POLICIES AND PROCEDURES FOR WINE & SPIRITS VENDORS
INTRODUCTION

The Pennsylvania Liquor Control Board (PLCB) is proud to fulfill an obligation of value and service to our customers and all Pennsylvanians. To meet this obligation, we strive to stay well-informed about consumer demands and the rapidly changing landscape of modern American merchandising. We endeavor to utilize best business practices and maintain high and respectable standards in procuring products to stock the shelves of Pennsylvania Fine Wine & Good Spirits (FW&GS) stores.

This manual serves as an informational reference guide for wine and spirits vendors pursuing business with the PLCB and acquaints new and prospective vendors with the PLCB’s policies and procedures for marketing and selling products in Pennsylvania.

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REGULAR STOCK LISTING

The PLCB reviews listing proposals twice a year for regular stock items, which are products available for sale at all brick-and-mortar FW&GS stores. Listing proposals are only accepted during the open listing periods. Listing periods are announced via email to all vendors on our distribution list. To request addition of an email address to the distribution list, please contact the Product Selection team. Each listing email announcement contains instructions, a New Item Submission Sheet and deadlines specific to each listing period.

In order to submit a listing proposal, a vendor must have a license from the federal Alcohol and Tobacco Tax and Trade Bureau.

Each vendor whose products are selected for listing must also obtain a Pennsylvania Vendor Permit from the PLCB’s Bureau of Licensing. A vendor’s permit fee of $265 and a filing fee of $700 must be submitted with the permit application. Payment of licensing fees does not guarantee the listing of your product.

A listing submission must include the following elements:
1. New Item Submission Sheet – All items from the same vendor should be submitted on one form to the email address specified in the listing announcement.
2. A non-refundable listing submission fee of $150 per item, per size, submitted as instructed in the listing email announcement. Payment of the listing fees does not guarantee the listing of your product.
3. Late and incomplete submissions may be rejected.
4. Items will be pre-scored based on category roles assigned to each marketing category and price segment.
5. Items successfully passing initial scoring will be asked to submit samples for review.
6. Items that pass the sampling review will be invited to offer a formal presentation to the category managers.
7. At the formal presentation the following is required:
   • One copy of a properly completed Standard Quotation and Specification Form for each item;
   • One copy of the TTB approval of the current UPC label;
   • A copy of the New Item Submission Sheet, only if there have been changes since the form was submitted; and
   • Any other information the vendor deems appropriate.
8. The Standard Quotation and Specification Form, which may only be accessed once a vendor reads and consents to the PLCB’s Standard Contract Terms and Conditions for Purchase Order. All product must be quoted to the PLCB on a delivered basis.
9. Category managers will discourage vendors from presenting products that are not a good fit for the FW&GS portfolio. The vendor may still wish to submit the product, understanding that it may be rejected.
10. Category managers will make recommendations to accept or reject items based on factors including price segment growth, category growth, projected annual profit per store and marketing support proposed by the vendor.
11. The Director of Product Selection will submit recommendations to the Board for final decision.
12. Vendors who submitted items for consideration will be notified in writing of the Board’s decision regarding their items. Inquiries regarding item approval will not be addressed prior to Board decision. Board decisions are available in Board meeting minutes posted on the PLCB website.

All product sizes will be considered, from 50mL to 5L (still wine) and 6L (sparkling wine and Champagne). Size extensions follow the same listing calendar as all other items.

When submitting listings for new products and/or updates to existing products, vendors should refer to the E-Commerce Policies and Procedures Guide for Vendors to ensure that all are correctly represented on FWGS.com, in digital marketing and in print materials. The guide provides clear instructions for writing and submitting product names and descriptions, marketing materials and uploading product bottle shots and details.
NEW ITEM FOLLOW-UP

Newly listed items will be reviewed three months after Board approval to ensure inventory arrived in the appropriate stores.

