

FINE WINE & GOOD SPIRITS



SPECIAL ORDER PROGRAM GUIDE

INTRODUCTION

State law allows suppliers to offer merchandise not available in Fine Wine & Good Spirits (FW&GS) stores or licensee service centers (LSC) to licensees and/or retail customers as Special Orders (SO).

This guide provides general information, requirements and instructions for suppliers currently participating or seeking to participate in the Pennsylvania Liquor Control Board's (PLCB) 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 FW&GS stores or LSCs for sale to licensees and/or the general public through SOs. SO products are sold through the Licensee Online Order Portal (LOOP) for licensees and through FWGS.com for retail customers and licensees that don't use LOOP. SO stock is maintained by suppliers, and products may be offered for delivery to FW&GS stores or LSCs for customer pickup, or offered for direct delivery to licensees' and retail customers' addresses.

In order to submit items for the PLCB's consideration as SOs for licensee and/or retail sale, a supplier must be appropriately licensed in Pennsylvania and [registered in the PLCB's Oracle Supplier Portal](#).

Once a supplier has portal access, it must submit SO items for consideration through the Oracle Supplier Portal, also completing and submitting via email a separate eligibility form. Separate requests are required for each product, each vintage and each size of a product. All requests must be submitted using per-bottle costs and pricing.

For assistance in using the Oracle Supplier Portal, suppliers can refer to the [Create and Submit Special Order Items in the Oracle Supplier Portal Quick Reference Guide](#), available under the "Suppliers" tab of lcb.pa.gov.

SO PROGRAM BASICS

Following is an outline of general SO program requirements and parameters.

- Any items stocked by the PLCB – including listed 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 related payments must be processed by the PLCB. Retail and licensee customers pay the PLCB for SO products ordered through LOOP and FWGS.com, and the PLCB then pays suppliers for orders fulfilled.
- All SO purchases (licensee and retail customer) must be paid for in full by the customer before the order is shipped or delivered by the supplier.
- All SO items are subject to a 10% statutory markup, 18% liquor tax and state and local sales taxes. SOs are not eligible for the 10% licensee discount.
- Suppliers are required to impose a statutorily defined freight fee for SO items. Maximum freight is determined by size using the Special Order Maximum Freight Allowances for Suppliers page on lcb.pa.gov. 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 LSCs are subject to the PLCB's logistics, transportation and merchandising factor (LTMF), which is \$2.00 per unit (regardless of unit size or category) as of Jan. 1, 2024. The PLCB will review the LTMF rate regularly and update when necessary, so that the fee fairly reflects the PLCB's costs of handling SOs.
- Suppliers are responsible for payment of any costs associated with shipping or delivering SO items to PLCB locations and shipping or delivering returned SO items from FW&GS stores back to the supplier. However, suppliers are permitted to account for these costs when determining product costs and freight charges.
- Suppliers authorized to create SOs on behalf of licensees in LOOP are permitted to initiate SOs on behalf of licensees, but licensees must approve or reject each supplier-placed order in LOOP.
- Suppliers opting to direct deliver SOs to licensee and/or retail customers may include a supplier-imposed delivery fee:
 - ♦ On a per-order basis for licensee orders.
 - ♦ On a per-bottle basis for retail orders.

Such supplier-imposed delivery fee will be displayed to the customer before an order can be completed.

- Suppliers are responsible for providing contact information and information pertaining to dispute resolution within each SO package.
- Suppliers are responsible for authorizing returns or refunds for SO items and coordinating the same with the PLCB's SO Division. In situations where suppliers do not wish to have product returned to them, the PLCB will impose a fee of \$3 per bottle to destroy the product.
- 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 and completeness of orders prior to shipment.
- Licensee and non-licensee customers picking up orders at PLCB locations will have 15 calendar days to pick up an order once it is received at the store or LSC. 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 PAYMENT OF SUPPLIER-ENTERED SOs IN LOOP

In order for a supplier to place orders on behalf of a licensee in LOOP, the supplier must first be authorized by the licensee to do so. All supplier-entered SOs require licensee approval and payment authorization via LOOP.

