

# LCBO

## Grocery Operations

Policies & Procedures Manual for  
Authorized Store Operators

Version 1.4 May 2017

## Welcome!

As the wholesaler of record for all beverage alcohol products\* sold to authorized store operators\*\* in Ontario, we are committed to serving you as our valued customers, and have implemented simple and clear procedures and practices to help you pursue new market opportunities for your business.

This manual is intended to be a resource only for those eligible store operators who have successfully been awarded Wholesale Supply Agreements with the LCBO and obtained permission from the AGCO to sell beverage alcohol products in their approved retail stores.

It is designed to provide a basic understanding of the way in which the wholesale marketplace will operate in Ontario between store operators, manufacturers of eligible products, the LCBO and The Beer Store (TBS).

As a dedicated group inside the LCBO, Grocery Operations has put this manual together to help you understand who to contact to help serve your needs, and what to expect in terms of ordering and receiving beverage alcohol products for sale in your stores.

The LCBO, in collaboration with its supply and wholesale partners, will be continually streamlining and evolving its processes and systems. Detailed and up-to-date information on specific programs, deadlines and the use of various web-based systems can be found on our trade website for grocers: [www.lcbowholesaleoperations.com](http://www.lcbowholesaleoperations.com).

***\*refers to beverage alcohol products an eligible store operator is authorized to sell under the AGCO issued authorization.***

***\*\*refers to grocery store and wine boutique operators authorized to sell under the AGCO issued authorization***

Please note that the requirements set out in Ontario Regulation 232/16 are set out in this manual for ease of reference. In the event of a conflict or inconsistency, the provisions of the regulation will prevail.

## TABLE OF CONTENTS

SECTION	CONTENTS	PAGE
Introduction	<b>LCBO mission</b>	<b>4</b>
	Roles & responsibilities	5
	Working relationships	6
	Specific roles & responsibilities	7
	LCBO Grocery Operations Group	8
	Trade website <a href="http://www.lcbowholesaleoperations.com">www.lcbowholesaleoperations.com</a>	10
	Agents	10
1	<b>Registering with the LCBO as a wholesale customer</b>	<b>11</b>
	Getting setup as a wholesale account	12
2	<b>Eligible product specifications</b>	<b>13</b>
	Eligible product definition	14
	Quality assurance & social responsibility	19
	Discontinued & delisted products	20
3	<b>Product pricing and promotions</b>	<b>21</b>
	Uniform pricing definition	22
	Limited time offer (LTO)	24
	Super sales & loyalty programs	24
4	<b>Selecting, ordering &amp; receiving eligible beverage alcohol product</b>	<b>27</b>
	Product catalogue	28
	Supplying source	30
	Ordering process	31
5	<b>Delivery and operational logistics</b>	<b>33</b>
	Delivery guidelines	34
	Pallet exchange program	35
6	<b>Payment process and terms</b>	<b>36</b>
	Payment process	37
7	<b>Claims and returns</b>	<b>39</b>
	Saleable Product	41
	Product Quality Issues	42
	Claims and Unsaleable Product	44
8	<b>Mandatory weekly forms</b>	<b>47</b>
	Weekly sales report	48
	Weekly received shipments report	49
	Demand forecast and inventory report	50
Appendix	<b>Glossary of terms</b>	<b>51</b>

## **INTRODUCTION**

### **The LCBO's mission**

We are a socially responsible, performance-driven, innovative beverage alcohol distributor, helping ensure a wide assortment of products make their way to Ontario consumers in a safe and responsible manner, and we are committed to working collaboratively with all of our trade partners in doing so.

As it relates to the wholesale market, we very much consider ourselves as a conduit to opportunity by helping to facilitate a product ordering and delivery program that helps manufacturers of eligible products and store operators pursue retail market sales for beverage alcohol products in Ontario.

### **The LCBO Store Operator Policies and Procedures Manual**

This Store Operator Policies and Procedures Manual provides eligible and approved store operators with the basic information required to conduct wholesale business with the LCBO.

