INTRODUCTION

State law allows suppliers to offer merchandise not available in Fine Wine & Good Spirits (FW&GS) stores to licensees and/or consumers through Special Orders (SO).

This guide provides general information, requirements and instructions for suppliers currently participating in or interested in participating in the PLCB’s SO program.

Questions regarding the SO program should be directed to RA-LBSLO@pa.gov.

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HOW TO PARTICIPATE AS AN SO SUPPLIER

Suppliers may offer merchandise not available through stores for sale to licensees and/or the general public through Special Orders (SO). SO products are sold through the Licensee Online Order Portal (LOOP) for licensees and through FWGS.com for retail customers. SO stock is maintained by suppliers, and products may be delivered to Fine Wine & Good Spirits (FW&GS) stores for customer pickup or via direct delivery to licensees.

Suppliers providing wine and spirits through SO will use the PLCB’s SO Portal to manage SO business. Through the SO Portal suppliers can:

• Submit new SO items, check for item approval or rejection, manage item and freight costs, enter orders on behalf of licensees and process orders through fulfillment.
• View orders to determine delivery requirements and track product receipt and sale.
• Locate cancelled orders to determine if product needs picked up from stores.

Suppliers must submit quotes for SO items through the SO Portal, and separate quotations are required for each product, each vintage and each size of the same product. All quotations must be filed using per-bottle pricing. Suppliers may access the SO Portal Guide for assistance in using this platform.

Suppliers not already registered for the SO Portal that want to offer SOs for sale in Pennsylvania should email RA-LBSLO@pa.gov to express interest in participating in the SO program.

SO PROGRAM BASICS

The following is an outline of general SO program requirements and parameters.

• Any items stocked by the PLCB – including listed, luxury and one-time buy items – cannot be made available through the SO program.

• The PLCB reserves the right to refuse SOs that are substantially similar to regular stock items and/or to require that any SO items be made available as regular stock items.

• All SOs and SO payments must be submitted to the PLCB for processing. Retail and licensee customers pay the PLCB for SO products ordered through LOOP and FWGS.com, and PLCB then pays suppliers for orders fulfilled.

• All SO purchases (licensee and individual consumer) must be paid for in full by the customer before the order is shipped by the supplier.

• All SO items are subject to a 10% statutory markup, 18% liquor tax and state and local sales taxes.

• Suppliers are permitted to impose a statutorily defined freight fee (that can be adjusted daily) for SO items, up to a maximum of $3 per 750 ml bottle. Freight is included in the retail price of SO items, but it is not subject to sales tax.

• SOs delivered to FW&GS stores and licensee service centers (LSC) are subject to the logistics, transportation and merchandising factor (LTMF) assessed on all products the PLCB handles.

• Suppliers are responsible for payment of any costs associated with shipping SO items to FW&GS stores and shipping returned SO items from FW&GS stores back to the supplier. However, suppliers are permitted to account for these costs when determining bottle prices and freight charges.

• Suppliers are permitted to initiate SOs on behalf of licensees, but licensees must approve or reject each supplier-placed order in LOOP.

• SOs direct delivered to licensees may include a supplier-imposed delivery fee, determined by supplier on an order-by-order basis, then displayed to the licensee for approval or rejection of the order.
• Suppliers are responsible for authorizing returns or refunds for SO items and coordinating the same with the PLCB’s SO Division, with returns flowing through FW&GS stores or LSCs.

• SOs made available by suppliers to individual consumers will be featured for sale at FWGS.com. Licensees wishing to place their own SOs can also do so through FWGS.com.

• Suppliers must package each SO individually and securely, completing and applying a PLCB-provided SO label to each package. Suppliers are responsible for ensuring the accuracy of orders prior to shipment.

• Suppliers are responsible for providing contact information and information pertaining to dispute resolution within each SO package.

• Suppliers are not permitted to pick up returned product from licensees directly, and all SO returns must be made to FW&GS stores or LSCs in order for refund processing to occur. In cases where suppliers do not wish to have product returned to them, the PLCB will impose a fee of 30 cents per bottle to destroy the product in-store.

