70% of all sales in the state and every online order contained a Spirited Thursday product.

March 16th Spirited Thursday Store Sales				
Product	3/16/2023 Dollars	3/17/2022 Dollars	Dollar Increase	% Dollar Increase
Jameson Irish Whiskey 750ml	\$112,454	\$123,019	(\$10,565)	-9%
Proper No. Twelve Irish Whiskey 750ml	\$21,618	\$17,705	\$3,913	22%
Baileys Original Irish Cream 750ml	\$52,631	\$29,600	\$23,031	78%
The Dead Rabbit Irish Whiskey 705ml	\$28,252	\$4,399	\$23,853	542%
Tullamore Dew Irish Whiskey 750ml	\$26,745	\$12,442	\$14,303	115%
Redbreast 12 Year Irish Whiskey 750ml	\$102,107	\$93,209	\$8,898	10%
Proper No. Twelve Irish Apple 750ml	\$12,811	\$0	\$12,811	-
TOTAL	\$356,618	\$280,374	\$76,244	27%
March 16th Spirited Thursday Online Orders				
Product	3/16/2023 Dollars	3/17/2022 Dollars	Dollar Increase	% Dollar Increase
Jameson Irish Whiskey 750ml	\$3,061	\$600	\$2,461	410%
Proper No. Twelve Irish Whiskey 750ml	\$408	\$0	\$408	-
Baileys Original Irish Cream 750ml	\$2,150	\$120	\$2,030	1692%
The Dead Rabbit Irish Whiskey 705ml	\$1,332	\$0	\$1,332	-
Tullamore Dew Irish Whiskey 750ml	\$793	\$243	\$550	227%
Redbreast 12 Year Irish Whiskey 750ml	\$7,288	\$12,043	(\$4,755)	-39%
Proper No. Twelve Irish Apple 750ml	\$648	\$0	\$648	-
TOTAL	\$15,680	\$13,006	\$2,674	21%

Marketing Plans

Planned Activity – Rolling 90 Days

	THEME	PODs	FRONT COUNTER	SPIRITED THURSDAY & DOORBUSTER	MINI-MONDAY	IN-STORE DISPLAYS	LOTTERIES & BARREL PICKS
APRIL	Botanical & Flavored	Botanical/Flavored - Spring Sparkler - Spring Fling - Limoncello - Blood Orange Mule	French Martini Grey Goose & Chambord	Flavored Vodka Absolut Mandarin Absolut Lime Deep Eddy Lemon Deep Eddy Peach Grey Goose – White Peach & Rosemary Grey Goose – Watermelon & Basil Ketel One – Citroen Ketel One – Cucumber & Mint	Flavored Bird Dog Black Cherry & Peach	Absolut Bulleit Captain Morgan Grey Goose Jose Cuervo Authentic Lunazul Pinnacle Teremana Wild Turkey Reserve Russell's	4/19 – 4/23- BTAC Lotto 4/22 - In Store Special Release (Ragged Branch)
MAY	Botanical & Flavored	Botanical/Flavored - Spring Sparkler - Spring Fling - Limoncello - Blood Orange Mule	Vodka Varieties - Ciroc Red Berry - Ciroc Apple - Ciroc Vodka	Derby de Mayo Blade & Bow Four Roses Knob Creek Maker's Mark Woodford Reserve Yellowstone Select Don Julio Reposado Espolon Repo Lunazul Anejo Milagro Silver Patron Silver Tres Agave Anejo Doorbuster - Summer Kick-Off 1800 Silver Aviation Gin Captain Morgan Crown Royal Jagermeister Jim Beam Johnnie Walker Black Maker's Mark Malibu Tito's	Flavored Bacardi Mango Chili	Evan Williams Fireball Hennessy VS Jose Cuervo Jose Cuervo Authentic Maker's Mark Patron Tito's Woodford	5/10 - 5/12 - Lottery (assorted brands)
JUNE	Choose Your Summer Adventure (Moonshine)	Choose Your Adventure - Margarita w/ Moonshine - Spirit & Soda w/ Moonshine - Colada w/ Moonshine - Canned Cocktails	Watermelon Slushies Midnight Moon Watermelon Moonshine ReaLime	Father's Day Blade and Bow Bourbon Casamigos Mezcal Joven Jameson Irish Whiskey Johnnie Walker Green Scotch Maker's Mark Bourbon Skrewball Peanut Butter Whiskey Tito's	Rebel 100	Bacardi Belvedere Bombay Cointreau Deep Eddy Glenfiddich Jim Beam Jose Cuervo Tanqueray	TBD



