

LICENSE BID PROCESS – SUPPLEMENTAL Q & A

These answers are located in the [West Virginia Code, Rules and the License Bid Packet](#):

(1) When you are the winning successful bidder for a retail outlet what does that give you? Such as only the right to open a store or does it come w/anything else like any type of stock or inventory or give you anything else for your store, or allow money towards anything?

The winning successful bidder for a retail outlet has the privilege to open a retail outlet in the Market Zone set for the retail outlet won. All winning successful bidders must operate a retail outlet within 90 days of July 1, 2010 (See 175 CSR 5). Failure to do so will result in the revocation of the license and loss of monies paid (See 175 CSR 5).

The winning successful bidder must also meet the WVABCA licensing requirements, background check, submit all documents, meet inspection requirements and pay all fees within 90 days of July 1, 2010 and prior to selling any liquor.

The retail outlet is a private entity. A retail outlet must purchase its own decorations; display units; storage units; and inventory such as liquor, beer (over 12% alcohol by volume), sake, certain wines and other West Virginia product through the WVABCA via electronic funds transfer. (See 175 CSR 1). The retail outlet as a private entity may choose whether to operate as a Class A license or Class B license and then meet the requirements of the particular license making the requisite expenditures to meet those requirements.

A license to sell nonintoxicating beer (12% or less alcohol by volume) is a separate license with a separate fee. Nonintoxicating beer is purchased from a Beer Distributor.

A license to sell wine is a separate license with a separate fee. Certain wines are purchased from a Wine Distributor.

(2) I am planning on having a partner to open the retail outlet or trying to win the bidding with me, does this mean that we need to file for everything together or does only one person need to file everything?

All partners shall be listed on the submitted documentation and must meet all licensing requirements. (See 175 CSR 1 and 175 CSR 5).

(3) When buying inventory what is the basic cost, everything has different prices, but for a normal 25 case order, a minimum order, that is listed in the WVABCA Quarterly Spirits Pricing Publication?

The price per case varies. Also depending on the type of retail outlet you will be operating a freestanding liquor retail outlet (Class A) or a mixed retail liquor retail outlet (Class B) your inventory levels would be different (See requirements in 175 CSR 1, 175 CSR 5 and License Bid

Packet). This is link to current WVABCA Spirits Catalog with pricing <http://portal.wvabca.com/Downloads/Catalog022010.pdf>

(4) What is average cost of the initial stocking for a new store, or are we set on consignment?

No consignment sales. Each retail outlet must purchase and owns its own inventory. See answer to Question 3 (See 175 CSR 1 and 175 CSR 5).

(5) Are all mark ups standard and set by to state, or does the owner of the store set prices at judgment?

See W. Va. Code §60-3A-17 a retail licensee must sell liquor at a minimum of 110% of its cost. The WVABCA checks and enforces this pricing requirement.

(6) I am interested in purchasing a retail outlet in _____ County I believe that it will be in the Zone ___, but what section do I need to bid in to get the area around a specific location?

Certain retail outlets are restricted to Designated Areas or specific geographic regions as noted in the License Bid packet and other areas are Dry Market Areas where no retail outlets are permitted. Any unrestricted Zone or Retail Outlet may be located anywhere within a Zone subject to the WVABCA licensing requirements in 175 CSR 1, 175 CSR 5 and the Rules (See the Retail Outlet License Available for Bid list).

(7) In the requirements I read that a freestanding liquor retail outlet has to be a freestanding building with no business on either side?

Please review 175 CSR 5 §5.2.5.b.3.

(8) In the License Bid Packet, it shows there is a retail outlet available with an already determined location in Zone _ in that case does it include the store, inventory, rent, shelving or are you getting someone else's business, what does this come with, and where is it located?

Certain retail outlets are restricted to a Designated Area in the Zone. You may need to check the website as noted in the License Bid Packet for details and locations of retail outlets restricted by Designated Areas as specified in the Zone County maps available at <http://www.abca.wv.gov/rebid2010/Documents/2010rebidBook.pdf>. Also see the Retail Outlet License Available for Bid list.

You are not buying anyone's business. You must build, lease, construct or otherwise operate a retail outlet within 90 days of July 1, 2010 (See 175 CSR 5). Failure to be operation on or before 90 days of July 1, 2010 will result in the revocation of your license and a loss of any monies paid (See 175 CSR 5).

(9) Do private clubs buy from the state or from the retail outlets? See 175 CSR 5 private clubs may only purchase from any retail outlet within the Zone or a Contiguous Zone where the private

club is located. Private clubs are prohibited from purchasing from out of state and bootlegging liquor into West Virginia (See 175 CSR 2). Delivery of alcoholic liquors by a retail outlet is prohibited (See 175 CSR 5). The private clubs must transfer their purchases from the retail outlet (See 175 CSR 2).

(10) When placing a bid on a retail outlet, explain what is the actual amount of the cashier's check or money order, irrevocable letter of credit or surety bond?

See License Bid Packet FAQ # 7. The amount enclosed to secure your bid is 25% of your actual bid amount whether it is cashier's check or money order, irrevocable letter of credit or surety bond.

Also in addition if we don't win the bidding is 100% of our money is refunded we placed as bid?

See License Bid Packet FAQ # 11.