New products will be reviewed again six months after the product is listed. Category managers will check to make sure all marketing support initially proposed by the vendor has taken place. If marketing support is not executed, the item will be considered for de-listing.

Marketing support follow through will be reviewed again after 14 months. Category managers may recommend a product be delisted at that time if the product is underperforming and/or marketing support commitment has not been executed. To determine if a product is underperforming, category managers will compare cases sold per store to the vendor’s sales projections. Other factors, such as case and profit share and item trend, may be considered.

DE-LISTING REGULAR STOCK ITEMS

Product categories are reviewed and evaluated against performance standards, allowing for more efficient management of assortment and space and providing reasonable time to remove delisted products prior to the introduction of new listings.

In order for FW&GS to offer new products and increase supply chain efficiencies, it removes products from its portfolio that do not enhance the overall product selection or meet sales expectations. FW&GS may also request a voluntary de-list of listed codes that are consistently out of stock for more than two months. Please refer to our Listing/Delisting Calendar for delisting periods.

If an item is determined by the vendor to be unprofitable or inconsistent with its marketing philosophy, the vendor may request the item be delisted. FW&GS will not willingly delist any item that is well received by Pennsylvania consumers. If the vendor, however, decides to withdraw an item from the national market, FW&GS will comply with a request for de-listing.

The Director of Product Selection will submit recommendations for delisting, based on established delisting methodology, to the Board for consideration. Vendors will be notified in writing of product de-listing.

REGULAR STOCK CONTACTS

<table>
<thead>
<tr>
<th>Ron Murphy</th>
<th>717-512-2500</th>
<th><a href="mailto:ronmurphy@pa.gov">ronmurphy@pa.gov</a></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ron Murphy</td>
<td>Vodka</td>
<td>717-216-9872</td>
</tr>
<tr>
<td>Elissa Tedesco</td>
<td>Gin</td>
<td><a href="mailto:eltedesco@pa.gov">eltedesco@pa.gov</a></td>
</tr>
<tr>
<td>Elissa Tedesco</td>
<td>Cocktails/Mixers - this includes nonalcoholic consumables</td>
<td></td>
</tr>
<tr>
<td>Stephen Reso</td>
<td>Ready to Drink</td>
<td>717-705-1726</td>
</tr>
<tr>
<td>Sue Schneider</td>
<td>Domestic Whiskey - Flavored &amp; Unflavored</td>
<td><a href="mailto:suschneide@pa.gov">suschneide@pa.gov</a></td>
</tr>
<tr>
<td>Sue Schneider</td>
<td>Rum</td>
<td><a href="mailto:sreso@pa.gov">sreso@pa.gov</a></td>
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<tr>
<td>Sue Schneider</td>
<td>Liqueur or Cordials</td>
<td>US Wines</td>
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<tr>
<td>Sue Schneider</td>
<td>Brandy/Cognac</td>
<td>Cider (&gt;8.5%)</td>
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<td>Sue Schneider</td>
<td>Tequila</td>
<td>4 Pack Wines</td>
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<td>Sue Schneider</td>
<td>Scotch</td>
<td>U.S. Sparkling</td>
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<td>Sue Schneider</td>
<td>Canadian Whisky</td>
<td>5L &amp; 3L Boxed Wines</td>
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<tr>
<td>Sue Schneider</td>
<td>Irish Whiskey</td>
<td>Alternative Packaging</td>
</tr>
<tr>
<td>Sue Schneider</td>
<td>Other imported Whiskey</td>
<td>Champagne Imported Sparkling</td>
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PREMIUM PRODUCT MANAGEMENT

Premium wines and spirits are personally selected utilizing FW&GS buying power and strong relationships with wineries and suppliers all over the world. These high quality, unique and often rare products are sold at more than 110 Premium Collection stores located across Pennsylvania.

Premium products are managed geographically and reviewed for soundness, price/value relationship and market appeal. The Premium Division reviews wines during offering periods throughout the calendar year to ensure a constant flow of the world’s best wines into our Premium Collection stores.