Real Estate and Facilities Update

New Store Update:

Store 302 (Powhatan)	Awaiting completion of space by Landlord; anticipated Commencement Date June 2023
Store 405 (Norfolk)	Awaiting completion of space by Landlord; anticipated Commencement Date July 2023
Store 442 (Hanover)	Awaiting completion of space by Landlord; anticipated Commencement Date July 2023
Store 525 (Winchester)	Revised draft Lease is with the Landlord for review; we have no anticipated Commencement Date at this time
Store 526 (Chesterfield)	Draft Lease is with the Landlord for review; anticipated Commencement Date October 2023
Store 527 (MOCK STORE)	Awaiting delivery of fixtures for this location; fixture installation commenced on 03/27/23
Store 528 (Jonesville)	Lease is with Landlord for signature
Store 529 (Alexandria)	Draft Lease is with the Landlord for review
Store 530 (Leesburg)	Draft Lease with the Landlord for review
Store 531 (Lovettsville)	Awaiting ownership documentation from Landlord

Project Type No. of Stores

Expansions	6
Modernizations	4
Relocations	9

CAO Report – David Alfano

Financial Summary:

Summary of Delegated Items

Financial Update

VIRGINIA ALCOHOLIC BEVERAGE CONTROL AUTHORITY
Contribution Margin - Income Statement (In Millions)
Fiscal Year 2023 - Month of March

	FY 2023		FY 2023		FY 2023		FY 2023		FY 2022	
	Actual	Budget	Variance	Percentage	Actual	Variance	Percentage			
Revenue Sources:										
Alcoholic Beverages (Store Sales)	\$ 117.6	\$ 117.7	\$ (0.1)	-0.1%	\$ 111.1	\$ 6.5	5.9%			
Online Sales	0.6	0.8	(0.2)	-25.0%	0.7	(0.1)	-14.3%			
Other	2.2	2.4	(0.2)	-8.3%	2.7	(0.5)	-19.0%			
Gross Revenue	120.4	120.9	(0.5)	-0.4%	114.5	5.9	5.1%			
Less: Spirits Excise Tax	19.5	19.6	0.1	0.4%	18.5	(1.0)	-5.5%			
Net Revenue	100.9	101.3	(0.4)	-0.4%	96.0	4.9	5.1%			
Variable Operating Costs:										
Cost of Goods Sold	56.8	57.0	0.2	0.4%	53.8	(3.0)	-5.6%			
Variable Administrative Costs	17.8	18.3	0.5	2.8%	17.6	(0.2)	-1.0%			
Total Variable Costs	74.6	75.3	0.7	1.0%	71.4	(3.2)	-4.5%			
Contribution Margin	26.3	26.0	0.3	1.1%	24.6	1.7	6.8%			
Contribution Margin as a % of Store Sales	22.2%	21.9%			22.0%					
Fixed Operating Costs:										
Fixed Administrative Costs	8.8	7.6	(1.2)	-16.0%	6.2	(2.6)	-41.6%			
Regulatory Costs (Enforcement & Hearings)	2.0	2.5	0.5	19.1%	1.9	(0.1)	-6.5%			
Total Fixed Costs	10.8	10.1	(0.7)	-7.3%	8.1	(2.7)	-33.6%			
ABC Net Profit	\$ 15.5	\$ 15.9	\$ (0.4)	-2.8%	\$ 16.5	\$ (1.0)	-6.1%			
As a % of Store Sales	13.1%	13.4%			14.8%					