This manual does not change any obligations or requirements that are set out in (a) a store operator's Wholesale Supply Agreement with the LCBO; (b) its authorization to sell beverage alcohol products issued by the Alcohol and Gaming Commission of Ontario (AGCO) including any condition applicable to the authorization; or (iii) the laws and regulations applicable to selling beverage alcohol products in grocery stores or Wine Boutiques in Ontario.

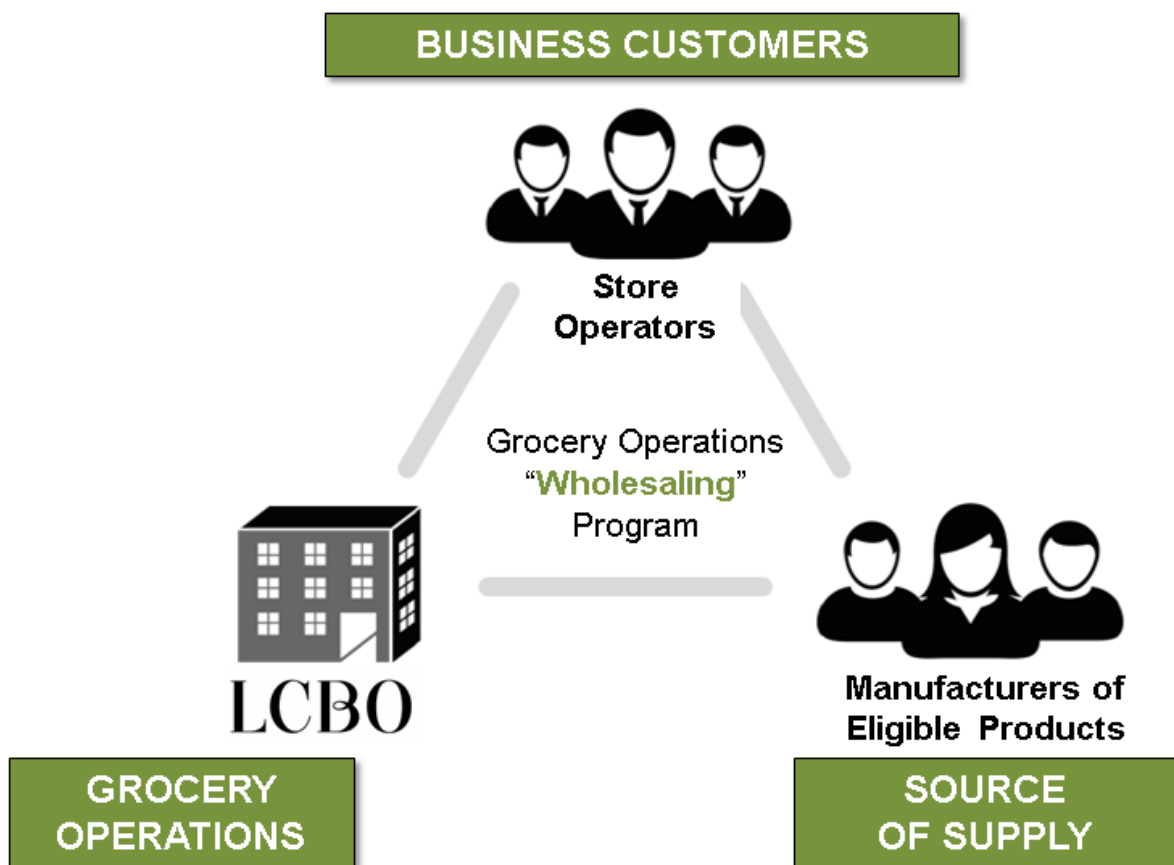
### **Communication/notice of change**

Notice of any significant changes in policy and/or procedures contained in this document will be communicated in advance.