To learn more about the premium product portfolio and explore whether a specific product may fit within this category, vendors should contact the appropriate buyer identified below.

**PREMIUM CONTACT INFORMATION**

<table>
<thead>
<tr>
<th><strong>Matthew Volker</strong></th>
<th><strong>Robert Eckard</strong></th>
<th><strong>James Lee</strong></th>
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<tbody>
<tr>
<td>717-346-7193</td>
<td>717-787-0194</td>
<td>717-783-3363</td>
</tr>
<tr>
<td><a href="mailto:mvolker@pa.gov">mvolker@pa.gov</a></td>
<td><a href="mailto:reckard@pa.gov">reckard@pa.gov</a></td>
<td><a href="mailto:jamelee@pa.gov">jamelee@pa.gov</a></td>
</tr>
<tr>
<td>Italy</td>
<td>Spain</td>
<td>California</td>
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<td>Greece</td>
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<td>Asia - including Sake</td>
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<td></td>
<td>Kosher</td>
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<tr>
<td></td>
<td>Misc. Europe</td>
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<thead>
<tr>
<th><strong>Jacqueline Spironello</strong></th>
<th><strong>John Wagner</strong></th>
<th><strong>Product Selection</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>717-214-6762</td>
<td>717-787-8653</td>
<td><a href="mailto:RA-LBProductSelect@pa.gov">RA-LBProductSelect@pa.gov</a></td>
</tr>
<tr>
<td><a href="mailto:jspironell@pa.gov">jspironell@pa.gov</a></td>
<td><a href="mailto:johnwagn@pa.gov">johnwagn@pa.gov</a></td>
<td>e-Commerce</td>
</tr>
<tr>
<td>Australia</td>
<td>Accessories (non-consumable)</td>
<td></td>
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<tr>
<td>New Zealand</td>
<td>North America (excluding CA)</td>
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<td>Africa</td>
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<tr>
<td>South America</td>
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<tr>
<th><strong>Michael Demartinis</strong></th>
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<tr>
<td>717-857-3255</td>
</tr>
<tr>
<td><a href="mailto:mdemartini@pa.gov">mdemartini@pa.gov</a></td>
</tr>
<tr>
<td>France</td>
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</tbody>
</table>
CHAIRMAN’S SELECTION®

The Chairman’s Selection® Program is a unique opportunity for wine suppliers to get brand exposure in one of the biggest markets in the country. To participate, a vendor must provide a minimum 35% discount from a nationally quoted or winery retail price, and wines must be vintage- and appellation-specific.

Chairman's Selection wines are hand-selected to provide savvy consumers both world-renowned wines and undiscovered gems.

CHAIRMAN’S ADVANTAGE®

The Chairman’s Advantage® Program features uncomplicated wines that over-deliver for consumers, with retail prices of $10 or less per bottle of wine.

Questions regarding the Chairman's Advantage and Chairman's Selection programs can be directed to Josh Hull at joshull@pa.gov.

PENNSYLVANIA PROUD

Recognizing consumer’s interest in buying local and the significant impact that Pennsylvania wines and spirits have on Pennsylvania’s agriculture and tourism industries, the PLCB is committed to partnering with Pennsylvania wineries and distilleries.

In-state wineries and distilleries may select up to 10 products to place in up to 10 FW&GS stores of their choosing.

Pennsylvania wine goes through a process very similar to the regular listing process, but new items are only considered once a year, each spring.

For more details, explore the PA Preferred® Wine Program or the Pennsylvania Spirits Program.

NON-CONSUMABLE ACCESSORIES

Suppliers interested in having non-consumable accessories – for example corkscrews, bottle toppers, wine bags, glassware and barware – featured in FW&GS stores should contact the Product Selection team.
SUPPLY CHAIN REQUIREMENTS

If a vendor’s product will flow through a PLCB distribution center to standard and premium collection FW&GS stores, certain packaging and shipping conditions must be met.