- If a supplier is unable to access a certain license identification (LID) number in LOOP, either the LID is not active in LOOP, or that licensee has not yet authorized the supplier representative to place SOs on its behalf.
- Once a supplier enters an order for a licensee in LOOP, the licensee will receive email notification to review 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 can edit the payment method on a vendor-submitted SO if they choose.
- Payment processing for SOs is triggered by a supplier's creation of an advance shipment notice (ASN) for the order.
- For orders entered through LOOP, the licensee's order approval or rejection will be reflected within the Oracle Supplier Portal so the supplier knows when an order may be fulfilled or must be cancelled.
- Suppliers do not have the ability to alter or adjust an order after it has been approved 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 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.

SOs SOLD VIA FWGS.COM

FWGS.com enables retail customers and licensees that don't use LOOP to purchase SOs designated as available for retail sale by suppliers.

Suppliers use the Retail Special Order Portal (RSOP) to fulfill or cancel SOs placed on FWGS.com. Suppliers must either accept in full or reject in full each order within seven calendar days, then ship or deliver 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 or delivery within seven calendar days, 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.

SOs may be shipped or delivered to a FW&GS physical store location for pickup, or, if the product supplier offers such an option, may be directly delivered to a non-store location. SO product ordered via FWGS.com can not be shipped to a PLCB LSC location for pickup.

DIRECT DELIVERY OF SOs

Suppliers wishing to deliver SOs directly to licensees or retail customers may do so.

TO LICENSEES:

- 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 shipments/deliveries.
 - ♦ 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 LOOP, 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 the LTMF, and the LTMF will be visible to suppliers and to licensees in LOOP.
 - ♦ No additional delivery fee will apply to store-delivered SOs.
 - ♦ The LTMF will not be imposed on direct-delivered orders, but suppliers will be able to assess delivery fees on a per-order basis.
- 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 upload proof of delivery in the Oracle Supplier Portal, as an attachment, along with the supplier-created invoice. The proof of delivery attachment must include the clearly printed/typed name, title and signature of the person receiving the order on behalf of the licensee, the number of units delivered and the date of delivery. 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.

TO RETAIL CUSTOMERS:

- The RSOP will display direct-delivery versus store-delivery fees to the retail customer, the first inclusive of any per-bottle delivery fee imposed by the supplier, and the latter inclusive of LTMF.
- For each direct-delivered retail SO, proof of delivery must be provided to the PLCB upon request.

SHIPPING AND DELIVERY

Suppliers will have 30 calendar days from order submission (licensee approval or supplier acceptance of retail SOs) to fulfill the order in full and make it available in-store/LSC or via direct delivery. Orders not received within 30 days will be cancelled by the SO Team.

Suppliers may ship SOs via properly licensed, transporters-for-hire or deliver orders themselves, assuming they hold a license that authorizes the transportation of alcoholic beverages within Pennsylvania.

A supplier's entry of an ASN will trigger payment processing from the customer.

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.

For licensee orders, the label will be available within the Oracle Supplier 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.

For retail SOs, the label will be available within the RSOP after the supplier acknowledges the order and payment is successfully received from the customer (if payment fails, the order will be cancelled).

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&GS 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 or LSC, staff will inspect the exterior of the package(s) for visible signs of damage.

- If there is no visible damage, the order will be accepted 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 SO Division, 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 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, or as otherwise set forth in the PLCB's Regulations. Please note that pursuant to the PLCB's Regulations, returns from licensees may only be accepted for "ordinary and usual commercial reasons" limited to the following: defective products; an error in product delivered; products that may no longer be lawfully sold; product subject to recall or withdrawal; manufacturer changes to product formula, proof, labeling or containers; and discontinued products. Returns from licensees cannot be accepted if the product is overstocked or slow-moving; the products are in limited or seasonal demand; the licensee has changed its menu or made a similar business decision within its own control; the product was damaged after it left the custody or control of the PLCB, or for any other reason other than those previously identified.

In the case of direct delivery, any damages noted by the customer 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 and the supplier will contact the SO Division for determination of a joint resolution between the supplier and customer. Damage should always be photographed, if evidence of damage is required, in order for the PLCB to process a refund.

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.

NOTE: The transfer of anything of value between suppliers and licensees without the payment of proper consideration is generally prohibited by law.

At the supplier's discretion, SO product returned to a FW&GS store or LSC 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 \$3 per bottle to destroy the product. 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 PLCB location. 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 \$3 per bottle. Orders that are abandoned by customers (after 15 days) should also be picked up by the supplier within 30 days of the abandonment or product will be destroyed by the PLCB at a fee of \$3 per bottle.

FW&GS stores and LSCs will not evaluate the condition or quality of returned SO items; PLCB locations will simply accept the returned merchandise and 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.