## ROLES AND RESPONSIBILITIES

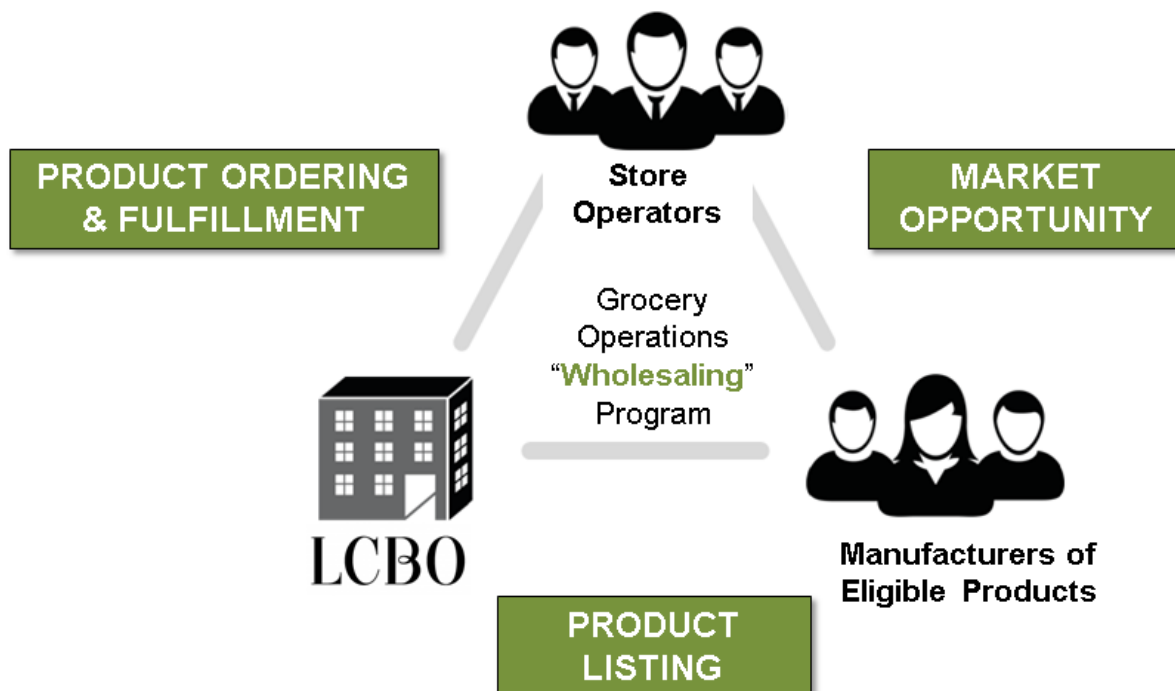
### The marketplace

The grocer and wine boutique marketplace comprises interconnected relationships between the LCBO for wholesale operations, authorized store operators as business customers, and manufacturers of eligible products as the source of supply for store operators of the authorized beverage alcohol products.



## The working relationships

The basis of how store operators, supplying sources and the LCBO connect and activate their business relationships is illustrated below. The core activity between store operators and the LCBO centers on ensuring a smooth-running product ordering and fulfillment process is established. To enable that, the LCBO provides manufacturers of eligible products with the ability to list products for wholesale purchase by store operators. In turn, for store operators and manufacturers of eligible products to maximize their shared market opportunities, a constructive and ongoing working relationship between store operators and manufacturers of eligible products should focus on sales, marketing and product planning.



## **SPECIFIC RESPONSIBILITIES**

### **LCBO responsibilities**

1. All orders for store operators (grocers and wine boutiques) are placed with the LCBO.
2. All payments to suppliers are made by the LCBO.
3. Responsible for performing the role of sole wholesaler of all eligible beverage alcohol products to authorized store operators in the province of Ontario.
4. Responsible for providing listing services and systems to manufacturers of eligible products to access the grocer and wine boutique market.

### **Store Operator responsibilities**

This applies specifically to eligible grocery stores and wine boutique operators who have acquired a wholesale supply agreement from the LCBO per the terms outlined in ONTARIO REGULATION 232/16.