All shipments of wine and liquor to the PLCB must be packed in shipping containers (complete outer and inner packaging) that will assure carrier acceptance and safe transportation to a distribution center; handling and stacking in the distribution center; reshipment from the distribution center to the final destination; and handling and stacking in the stores. The packages must comply in all respects with the governing classification of common carrier.

Packaging and Labeling Requirements
Each case shipped to the PLCB must be labeled with the following:
   a) Shipping Container Code (SCC) – EAN/UCC-14 barcode appearing and readable on two adjacent sides of each case
   b) PLCB item code number appearing on one end of each case
   c) Brief product description (including brand name, size, proof or vintage) appearing on one end of each case
   d) Universal Product Code (UPC) barcode appearing on one end of each case
   e) Consumer-readable freshness date, if this date is printed on the retail unit

If a shipment is received by the PLCB from a vendor bearing an incorrectly formatted or affixed label or one bearing unrecognized coding, distribution of the merchandise to stores will be delayed until the cases are properly identified and labeled. Corrections will be made by distribution center operators with accessorial and administrative fees assessed for failure to comply with these requirements.

Additional packaging and labeling requirements – including information about standard case code labels, SCC requirements and specifications and label placement – are available on the PLCB website.

New vendors are encouraged to confirm that their labeling is acceptable prior to shipment by contacting the PLCB SCC/Labeling Coordinator.

Delivery Requirements
The PLCB expects all vendors to take the necessary precautions to ensure safe, secure and damage-free loads are delivered in accordance with established due dates.

All loads delivered to the PLCB distribution center in Pittsburgh, PA are “driver unload.” The distribution center has the ability to handle unitized shipments shipped on pallets (U.S. standard 48” x 40”) or slip-sheets.

Loads delivered to the PLCB distribution center in Philadelphia do not require the driver to unload the product from the truck. However, any non-unitized shipments (floor load, mixed pallets, etc.) may require extended time to unload and inspect, or such shipments may be rejected outright and rescheduled for another delivery after the issue is resolved.

Permit numbers and appointment times are required for all shipments to PLCB distribution centers. Carriers must contact the distribution center at least one working day prior to the scheduled delivery date, but carriers are strongly encouraged to contact the distribution center as far ahead as possible within the appointment scheduling window, which is one to 10 working days.
Each delivery must include a manifest in the trailer. Each manifest must include the following information:

- Delivery date
- PLCB permit number
- PLCB purchase order number(s)
- Number of cases by PLCB code (SKU) number
- Total number of cases

**Freshness Dating**
The PLCB considers an item to be freshness dated if the item has “best by,” “use by,” “sell by,” “expires,” etc. language and a date printed on the retail unit.

For date-tracked items:

- The supplier should indicate on the quote form the item is date tracked.
- The freshness/expiration date must be printed on the case. Details may be found in the PLCB Labeling Requirements document.
- The freshness/expiration date must be six months or greater from the receipt date. The PLCB may refuse product with less than six months remaining.

**SALES, REBATES & COUPONS**
**(LISTED & PREMIUM PRODUCTS ONLY)**

**Planned Sales Events (PSE)**
Under the PSE program, the PLCB will determine what products will be on sale and when. Category Managers are the points of contact for PSE program.

**Mail-In Rebate Requirements**
Following are guidelines for rebate offerings:

1. All mail-in rebates must be issued for at least 90 days and must be submitted to RA-LBConsumerOffers@pa.gov 60 days prior to the requested initiation date. Rebates will not be accepted without a completed Request for Manufacturer’s Rebate Offer Form.