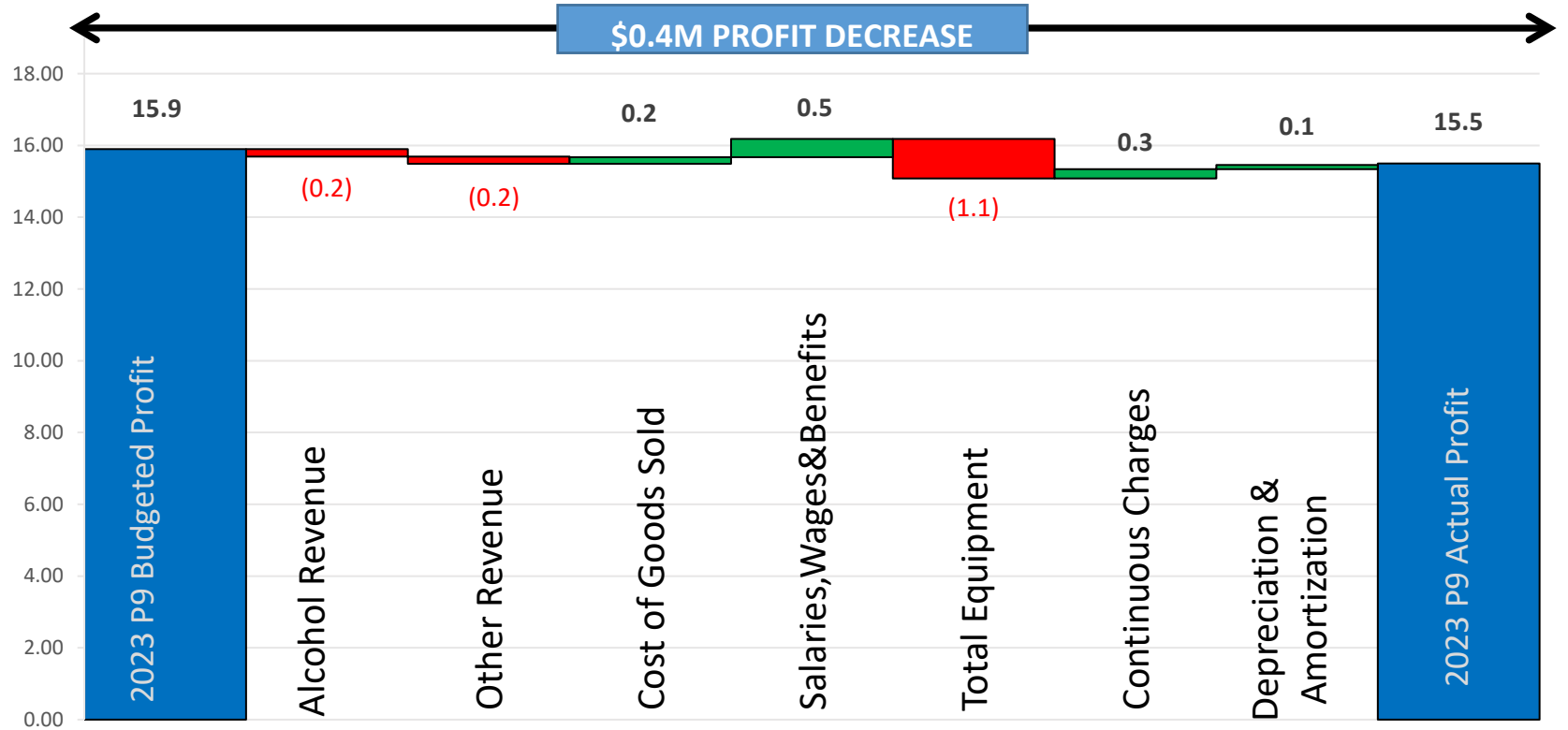
- Favorable Variance
- Unfavorable Variance