<https://www.ontario.ca/laws/regulation/160232>

1. Responsible for all purchasing decisions on brand and quantity of eligible beverage alcohol products ordered from LCBO for final retail sale by store operator.
2. Responsible for following the legislation applicable for sale of eligible beverage alcohol products in grocery stores and wine boutiques.
3. Responsible for choosing product assortment for each authorized store.
4. Working directly with suppliers on sales and marketing plans.

### **Manufacturers of Eligible Products responsibilities**

1. Responsible for manufacturing products, making products available for wholesale through the LCBO, setting retail prices, and marketing opportunities with store operators.
2. Responsible for adhering to the LCBO Purchase Order terms and conditions.
3. Responsible for adhering to the LCBO Policies and Procedures Manual for Authorized Store Operators.
4. Adhering to LCBO packaging and labelling requirements and standards.
5. Pursuing sales and marketing relationships with authorized store operators.

### **Supplying source**

All orders are placed with the LCBO, and then fulfilled via multiple deliveries and multiple deliverers. Store Operators will receive deliveries from multiple supplying sources based on the brand of product ordered.

For products manufactured in Ontario, delivery will be fulfilled by either the LCBO, TBS, or from one or more of the Ontario Beer, Cider or Wine Manufacturers.

Imported Beer, Cider and Wine Products are supplied exclusively by the LCBO. The supplying source of each product is identified in the product catalogue.

## **THE LCBO GROCERY OPERATIONS GROUP**

In order to fully serve store operators in the most customer-focused manner, the LCBO has set up a dedicated group comprising all of the most important functional roles related to facilitating the grocery and wine boutique operations program.

This group includes staff representing the following functional areas:

- Finance
- IT
- Logistics
- Inventory management
- Customer service (dedicated contact for sales and service)

### **The Grocery Operations Group is involved in the following kinds of activities:**

- Business-to-Business wholesale transactions
- Enabling access between manufacturers of eligible products and store operators
- Facilitating product listing and order flow
- Financial processing
- Fulfillment facilitation

### **The Grocery Operations Group is not involved in the following kinds of activities:**

- Consumer target marketing strategies and plans
- Product category management
- Store Operator sales & marketing plans
- LCBO sales and promotions appearing in LCBO retail stores
- Determining wholesale product mix



## **LCBO Grocery Operations Group – Roles and contacts**

### **Customer Service**

Responsible for wholesale customer general and account inquiries, IT applications, orders and returns.

The following email addresses are all contacts administered by Customer Service within the Grocery Operations Group

General and account inquiries

[wholesaleservice@lcbo.com](mailto:wholesaleservice@lcbo.com)

Product returns and claims

[wholesalereturns@lcbo.com](mailto:wholesalereturns@lcbo.com)

Product orders

[wholesaleorders@lcbo.com](mailto:wholesaleorders@lcbo.com)

### **Product Catalogue Administration**

Responsible for overall administration of the product catalogue hosted in the secure Store Operator portion of [www.lcbowholesaleoperations.com](http://www.lcbowholesaleoperations.com). Functions include product information updates, pricing and promotion information, and working with suppliers on listing of products.

### **Inventory Management**

Responsible for logistics related to orders placed via the LCBO, including transfer of information to supplying sources (TBS and Manufacturers of eligible products), coordination of delivery information for orders shipped from LCBO warehouses, and receiving store operator demand forecasts.

### **Financial Administration**

Responsible for processing store operator registrations, issuing invoices, processing payments, resolving any discrepancies between store operator receipts and shipments from supplying sources, and processing debit/credit notes related to claims, returns, product quality issues, etc.

## Trade Website

The LCBO has established a website specifically for store operators. It is designed to provide the most up-to-date information as well as access to web-based systems used to conduct business with the LCBO.

The website is called *Doing Business with LCBO*. The URL or address for your web browser is: [www.lcbowholesaleoperations.com](http://www.lcbowholesaleoperations.com). The website serves as the primary form of communication via posting of information, documents and bulletins

Store Operator-specific content can be accessed by following the Store Operator link from this homepage.