2. Mail-in rebates may only be offered through FW&GS stores after approval and must contain the following:
   - Expiration date of the rebate (preferably on front side and in large print).
   - Rebate value.
   - Provision for the name and address of the individual redeeming the rebate.
   - Identity of the manufacturer or manufacturer’s agent.
   - Description of the product including but not limited to the brand name and size.
   - Warning statement that the purchase of the product and the rebate offer is limited to persons 21 years of age and older.
   - Statement clarifying the rebate offer is only valid on products purchased at FW&GS stores.

   NOTE: All rebates must be distributed to all stores selling the product, either delivered by the vendor representative or mailed.

3. All mail-in rebate offers must require submission of proof of purchase in the form of a cash register receipt.
Instant Redeemable Coupons

1. Instant redeemable coupons (IRCs), including digital coupons, should be submitted 60 days in advance.
   • Coupons should be submitted in PDF format to RA-LBConsumerOffers@pa.gov.
   • A completed Instant Redeemable Coupon (IRC) worksheet should be attached, including the number of coupons to be distributed; start and expiration dates; stores where coupons will be placed; code, brand, size and coupon value; contact information; and vendor-of-record.
   • A final draft of the coupon MUST be approved by the PLCB before the supplier prints the coupon.
   • Coupons will not be accepted for licensee orders or SO products.

2. Coupons must conform to stacked GS1 barcode guidelines. The UPC coding on the coupon must match the offer described on the front of the coupon.
   • A bar code must be printed on each coupon, and the expiration date must be embedded in the bar code.
   • “No double couponing” must appear either on the front or back of the coupon.
   • Coupon should include a description of the product.
   • A warning statement that the purchase of the product and the coupon offer is limited to persons 21 years of age and older must appear on the coupon.
   • Coupons must be printed on glossy paper, not standard cardstock, to avoid unauthorized or fraudulent duplication.
   • Coupons must be designed to hang on the bottles or on a tear pad. Coupons that stick to bottles with adhesive or involve rub-offs to expose the value of the offer are not acceptable.
   • The minimum value of a coupon offer on alcoholic products is $1.00. “Buy One Get One Free” offers are prohibited.

3. Additional coupon requirements and illustration:
   A. Indicate that it is a manufacturer’s coupon with a clearly visible expiration date.
   B. Indicate the coupon is only valid at FWGGS stores.
   C. Identify the value of coupon offer.
   D. The word “INSTANT” should appear prominently on the front of coupon.
   E. Coupon should include description of the product, specifically brand name and size.
   F. If there is a graphic on the coupon, it needs to be consistent with the wording.
   G. Include a statement regarding restrictions, if applicable.
   H. The identity/address of the manufacturer must appear in the “Retailer” section of the coupon.
   I. GS1 Barcode

NOTE: Failure to enter item family code information may result in scanning errors and loss of information for vendors. Family codes must be between 010 and 989.
CHANGES IN COST, SPECIFICATIONS & LABELS OF LISTED ITEMS

A new quote must be submitted to the PLCB in the event anything changes with regard to a product, including changes in cost, specifications or packaging (including label, pallet information, UPC/SCC, etc.). The new quote must be approved before shipment of such merchandise is made to PLCB distribution centers.

In the event, however, that such unauthorized shipment is made, no distribution to stores of this “new” merchandise will be made until all changes are approved. In some instances, this merchandise will be put into the vendor’s private account in PLCB warehouses until arrangements are made to return merchandise to the vendor.

Changes in Cost

A completed Standard Quotation and Specification Form must be submitted to the Bureau of Product Selection whenever a vendor desires to change the invoice cost, or any element that makes up this invoice cost, of any listed item.

Cost increases are not guaranteed approval, and any price increase may be rejected.

Changes in Specifications/Labels; UPC Requirements

For each specification change, a completed Standard Quotation and Specification Form must be submitted indicating the change. One copy of the front and back label must be submitted along with the form to the appropriate Category Manager.

In cases where changes may be considered minor, the new product may be able to replace the existing product immediately.