NM = Not Meaningful

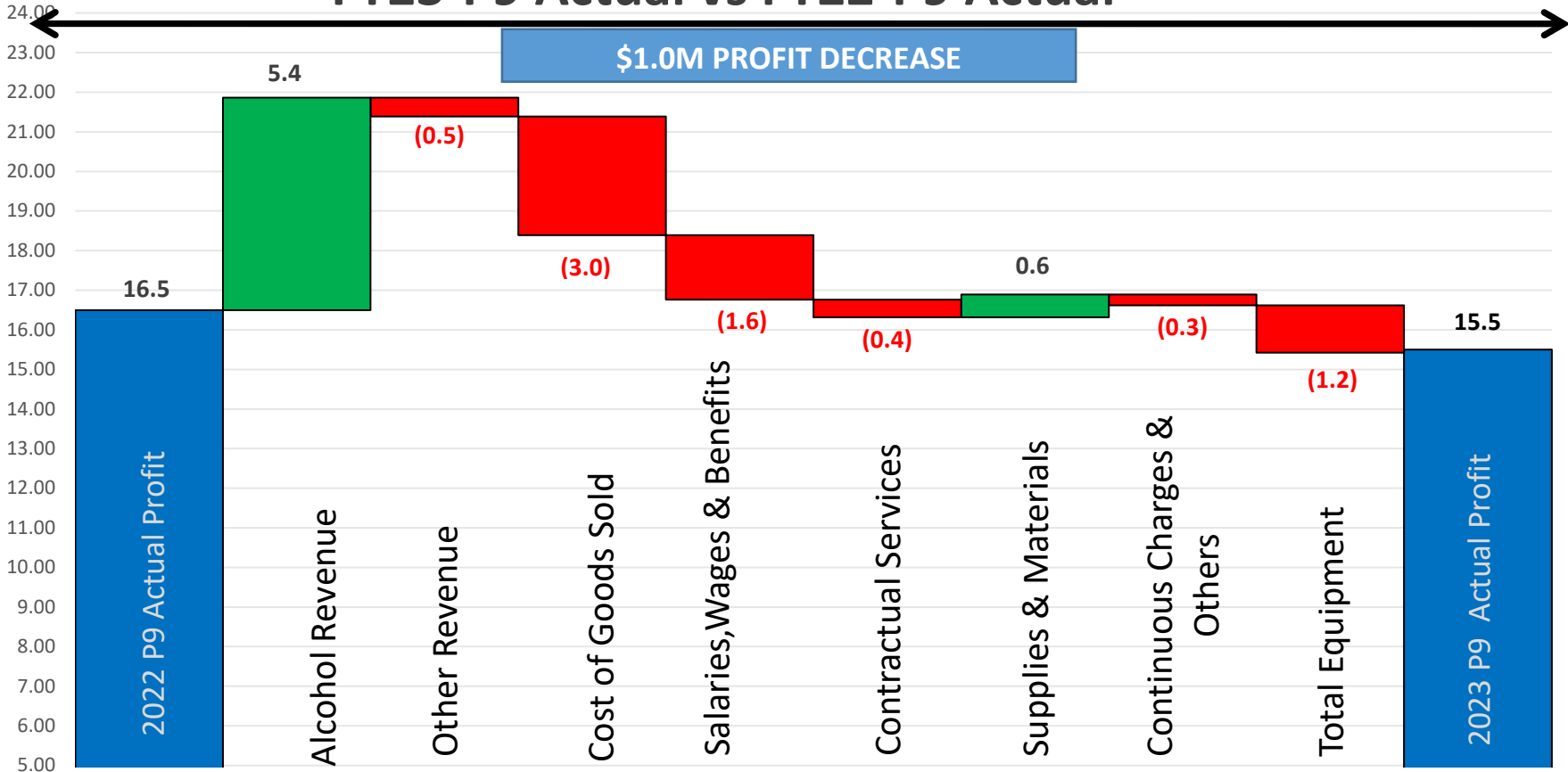
Notes: Fund 05001 was utilized because this represents the Operational revenue and expenses that are utilized to calculate the disbursements to the Commonwealth.
Contribution Margin - represents the amount of earnings available to contribute towards profit after removing the variable costs of operations.
Example: if the sales forecast was increased by \$1M (with a 24% contribution margin), \$240K of additional earnings would flow through to profit.



FY23-P9 Actual vs FY23-P9 Budget



FY23-P9 Actual vs FY22-P9 Actual



VIRGINIA ALCOHOLIC BEVERAGE CONTROL AUTHORITY

Contribution Margin - Income Statement (In Millions)

Fiscal Year 2023 - YTD as of 03/31/2023

	FY 2023		FY 2023		FY 2023		FY 2023		FY 2022	
	Actual	Budget	Variance	Percentage	Actual	Variance	Percentage	Actual	Variance	Percentage
Revenue Sources:										
Alcoholic Beverages (Store Sales)	\$ 1,077.8	\$ 1,057.1	\$ 20.7	2.0%	\$ 1,024.4	\$ 53.4	5.2%			
Online Sales	6.8	7.4	(0.6)	-8.1%	6.4	0.4	6.1%			
Other	17.4	16.9	0.5	3.0%	16.4	1.0	6.1%			
Gross Revenue	1,102.0	1,081.4	20.6	1.9%	1,047.2	54.8	5.2%			
Less: Spirits Excise Tax	179.5	176.4	(3.1)	-1.8%	170.5	(9.0)	-5.3%			
Net Revenue	922.5	905.0	17.5	1.9%	876.7	45.8	5.2%			
Variable Operating Costs:										
Cost of Goods Sold	520.0	511.7	(8.3)	-1.6%	493.6	(26.4)	-5.3%			
Variable Administrative Costs	157.9	163.3	5.4	3.3%	147.9	(10.0)	-6.8%			
Total Variable Costs	677.9	675.0	(2.9)	-0.4%	641.5	(36.4)	-5.7%			
Contribution Margin	244.6	230.0	14.6	6.3%	235.2	9.4	4.0%			
Contribution Margin as a % of Store Sales	22.6%	21.6%			22.8%					
Fixed Operating Costs:										
Fixed Administrative Costs	62.7	68.8	6.1	8.9%	50.5	(12.2)	-24.1%			
Regulatory Costs (Enforcement & Hearings)	17.1	23.1	6.0	25.8%	14.9	(2.2)	-15.0%			
Total Fixed Costs	79.8	91.9	12.1	13.1%	65.4	(14.4)	-22.1%			
ABC Net Profit	\$ 164.8	\$ 138.1	\$ 26.7	19.3%	\$ 169.8	\$ (5.0)	-3.0%			
As a % of Store Sales	15.2%	13.0%			16.5%					