Our trade website can also be accessed from the home-page of the main LCBO website at: [www.lcbo.com](http://www.lcbo.com) by clicking on *Doing Business with LCBO* link.

All forms referenced in this manual are available online on this site.

A link to the Grocery Management System (GMS) is available on this site.

We strongly encourage all store operators, suppliers, and agents who conduct business with the LCBO, to review [www.lcbowholesaleoperations.com](http://www.lcbowholesaleoperations.com) regularly, as it is updated often and contains the most up-to-date version of this manual, forms, program information, planning tools, and other business information.

## Agents

Agents are often used by suppliers of beverage alcohol products, and store operators should expect to be in frequent contact with them as part of their ongoing business relationships with manufacturers of eligible beverage alcohol products related to sales, marketing and product strategies, plans and definitions. However, all orders for eligible beverage alcohol products are placed with the LCBO.

Agents are authorized by the AGCO and are licenced after meeting their requirements.

Specifically, section 11 of the Liquor Licence Act requires Agents to be licensed by AGCO for the purposes of soliciting orders of liquor in Ontario on behalf of a manufacturer of eligible products. Agents may only canvass for, receive, take or solicit an order for the sale of eligible products on behalf of a manufacturer but cannot sell the eligible products. Please note that a “manufacturer” for these purposes means a person who produces the eligible product for sale.

Agent names will be included with any of their respective products that are presented in the LCBO product catalogue.

## **SECTION 1**

### **REGISTERING WITH THE LCBO AS A WHOLESALE CUSTOMER**



## GETTING SET-UP AS A WHOLESALE ACCOUNT WITH THE LCBO

In order to register as a wholesale customer with the LCBO, store operators are required to follow these steps:

### Step 1

Access the store operator-specific section of [www.lcbowholesaleoperations.com](http://www.lcbowholesaleoperations.com).

### Step 2

Select the forms heading and download two required forms:

1. Customer Profile form
  - The Customer Profile form is to be completed for invoicing and billing purposes.
2. GMS IT Access form for Authorized Store Operators
  - Store Operators are required to complete a GMS IT Access form, providing user names for access to the system through which orders are placed and invoices downloaded.
  - This form is **mandatory** for all store operators to complete and submit.
  - It is the store operator's responsibility to ensure the user access information is kept up to date.

### Step 3

Complete the two required forms with the necessary store operator information.

### Step 4

Submit the completed forms via email to [wholesaleservice@lcbo.com](mailto:wholesaleservice@lcbo.com)

Once registered as a wholesale customer, an LCBO generated store number(s) will be assigned to the store operator's location(s). The LCBO store number is a four digit, five thousand series number (i.e. 5999). **The LCBO store number is to be referenced in all communication with the LCBO and must appear on purchase orders placed with the LCBO.**

## **SECTION 2**

### **ELIGIBLE PRODUCT SPECIFICATIONS**



## **ELIGIBLE PRODUCTS**

The summary below is provided for information purposes and does not change or amend any requirements of the regulation. Store Operators should review the regulation carefully.

The catalogues presenting eligible beverage alcohol products by authorization are available in the Grocery Management System (GMS). It is the Store Operator's responsibility to ensure they are ordering product from the product catalogue appropriate to their specific store authorization.

The regulation stipulates a number of product display requirements for specific classes of authorizations. It is the store operator's responsibility to meet these display requirements. The product catalogue provides identifying product attributes to assist store operators in meeting these statutory display requirements which can be found in:

### **ONTARIO REGULATION 232/16.**

Which can be accessed at [www.ontario.ca/laws/regulation/160232](http://www.ontario.ca/laws/regulation/160232)

### **Beer: Grocery Operators**

The store operator must not sell or offer to sell beer in containers having a volume of more than 750 millilitres.

The store operator must not sell or offer to sell beer that is a malt-based cooler.