• All in-store SO customers, licensee and non-licensee, will have 15 calendar days to pick up an order in store, once it is received in store and notice is sent to the customer. A processing fee (50% of total order amount, up to a maximum of $100) will be deducted from the refund of any customer whose SO is cancelled because the customer failed to pick up the order.

• The PLCB will provide email updates to licensees and individual consumers regarding SO fulfillment.

**LICENSEE APPROVAL AND PRE-PAYMENT OF SUPPLIER-ENTERED SOs IN LOOP**

All supplier-entered SOs require licensee approval and payment authorization via the Licensee Online Order Portal (LOOP).

• To receive SOs, licensees must register for LOOP, select the SO enrollment checkbox upon registration and provide payment information.

• Suppliers can place orders in the SO Portal for a licensee once the licensee has completed SO registration and provided payment information in LOOP. If a supplier is unable to access a certain license identification (LID) number, that licensee has not yet completed SO registration in LOOP.

• Once a supplier enters an order for a licensee in the SO Portal, the LOOP-registered licensee will receive email notification and be prompted to approve the order in LOOP. Licensees do not have the option to alter or adjust an order entered by a supplier; licensees will only be able to accept an order as entered or reject and cancel the entire order.

• Licensees paying with ACH debit information on file in LOOP will see their accounts debited as orders are fulfilled by suppliers. In the case of credit card payment, upon licensee approval, a hold will be placed on the licensee’s credit card, then the card will be charged as suppliers fulfill each order.

• The licensee’s order approval or rejection will be reflected within the SO Portal so the supplier knows when an order has been paid in full and may be fulfilled or must be cancelled.

• Suppliers do not have the ability to alter or adjust an order after it has been approved and placed by a licensee in LOOP. The supplier must either ship the merchandise as ordered/approved and paid for, or it must cancel the transaction, notifying the PLCB of the reason the order was cancelled (e.g., temporarily out of stock, item no longer available, etc.). Any modifications will require that a new order be initiated.

It is incumbent upon suppliers and licensees to clearly and openly communicate product needs, expectations and availability to facilitate timely, complete and accurate product orders and shipments.
DIRECT DELIVERY OF SOs TO LICENSEES

New in 2022, suppliers wishing to deliver SOs directly to licensees may do so.

- SO direct delivery is an option for all SO suppliers across all licensee accounts, and each supplier may determine what product(s) it wants to direct deliver to what licensee(s) and what delivery charge(s) to impose, on an order-by-order basis.
  - If a supplier doesn’t want to direct deliver to any licensees, it can continue store deliveries with no changes to those processes or item pricing inclusive of LTMF.
  - If a supplier wants to direct deliver SOs to licensees for varying delivery fees, it may. Suppliers will determine what will be delivered directly and what delivery fee to impose on an order-by-order basis.

- In the supplier portal, the supplier will propose direct delivery (and a delivery fee per order) or store delivery per order.
  - For store-delivered SOs, the retail price will include LTMF, and LTMF will be visible to suppliers in the SO Portal and to licensees in LOOP when they review the order proposed.
  - No additional delivery fee will apply to store-delivered SOs.
  - LTMF will not be imposed on direct-delivered orders, but suppliers will be able to assess delivery fees on a per order basis as deemed operationally appropriate.

- Regardless of delivery destination, each supplier-placed order will route for licensee approval. Licensees will see a comparison of store-delivered prices (inclusive of LTMF) vs. direct delivery prices without LTMF (but perhaps with a supplier-imposed delivery fee), and the licensee will have the option to accept or reject the order as submitted by the supplier.

- If a supplier does NOT intend to direct deliver to one or more licensees, it behooves the supplier to communicate that to licensees, so there is no confusion if/when store delivered orders are submitted by the supplier for licensee approval.

- For each direct-delivered SO, the supplier must confirm delivery in the SO Portal by uploading a file including the clearly printed/typed name, title and signature of the person receiving the order on behalf of the licensee. If the supplier opts to utilize a third-party transporter for hire, the vendor will have to upload the delivery confirmation provided by the carrier/shipper of choice.