- Favorable Variance
- Unfavorable Variance

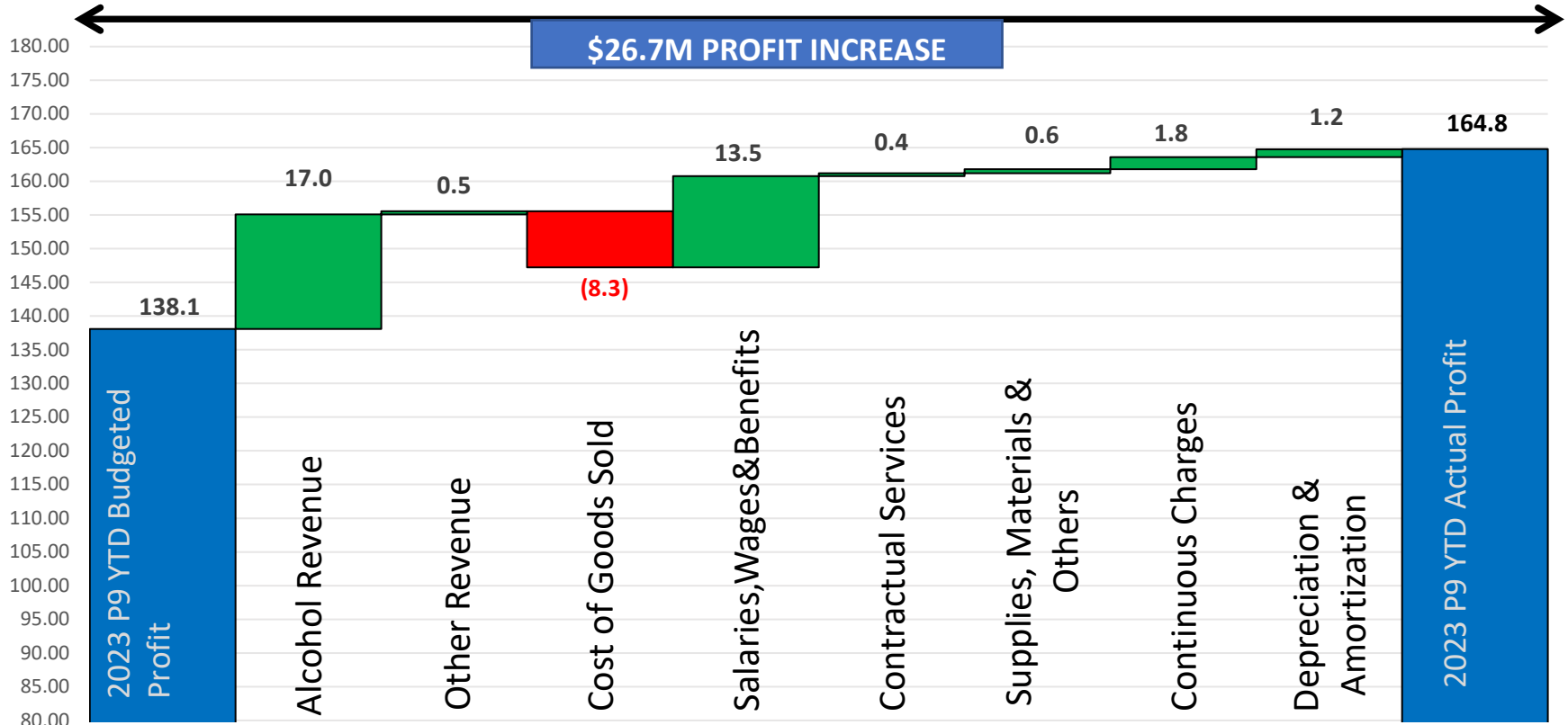
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Notes: Fund 05001 was utilized because this represents the Operational revenue and expenses that are utilized to calculate the disbursements to the Commonwealth. Contribution Margin - represents the amount of earnings available to contribute towards profit after removing the variable costs of operations.