The store operator must not sell or offer to sell beer if,

- i. the beer contains alcohol that was obtained other than by the fermentation of an infusion or decoction of barley, malt and hops or of any similar products, and
- ii. the alcohol described in subparagraph i increases the total alcohol content of the beer by more than 0.5 of 1 per cent by volume.

The store operator must not sell or offer to sell beer if the total alcohol content of the beer exceeds 7.1 per cent by volume.

The store operator must not sell or offer to sell beer in packages with more than six containers and must not offer a discount or a rebate in respect of purchases of more than six containers.

The store operator must not sell or offer to sell a brand of beer if the store operator or any of its affiliates has a direct or indirect financial interest in the brand or a trademark under which the beer is marketed.

## **Cider: Grocery Operators**

The store operator must not sell or offer to sell cider in containers having a volume of more than 750 millilitres.

The store operator must not sell or offer to sell cider if the total alcohol content of the cider exceeds 7.1 per cent by volume.

The store operator must not sell or offer to sell cider in packages with more than six containers and must not offer a discount or a rebate in respect of purchases of more than six containers.

The store operator must not sell or offer to sell a brand of cider if the store operator or any of its affiliates has a direct or indirect financial interest in the brand or a trademark under which the cider is marketed.

## **Wine: Grocery Operators**

The store operator must not sell or offer to sell wine in containers with a volume of more than four (4) litres.

The store operator must not sell or offer to sell wine with alcohol content greater than 18 per cent by volume.

The store operator must not sell or offer to sell cream wines.

The store operator must not sell or offer to sell wine beverages.

The store operator must not sell or offer to sell fortified wine.

The store operator must not sell or offer to sell a brand of wine if the store operator or any of its affiliates has direct or indirect financial interest in the brand or a trademark under which the wine is marketed.

The store operator is not permitted to sell wine (excluding cider) that has a lower price, by size, than presented in the following table:

Container size (in millilitres)	Retail Price in dollars
50 or less	\$0.85
200	\$3.35
250	\$4.10
300	\$4.80
375	\$5.90
400	\$6.20
500	\$7.60
600	\$9.00
720	\$10.65
750	\$10.95
1000	\$14.05
1500	\$20.15
2000	\$25.90

2250	\$28.75
3000	\$37.90
4000	\$49.35

Note: Refer to regulation for pricing formula for sizes not presented in the table.



## **RESTRICTED Wine: Grocery Operators**

The regulation stipulates a number of product display requirements for products sold in grocery stores. It is the grocer's responsibility to meet these display requirements. The product catalogue provides identifying product attributes to assist wine boutique operators in meeting these statutory display requirements which can be found in:

### **ONTARIO REGULATION 232/16**

Which can be accessed at [www.ontario.ca/laws/regulation/160232](http://www.ontario.ca/laws/regulation/160232)

For the first three (3) years of the authorization, the grocery store operator is permitted to sell:

- i) cider
- ii) wine that is produced by a small winery using grapes from a single country; and,
- iii) quality assurance wine produced using grapes from a single country by a mid-sized winery

*(see glossary of terms at the end of this document for definitions)*

The store operator must not sell or offer to sell wine in containers with a volume of more than four (4) litres.

The store operator must not sell or offer to sell wine with alcohol content greater than 18 per cent by volume.

The store operator must not sell or offer to sell cream wines.

The store operator must not sell or offer to sell fortified wine.

The store operator must not sell or offer to sell wine beverages.

The store operator must not sell or offer to sell a brand of wine if the store operator or any of its affiliates has direct or indirect financial interest in the brand or a trademark under which the wine is marketed.

The store operator is not permitted to sell wine (excluding cider) that has a lower price, by size, than presented in the following table:

Container size (in millilitres)	Retail Price in dollars
50 or less	\$0.85
200	\$3.35
250	\$4.10
300	\$4.80
375	\$5.90
400	\$6.20
500	\$7.60
600	\$9.00
720	\$10.65
750	\$10.95
1000	\$14.05

1500	\$20.15
2000	\$25.90
2250	\$28.75
3000	\$37.90
4000	\$49.35

Note: Refer to regulation for pricing formula for sizes not presented in the table.