Following are examples of minor changes:

• The product has a change in proof level of up to 3%.
• The product inside the bottle is the same, but the artwork on the label or the bottle changes.

More significant changes could make the product unique from its predecessor, in which case a request for a new listing may be necessary.

Following are examples of significant changes that make the product unique from the predecessor:

• The product has a change in proof level of more than 3%.
• The product is the same varietal but from a different appellation.
• The product changes varietals, for example from Grenache-Mourvèdre blend to Grenache.

Determination of what constitutes a significant change will be made by the Director of Product Selection.

If significant changes cause a product to be unique from its predecessor, a new UPC must be assigned to the new product. The PLCB reserves the right to reject a product if a new UPC is not assigned.

The PLCB may choose to allow the supplier to begin shipping the new product immediately in place of the old one, but this will be determined on a case-by-case basis and will likely only be granted to category leaders.
SPECIAL ORDER

Vendors 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 vendors, and products may be delivered to FWGS stores for customer pickup or via direct delivery to licensees.

For vendors approved to offer products through SO, a quote must be submitted through the SO Portal. A separate quotation is required for each product, each vintage and each size of the same product. All quotations must be filed using per bottle pricing. Vendors may also access the SO Portal Guide for assistance in using this platform.

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

If a vendor wishes to offer a product for special order sale, please contact RA-LBSLO@pa.gov to learn more about the process.

VENDOR VISITS TO STORES

If a vendor representative or personnel would like to visit any FWGS store for any reason, following are the guidelines for gaining approval of the visit, as well as expectations that must be adhered to during the visit. Note that these requirements do not apply to in-store vendor-hosted tastings, which have separate conditions.

1. The vendor must request permission at least two weeks before a visit by emailing Store Operations (lbsvcstfoi@pa.gov).

2. Vendors must provide the following information in each store visit request email:
   a. Name(s) of the representative(s) seeking to visit the store
   b. Address/location of store anticipated to be visited
   c. Date and time of anticipated visit
   d. Anticipated length of the visit
   e. Purpose of the visit
   f. Any intention of taking video or pictures of product and/or the store

3. Upon arrival at the store, all approved visitors must check in with the General Manager or Person-in-Charge by providing photo identification (company ID and/or government-issued ID) and sign into the visitors’ logbook.

4. Vendors may not perform the following activities in FWGS stores:
   a. Setting up displays and signage for any products other than accessories
   b. Stocking shelves
   c. Answering questions from customers/selling on floor
   d. Transferring product between FWGS stores

5. Vendors are not permitted to photograph or take video in any store without prior approval.

6. Vendors may not engage with customers while in stores without explicit prior approval. This includes but is not limited to discussing, promoting or selling products.

7. Activities permitted in FWGS stores by vendors are as follows:
   a. Setting up accessory displays, including related signage, coupons and hitch-hikers, as well as accessory shelf stocking in a limited capacity
   b. Placing coupons and hitch-hikers on the vendor’s own products
VENDOR CHECKLIST FOR ESTABLISHING BUSINESS WITH THE PLCB

☐ Vendors are encouraged to first review the sales channels available through the PLCB (regular listed, Premium Collection, Chairman’s Programs, and Special Order) to determine which channel to pursue.

☐ In order to submit a proposal, a vendor must have a license from the federal Alcohol and Tobacco Tax and Trade Bureau.

☐ A regular listing submission must be submitted for the PLCB to consider selling a product in its network of FW&S stores.

☐ Each vendor whose products are selected for regular listing must obtain a Pennsylvania Vendor Permit from the PLCB’s Bureau of Licensing.

☐ To sell items through Premium Collection, e-commerce, the Chairman’s Programs or SO, vendors must first be authorized to do business in Pennsylvania.

☐ Vendors whose products flow through the PLCB’s contracted distribution centers to stores must familiarize themselves with our supply chain requirements.

Note that many forms commonly accessed by wine and liquor suppliers are available online.