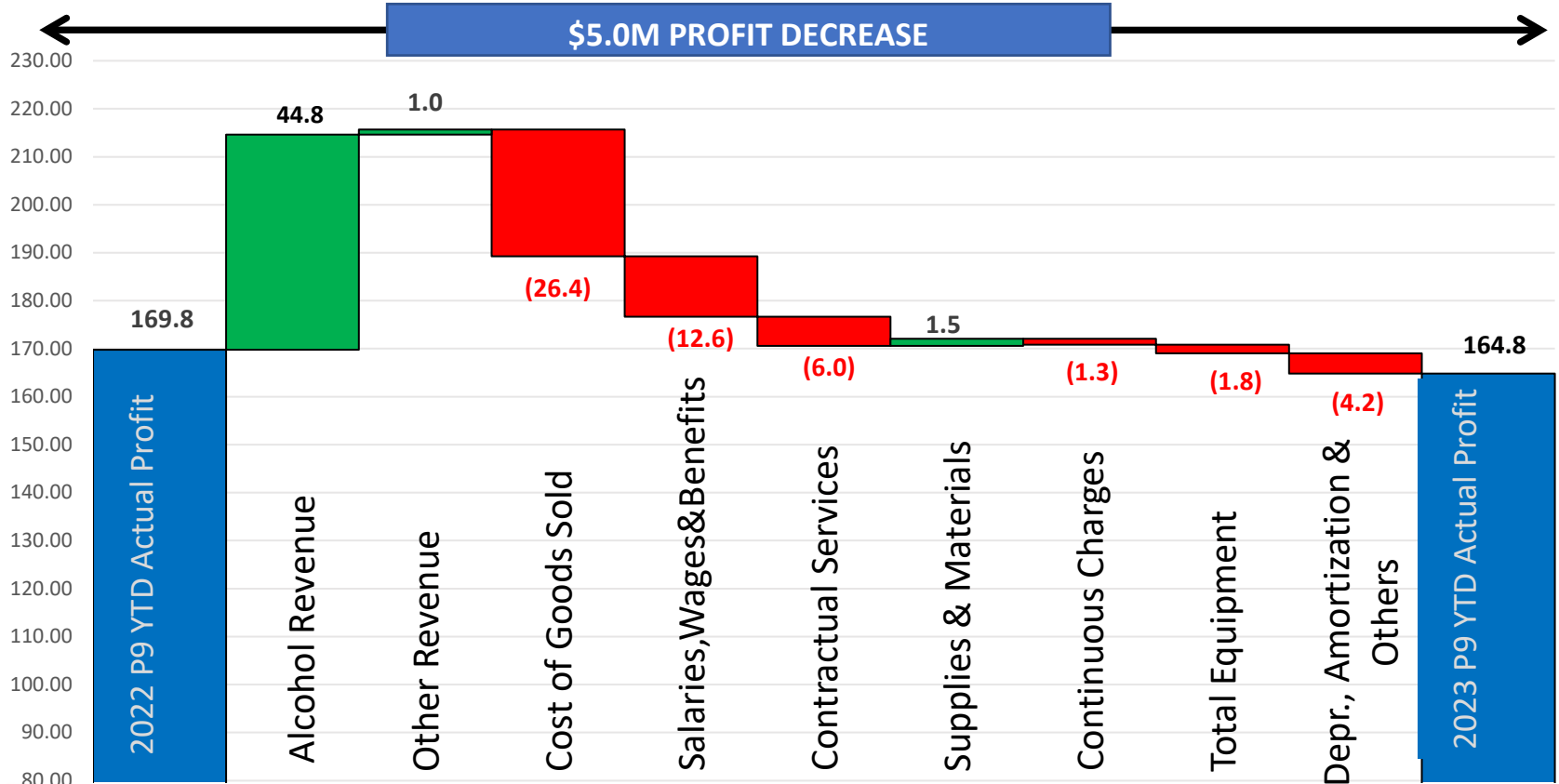
Example: if the sales forecast was increased by \$1M (with a 24% contribution margin), \$240K of additional earnings would flow through to profit.