## **Wine: Wine Boutique Operators**

The catalogue presenting eligible beverage alcohol products for purchase by wine boutique operators is available in the Grocery Management System (GMS). It is the wine boutique's responsibility to ensure they are ordering product from the product catalogue appropriate to their specific store authorization.

The wine boutique operator must not sell or offer to sell cider with an alcohol content greater than 7.1 per cent by volume.

The wine boutique operator must not sell or offer to sell wine with an alcohol content greater than 18 per cent by volume.

The wine boutique operator must not sell or offer to sell wine beverages.

## **Key points related to eligible products listed by manufacturers of eligible products:**

- Suppliers decide what products are made available to store operators, and when.
- For the various wine authorizations, it is the supplier that decides under which authorization a product will be made available (i.e. wine and/or restricted wine and/or wine boutiques).
- Eligible products do not have to be carried by LCBO stores to be available for store operators to order.
- Suppliers can choose to make imported eligible products currently available at the LCBO and/or TBS (in the case of beer) available to store operators.
- Suppliers may exclude eligible products from sales to store operator that are available at LCBO stores.
- Suppliers control the timing of product availability.
- The LCBO administers an open and ongoing product call for Ontario manufacturers of eligible products to list products.
- Store operators cannot pack-up or break-down a selling unit.

## **Quality Assurance**

As the wholesaler of beverage alcohol to grocers in the province of Ontario, the LCBO is responsible for ensuring products offered for wholesale are in compliance with the LCBO Product Packaging Standards and Chemical Guidelines, which are based on federal and provincial compositional labelling requirements.

## **Social Responsibility**

The LCBO plays a role in ensuring all eligible beverage alcohol products available for sale in Ontario are screened for market appropriateness and adherence to social responsibility parameters. The LCBO's major framework for review (brand, imagery, text and format) is based on AGCO's guidelines as they are enshrined in regulations. Should a product raise concerns, the extent of the LCBO's review will be based on AGCO guideline requirements

## **DISCONTINUED AND DELISTED PRODUCTS**

### **Discontinued products**

Suppliers can choose to discontinue a product at any point in time. Suppliers may also choose to cease offering a product to store operators or a particular class of wine authorization (i.e. wine, restricted wine or wine boutiques).

When a product is discontinued by the supplier, it will automatically be removed from the catalogue given that it is no longer available from the supplying source. Store Operators are advised by an update on the product catalogue file available on the website:

[www.lcbowholesaleoperations.com](http://www.lcbowholesaleoperations.com)

Suppliers will advise the LCBO when a product is no longer available for store operators or a certain class of wine authorization to purchase and it will be removed from the catalogue.

### **Delisting of products**

#### Domestic Products

Reasons for delisting a product include; seasonality or a change to case pack, selling unit volume, format or alcohol content. The LCBO will provide notice of delisted products.

#### Import Products

Reasons for delisting an import product include; seasonality or a change to case pack, selling unit volume, format or alcohol content. The LCBO will provide notice of delisted products.

From time to time an imported product may be delisted by the LCBO due to sales performance at LCBO or TBS (in the case of beer product). Should this situation arise the LCBO will provide notice to store operators as such.

## **SECTION 3**

### **PRODUCT PRICING AND PROMOTIONS**



## **PRODUCT PRICING**

### **UNIFORM AND MINIMUM PRICING**

Beverage alcohol products sold by authorized store operators under various classes of authorizations must meet legislated requirements concerning uniform and minimum pricing. Minimum prices are the lowest prices that products can be sold and uniform price requires the price for a particular product to be the same throughout the province.

### **WINE AUTHORIZATIONS: GROCERY OPERATORS ONLY**

Grocery store operators authorized to sell wine are not permitted to sell containers of wine (excluding cider) where the retail price of the wine is below a minimum price specified in the table below:

Container size (in millilitres)	Retail Price in dollars
50 or less	\$0.85
200	\$3.35
250	\$4.10
300	\$4.80
375	\$5.90
400	\$6.20
500	\$7.60
600	\$9.00
720	\$10.65
750	\$10.95
1000	\$14.05
1500	\$20.15
2000	\$25.90
2250	\$28.75
3000	\$37.90
4000	\$49.35

Note: Refer to regulation for pricing formula for sizes not presented in the table.

