

Retail Store Permit RFP Process #3 Additional Information

In November 2015, Government announced changes that will see an expanded private liquor retail system in Saskatchewan. This includes the conversion of 40 government liquor stores to private opportunities and the addition of 12 new retail opportunities in underserved communities.

Although the initial announcement included a total of 52 retail opportunities, there will only be 50 opportunities awarded during the coming months. The City of Prince Albert declined to add an additional liquor retailer in that community and the existing liquor store in Melfort will continue to operate until 2019 when its current lease expires.

The 51 opportunities will be awarded through a Request for Proposal (RFP) process and successful proponents must also qualify for a commercial liquor permit.

KPMG has been engaged to ensure integrity of the RFP process. KPMG was also consulted during development of the RFP documents.

RFP Release #3 – Next 20 communities

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|------------|-------------|--------------|----------|
| Aberdeen | Battleford | Carrot River | Dalmeny |
| Hague | Hudson Bay | Kelvington | Osler |
| Outlook | Preeceville | Rosetown | Rosthern |
| Shellbrook | St. Walburg | Tisdale | Unity |
| Wadena | Wakaw | Waskesiu | Wilkie |

The RFPs for the communities listed above are posted on SaskTenders.ca. A user account is required to access the SaskTenders website. There is no charge to set up a user account and the sign up process generally takes less than five minutes. This also ensures that anyone with an interest in the RFP process receives any updates that may occur. The RFP is only available via SaskTenders.ca

Any questions related to the RFPs for the 20 communities included in this third wave should be directed to: rfp.inquiries@slga.gov.sk.ca. Questions will only be accepted by email and must be submitted by Aug. 10. As is standard process for RFPs, all questions received by that date will be answered with all answers posted on SaskTenders.ca.

Deadline to submit proposals for these 20 communities is Sept. 7.

RFP Release #2 - Yorkton, Melville, Lloydminster, Moose Jaw and Kindersley

The second wave of RFPs was released July 18 and included one opportunity in each of the following communities: Yorkton, Melville, Lloydminster, Moose Jaw and Kindersley. Deadline to submit proposals for Yorkton, Melville, Lloydminster, Moose Jaw and Kindersley opportunities is Aug. 30.

The news release and backgrounder issued with RFP Release #2 can be found at:
<http://www.saskatchewan.ca/government/news-and-media/2016/july/18/liquor-retail-rfps>

RFP Release #1 - Regina and Saskatoon

The first RFP process for retail store opportunities in Saskatoon and Regina began July 7. Deadline to submit proposals for the Regina and Saskatoon opportunities is Aug. 8.

The news release and backgrounder issued with RFP Release #1 can be found at:
<http://www.saskatchewan.ca/government/news-and-media/2016/july/07/rfp-for-retail-liquor-store-permits>

Other information

As detailed in the RFP document, there are a number of terms and conditions associated with Retail Store Permits. Some of these include:

Ownership of Multiple Retail Stores

In communities where more than one opportunity is being advertised (such as Regina and Saskatoon), a single operator cannot be awarded more than one of the available retail store permits.

As well, a single person or operator, or the directors, shareholders, employees of a person or operator, may operate multiple retail stores in Saskatchewan but will not be able to operate all the retail stores in a single community. (If a community has two retail store permits, the same operator cannot hold the retail store permit for both stores. If a community has three or more retail stores, a single operator can hold the retail store permit for all but one of the retail stores in that community).

Structure of Retail Store Permits

Retail stores operating in communities with more than 5,000 people, or in incorporated cities, will be required to operate as standalone businesses, not integrated within another business. While a retail store in a community with more than 5,000 people can be operated in conjunction with another business, it must be substantially separated from the other businesses and process all its transactions separately from the transactions of the associated business.

However, it is recognized that there are existing operators in such communities operating an 'integrated' retail model (ex. some city hotels/brew pubs sell alcohol for off-premise consumption from a location behind the bar, rather than a separate off-sale store). Such operations will be able to continue to exist as integrated facilities until the business is sold or transferred.

In communities with less than 5,000 people, which includes all 20 communities included in this third wave of RFPs, liquor retail sales can occur directly within an existing business. Liquor retail sales within an existing business (ex. hardware store, convenience store, etc.) is consistent with the current model of liquor retailers in small communities.

Moratorium

In order to provide some stability to the industry as Saskatchewan transitions to this new liquor retail system, there will be a two-year moratorium on the sale of retail store permits and/or relocation of existing retail stores. This does not apply to business owners who choose to relocate or sell their entire operation (as opposed to just the liquor retail portion of their business). The moratorium will be in effect when the 'level playing field' for all liquor retailers is implemented, expected to occur later this fall.

Employee involvement

In its November 2015 announcement, Government indicated that SLGA employees directly affected by the conversion of the 40 liquor stores would receive preferential consideration should they choose to apply for one of the retail opportunities. Proposals where such employees form all or part of the ownership of a proposed retail store will receive additional favour during the scoring process.

RFP Timeline

RFP#1

(Phase 1: Scheduled to be released July 7. Closes Aug. 8)

(Phase 2: Scheduled to be released Sept. 6. Closes Oct. 14)

Regina (2)

Saskatoon (3)

RFP#2

(Scheduled to be released July 18. Closes Aug. 30)

Yorkton
Kindersley

Melville

Lloydminster

Moose Jaw

RFP#3

(Scheduled to be released July 25. Closes Sept. 7)

Battleford
Hudson Bay
Unity
Hague
Preeceville

Tisdale
Outlook
Rosthern
St. Walburg
Kelvington

Rosetown
Waskesiu
Wilkie
Carrot River
Wadena

Shellbrook
Osler
Dalmeny
Wakaw
Aberdeen

RFP#4

(Scheduled to be released Aug. 2. Closes Sept. 13)

Emerald Park/White City
Kipling
Canora
Gravelbourg
Lanigan

Pilot Butte
Broadview
Kamsack
Davidson
Foam Lake

Indian Head
Bienfait
Leader
Shaunavon
Wynyard

Stoughton
Maple Creek
Gull Lake
Raymore
Watson

SLGA's Melfort liquor store will continue to operate until its lease expires in 2019. The RFP for that location will be released at that time.

*The complete RFP documents (posted on SaskTenders.ca) provide detailed information regarding these and other terms and conditions associated with Retail Store Permits.