FY23-P9YTD Actual vs FY23-P9YTD Budget



FY23-P9YTD Actual vs FY22-P9YTD Actual



Summary of Delegated Items

HUMAN RESOURCES							
Requestor: 03/01/2023 - 03/31/2023 Approver: David Alfano							
Working Title	Position		Pay	Reason Needed	Date Approved	Notes	Approver: CAO
Senior Business Development Analyst	50406		91,400.00	NEW POSITION	3/6/2023		SINGLETON, JOHN - Director of HR
ITEM: Travel Authorization Reports (3 or more people or excess of \$5000)	Participants		Meeting Information/Name	Location and Dates	Cost	Reason Travel Required	Approver: CEO
3+ Attending	John Daniel		Legal Symposium	Arlington VA - March 12-14	\$1,264.50	Receive Legal credits	Dave Alfano
	Latonya Hucks		Legal Symposium	Arlington VA - March 12-14	\$1,264.50	Receive Legal credits	Dave Alfano
	Justin Richardson		Legal Symposium	Arlington VA - March 12-14	\$1,264.50	Receive Legal credits	Dave Alfano
	William Maxey		Legal Symposium	Arlington VA - March 12 -14	\$1,264.50	Receive Legal credits	Dave Alfano
	Pat Griffin		Legal Symposium	Arlington VA - March 12-14	\$1,264.50	Receive Legal credits	Dave Alfano
	Marc Haalman		Legal Symposium	Arlington VA - March 12-14	\$1,264.50	Receive Legal credits	Dave Alfano
	Maureen Mshar		Legal Symposium	Arlington VA - March 12-14	\$1,264.50	Receive Legal credits	Dave Alfano
	Thomas Kirby		Legal Symposium	Arlington VA - March 12-14	\$1264.50	Receive Legal credits	Dave Alfano
	Chris Curtis		Legal Symposium	Arlington VA - March 12-14	\$1,264.50	Receive Legal credits	Dave Alfano
	Braxton Williams		Legal Symposium	Arlington VA - March 12-14	\$1,264.50	Receive Legal credits	Dave Alfano
	Sarah Ross		Legal Symposium	Arlington VA - March 12-14	\$1,264.50	Receive Legal credits	Dave Alfano
ITEM: Recognition/Rewards of \$750 or higher	Employee to receive LAST	FIRST	Manager	Reasoning	Amount	Notes	Approver: CAO
Cash Award	Comer	Crystal	Jennifer Wade	Service	\$750.00		N/A
Cash Award	Tomlin	Jordan	Jonathan Beyer	Service	\$750.00		N/A
Cash Award	New	Nancy	Jonathan Beyer	Performance Excellence	\$750.00		N/A
Cash Award	Beyer	Johnathan	Jennifer Wade	Accountability	\$750.00		N/A
Cash Award	Watts	Melissa	David Alfano	Performance Excellence	\$750.00		N/A



CIO Report – Paul Williams

IT Monthly Summary

IT KPIs (Work in Progress)

IT Support Summary

IT Monthly Summary

Introduction

A very stable month for Enterprise systems. Interruptions experienced were resolved very quickly with minimal business impact.

IT KPI's are stable in February – the short month is reflected in lower activity measures for support and available hours.

The new IT strategy is complete and will be socialized with the leadership team in March.

Various efforts that will have an increasing impact through the end of the year are in transition: Pinpad replacement and VAL transition to SaaS. Some new compliance efforts for upgrades and infrastructure efforts will consume a moderate level of effort (mostly in approval processes in March).

IT Performance

Store cameras roll out continues but we are stalled waiting for the supply chain for switches to free up (earliest delivery is May).

Severe supply chain issues exist for Cameras, Access points, Laptops and desktops. We have significant order volumes waiting delivery dates.

Conversations with Appexus continue regarding system performance. GK POS will move off to its own database (from SAP Hannah to Microsoft SQL) over the summer. This will also create an opportunity to look at the deficient infrastructure of CAR, and potentially consolidate out of the .GOV cloud space into Azure Commercial.

People

The staff resourcing environment remains challenging, but we are seeing some improvement – less exits (of MEL – contractor turnover is still unacceptable) and we are holding below 10% vacancy rate. (The remaining vacancies are mainly senior and technical roles which are harder to fill.)

Many of our open positions are being filled by internal promotions or contractor conversions - which is great for our team, but creates vacancies as backfills for those that move and does not help the overall metric on staffing.