SOs SOLD VIA FWGS.COM

The e-commerce store at FWGS.com accepts and processes SOs for individual consumers and licensees wishing to enter and place their own SOs.

FWGS.com features all items designated as available for sale by suppliers and not restricted by a supplier as licensee-only.

SOs placed on FWGS.com are transferred to the SO Portal as they are placed by customers, and SO suppliers must either accept in full or reject in full each order within seven calendar days, then ship as detailed further herein.

Suppliers do not have the ability to alter or adjust an order after it has been placed by a customer on FWGS.com. If a supplier does not accept and prepare an order for shipment within seven calendar days of the order being placed and appearing in the SO Portal, the order will be cancelled, and the customer will receive email notification that the order was cancelled because the supplier was unable to fulfill it.

Credit card payment for SOs placed through FWGS.com will be authorized at the time each order is placed (a hold will be placed on the credit card), and the customer’s credit card will be charged as each order is prepared for shipment by the supplier.

Direct delivery of SOs is not currently available through FWGS.com.
SHIPPING AND DELIVERY

Suppliers will have 30 calendar days from the date a licensee approves and pays for a supplier-entered order to make the order available in-store or via direct delivery. Orders not received in-store or through direct delivery within 30 days of the licensee’s order approval will automatically be cancelled on the 31st day following licensee approval.

In the case of e-commerce orders, suppliers will have 30 calendar days from acceptance of the order in the SO Portal to make the order available in-store.

Suppliers may ship SOs via properly licensed transporters for hire or deliver the orders themselves, assuming they hold a license that authorizes the transportation of alcoholic beverages within Pennsylvania, as is the case currently. Suppliers must indicate in the SO Portal:

- An estimated delivery date
- A shipment tracking code (for orders delivered through common carrier)

A supplier’s entry of an estimated delivery date or shipment tracking code will trigger payment processing from the customer.

Shipping details provided by suppliers, including a shipment tracking code or estimated delivery date, will also be emailed by the PLCB to the SO customer for both supplier-entered orders and orders placed by customers on FWGS.com. To facilitate optimal customer service and effectively set customer expectations regarding delivery, it is critical that suppliers enter an accurate shipment tracking code or estimated delivery date information.

PACKAGING AND LABELING REQUIREMENTS

Suppliers are required to package each SO individually and securely, ensuring accuracy and completeness of each order prior to shipment.

Each package must separately feature a PLCB-provided label containing information that will allow quick and easy identification of the order and customer. The label, which will include barcoding enabling store receipt, will be created and available within the SO Portal after payment is successfully received from the customer (if payment fails, the order will be cancelled) and after the supplier enters either a shipment tracking code or estimated delivery date.

Labels are subject to the following requirements:

- Labels must be at least 4" wide by 6" tall.
- The label for each SO may be printed multiple times to accommodate a separate label for each package within an SO.
- The supplier must enter its contact information in the space provided on each label. The contact information may be used by FW&S store/LSC staff or SO customers to discuss the status of or issues related to the SO.
- The supplier must also indicate how many packages are in each SO by designating in the space provided on the label “Box 1 of 1,” “Box 1 of 2,” “Box 2 of 2,” etc.

Each SO package must also include information regarding dispute resolution.
STORE RECEIPT OF SOs AND CUSTOMER PICKUP

Upon arrival of an SO at a FW&GS store, staff will inspect the exterior of the package(s) for visible signs of damage.

- If there is no visible damage, the order will be received by store staff, and an automated, system-generated email will be sent notifying the customer the order is available for pickup.

- In cases where one or more packages of an order is damaged, the store will receive the undamaged packages, and an automated, system-generated email will be sent notifying the customer the order is available for pickup. Damaged items will be adjusted as returns by the store, and a refund will be issued to the customer for the damaged portion of the order. The SO Division will contact the supplier to facilitate resolution of the matter, should the damaged product need to be returned to the supplier or reordered for the customer.

If an SO product is damaged in the store after the undamaged product was received, similar processes for order adjustment will be pursued by the store and SO Division.

