



ABC

COMMISSION
NORTH CAROLINA

Alcoholic Beverage Control

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FOR IMMEDIATE RELEASE

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NORTH CAROLINA ABC COMMISSION HOLDS REGULAR MEETING AND APPROVES NEW WAREHOUSE CONTRACT

RALEIGH – The North Carolina Alcoholic Beverage Control (ABC) Commission held its regular monthly meeting by conference call on March 10, 2021 and ratified 45 hearing cases that resulted in penalties in excess of \$54,000 and/or imposition of suspensions of permits for three days or more. Fines are due on or before April 5, 2021, and suspensions begin April 9, 2021.

The Commission confirmed the regular monthly meeting scheduled for April 14, 2021 will be held virtually and by conference call due to COVID-19 circumstances.

The Commission approved a proposed ABC store location at 1170 US Highway 1, Suite 150, Youngsville requested by the Youngsville ABC Board.

A representative of Sycamore Brewing addressed the Commission regarding concerns with a product registration denial from December 2020. The Commission voted to uphold the product disapproval.

The ABC Commission today also voted unanimously to recommend that the state award the contract for warehouse services to LB&B Associates, the current warehouse vendor. The state posted its request for proposals for warehouse services in the fall of 2020 after the Commission made a public commitment in the summer of 2018 that the contract would be rebid. A five-member evaluation committee composed of industry leaders and subject matter experts who are not members of the ABC Commission reviewed bid response documents submitted to the Department of Public Safety's Office of Purchasing and Logistics. The evaluation committee recommended in December 2020 that the state negotiate the contract with LB&B. The resulting 10-year negotiated contract will pay the vendor \$2,350 per load and will go into effect July 1, 2021.

The new contract includes a requirement of nearly error-free and on-time deliveries as well as increased delivery frequency to the state's 171 local ABC Boards. The new contract will involve a comprehensive computerized warehouse management and operations platform that will include backorder capability and increased visibility into real-time warehouse inventory that the local boards have indicated are service priorities.

In order to fund the new contract, bailment (authorized by §18B-203) which pays for warehouse operations, will increase August 1, 2021 to \$2.75 per case, from its current level of \$1.50 per case. There is no change to markup or bailment surcharge and the resulting impact to the per-bottle price for consumers for a typical bottle of liquor is expected to be 20 cents.

ABOUT THE NC ABC COMMISSION

North Carolina is one of 17 states to regulate alcohol through a control system. Since 1937, the North Carolina Alcoholic Beverage Control Commission has provided regulation and control over the sale, purchase, transportation, manufacture, consumption and possession of alcoholic beverages in the state of North Carolina. <http://abc.nc.gov>.

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