Our primary competition for resources appears to be other state agencies (not many 'new' outside applicants – even though we have seen Reductions in Force in significant numbers in the Private Sector this has not (yet) translated into availability for ABC)

IT KPI's (Work in progress)

Measure	Indicator	Current	C-1	C-2	C-3	Comments
Staffing (MEL)	Open + Exits (10,2)	9/0	9/1	12/1	9/1	
Reliability – Core	Ops hrs. uptime (99.9%)	99.9%	99.9%	99.9%	99.3%	Elavon, some VAL, small events
Reliability POS	Lost Hours (all registers)	1.5	24	7.5	0.5 hrs.	A very good month for POS stability
Operational Support contacts	Total Footprints tickets, PST ext. calls & Emails	5,998	7,200	6,260	6,351	4-week month but volume has also dropped slightly
Registered Users (avg)	Domain Accounts,	4,723	4,708	4,794	4,690	
Resource Allocation	Hours Target / Alloc	94.3%	100.4%	79.9%	73.44%	Allocatable hours close to target – Short month
First contact ticket resolution	Tickets closed on 1 touch	95.12	94.54%	96.73%	95.04%	70% is industry standard
Calls accepted	Answered calls	97.11	96.7%	97.6%	97.33%	90% of calls answered is target
Average wait time	Customer wait time	30 sec.	22 sec.	35 sec.	28 sec.	1 minute max target. Increased wait time drives call abandonment.
Daily ticket average	Footprint tickets	88	92	68	78	
Average call handle time	Time to resolve	4.07min	3.82 min.	4.05 min.	3.9 min.	15-minute target / estimate (industry)

CEO Report

Real Estate Leases

KPI Review







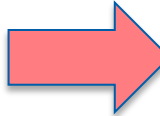





Real Estate Leases Signed

Store Number and Location	Leased Space	Term	REC Vote	Board Approval
Renewal of Store #087 (Bluefield – Tazewell County) Ridgeview Plaza Shopping Center 4027 College Avenue, Bluefield, Virginia 24605	3000 square feet	5 years	12-21-21	2-10-22
Renewal of Store #108 (Henrico) The Shoppes at Crossridge, 10242 Staples Mill Road, Glen Allen, Virginia 23060	2437 square feet	5 years	11-15-22	11-30-22
Renewal of Store #324 (Stuart – Patrick County) Village Shopping Center, 301 S. Main Street, Stuart, Virginia 24171	1600 square feet	5 years	7-19-22	9-8-22
Renewal of Store #306 (Virginia Beach) Lynnhaven Square Shopping Center, 2085 Lynnhaven Parkway, Suite 108, Virginia Beach, Virginia 23456	3750 square feet	7 years	9-20-22	10-20-22
Renewal of Store #205 (Henrico) John Rolfe Commons, 2288 John Rolfe Parkway, Richmond, Virginia 23233	2200 square feet	5 years	12-13-22	1-11-23
Relocation of Store #294 (Baileys Crossroads) Leesburg Pike Plaza, 3501 S. Jefferson Street, Suite B, Baileys Crossroads, Virginia 22041	4906 square feet	10 years	1-17-23	2-23-23

9 out of 10 KPIs are green, Time to Fill increased in December

Retail In-Stock position remains 2% below historical pre-pandemic norms, but may simply be the new post-pandemic norm due to industry challenges in meeting increased global spirits demand. All other metrics are either as expected or improving beyond expectations.

<p>Profit vs Forecast</p>  <p><i>YTD Profits exceed budget by \$27M</i></p>	<p>Sales vs Forecast</p>  <p><i>YTD Sales exceed budget by \$24M</i></p>	<p>Operating Costs as a % of Net Revenue</p>  <p><i>Below budget</i></p>	<p>Number of Transactions</p>  <p><i>Transactions as expected</i></p>	<p>Average Basket Ring</p>  <p><i>Average basket rising</i></p>
<p>Number of OLO Transactions</p>  <p><i>Transactions as expected</i></p>	<p>Retail Store In-Stock Position</p>  <p><i>In-Stock Position steady</i></p>	<p>Employee Turnover Rate</p>  <p><i>Wage and staff declining</i></p>	<p>Time to Fill</p>  <p><i>Time to fill declining</i></p>	<p>SWaM Spend</p>  <p><i>SWaM % above goal</i></p>

Data thru February 2023

Closed Session

Board Commentary



Public Comments