Licensees and individual consumers electing for in-store pickup must pick up SOs within 15 calendar days of notification that the order is available in-store. If an SO is not picked up within 15 calendar days, the order will be returned to the supplier and become subject to a processing fee of 50% of the total order amount, up to a maximum of $100. The processing fee will be deducted from the customer’s refund for the order.

SO PAYMENT TERMS

By law, the PLCB must process SO transactions, both receiving and refunding payments from SO customers and issuing payment to SO suppliers upon completion of successful customer transactions.

Each order will be paid in full to the PLCB by the customer (licensee and individual consumer) prior to supplier fulfillment.

Suppliers will be paid for each order within 60 days of store or direct delivery receipt of the order.

RESOLUTION OF ORDER DISPUTES AND DIRECT DELIVERY DAMAGES

The PLCB is required by law to process all payment transactions for SOs, including the issuance of refunds. Therefore, all SO returns and refunds must be coordinated with the PLCB.

Within each SO package, the supplier must include contact information and instructions for a customer (licensee or individual consumer) to pursue dispute resolution with the supplier. Each supplier has the discretion to determine whether it will accept returns and to set parameters for when and how it will accept returns, and such information must be included with the contact information for a customer whose SO did not meet expectations. Returns will only be accepted up to 30 calendar days from the date the customer picks up the SO from a FW&GS store or receives via documented direct delivery.

In the case of direct delivery between supplier and licensee, any damages noted by the licensee upon delivery should be noted on the delivery paperwork when signing to acknowledge the delivery. Any damaged product found after the delivery is completed should be discussed with the supplier. Damage should always be photographed, should evidence of damage be required in order for the PLCB to process a refund. Damaged SOs received via direct delivery should be communicated to the SO Division for determination of a joint resolution between the supplier and customer.

Once the supplier and customer have agreed upon resolution of the order dispute or damage, the supplier must contact the SO Division (1-800-332-7522, option 1, or RA-LBSLO@pa.gov) to notify the PLCB of the resolution and related product return(s), partial or full refunds, order cancellation and/or creation of a new order. If replacement of returned items is sought, this will require creation of a new order. Exchanges are not permitted.

Any returned SO product must be physically presented at a FW&GS store in order for the return to be accepted and approved by the PLCB. Suppliers are not permitted to pick up returned product from licensees directly. The transfer
of anything of value between suppliers and licensees without the payment of proper consideration is generally prohibited by law. As such, the physical presentation of licensee SO returns at a FW&GS store ensures refund payments can be made lawfully.

FW&GS stores will only accept SO returns from customers who have been pre-authorized by the PLCB SO Division. Therefore, it is incumbent on a supplier to notify the SO Division as soon as resolution is agreed upon so the SO Division can, in turn, timely notify the store that a customer will be returning product.

At the supplier’s discretion, SO product returned to a FW&GS store may be picked up by the supplier, shipped back to the supplier at the supplier’s expense or destroyed by the PLCB. The supplier must communicate this decision to the SO Division when providing notice of the order dispute resolution. If the supplier requests the product be destroyed, the PLCB will impose a fee of 30 cents per bottle to destroy the product in-store. If the supplier elects to have the product returned via common carrier, it will continue to be responsible for providing the return shipment label to the SO Division, which will forward the shipping label to the designated store. If the supplier elects to pick the product up themselves, the supplier is expected to do so within 30 days. Product not picked up within this timeframe will be destroyed at the discretion of the PLCB at a fee of 30 cents per bottle.

FW&GS stores will not evaluate the condition or quality of returned SO items; a store will simply accept the returned merchandise and then proceed with destroying the product, holding the product for supplier pickup, or affixing the common carrier label and shipping the product back to the supplier.

Suppliers are reminded that all SO dispute matters are to be coordinated with the SO Division, and suppliers are discouraged from contacting stores directly to discuss returns.

**ASSISTANCE**

Please direct questions regarding the SO program or this guide to the PLCB’s SO Division at RA-LBSLO@pa.gov or 1-800-332-7522, option 1.