Regulation:

### **ONTARIO REGULATION 232/16**

Found at [www.ontario.ca/laws/regulation/160232](http://www.ontario.ca/laws/regulation/160232)

## **Key points related to product pricing**

1. The retail price for all eligible beverage alcohol products sold to the public will be as determined by suppliers.
2. The retail price includes the container deposit and applicable taxes.
3. All regularly listed beverage alcohol retail prices end in either a “0” (zero) or “5” (five) (e.g. \$3.10 or \$3.15).
4. Pricing will then be communicated and administered by the LCBO.
5. Pricing will be the same through all retail channels.
6. Grocery Store Operators authorized to sell wine are subject to a grocery specific floor price.

## **Price changes**

Store Operators will be notified of price changes seven days in advance of the price changes taking effect in the product catalogue to allow for time required to modify store merchandising materials.

Store Operators will be notified of price changes by a price bulletin posted within the [www.lcbowholesaleoperations.com](http://www.lcbowholesaleoperations.com) website.

## **Emergency Price Changes**

In the event of an emergency price change, prices will be corrected and updated overnight in the product catalogue. An alert will be sent out to all store operators and notice will be posted on the [www.lcbowholesaleoperations.com](http://www.lcbowholesaleoperations.com) website.

## **PROMOTIONS**

### **Limited Time Offer (LTO)**

Limited Time Offers (LTOs) provide suppliers and store operators with an opportunity to build excitement and awareness and generate increased sales volume by offering a discount on a product. A twelve-month calendar of LTO dates is published online via [www.lcbowholesaleoperations.com](http://www.lcbowholesaleoperations.com).

### **LTO Policy**

1. LTOs start on Mondays and end on Sundays, running for four weeks.
2. There can be no more than four LTOs per SKU in any LCBO fiscal year.
3. LTOs will be uploaded into the GMS product catalogue 6 weeks in advance of the effective date.
4. Suppliers apply to the LCBO for an LTO and LCBO approves. They then become effective across all sales channels at the same time (LCBO, TBS (for beer products), grocery, wine boutiques). Store Operator participation in LTOs is mandatory, not optional.
5. Sales margins are preserved during an LTO because they are funded by suppliers.

### **Imported Beer Limited Time Offer**

From time to time suppliers will run LTOs on imported beer that is available at TBS. These LTOs can run weekly for up to four weeks starting on a Monday ending on Sunday, and can run up to a maximum of sixteen weeks per year.

To execute these LTOs, suppliers submit a price change to the LCBO two weeks in advance of the LTO effective date. The LCBO can only provide seven days notice for these LTOs based on the shorter timeframes. Grocery operators will be notified in the product catalogue and by a price bulletin posted on [www.lcbowholesaleoperations.com](http://www.lcbowholesaleoperations.com).

### **Super Sales**

Super Sales are exceptions to the four week LTO duration and typically occur around holidays or long weekends (example: “Black Friday”).

They follow the same policies and rules as LTOs, but are shorter in length – their duration depends on the nature of the Super Sale itself but will always be shorter than four weeks.

The up-to-date calendar of promotional periods is kept on the [www.lcbowholesaleoperations.com](http://www.lcbowholesaleoperations.com) website which gives visibility to upcoming future promotions for Super Sales.

Price changes related to Super Sales will be identified in the product catalogue seven days in advance and posted in a price bulletin on [www.lcbowholesaleoperations.com](http://www.lcbowholesaleoperations.com).



## **Wine Deal of the Week**

LCBO Deal of the Week program runs from a Thursday to a Wednesday on alternate weeks for wine products only.

The up-to-date calendar of promotional periods is kept on the [www.lcbowholesaleoperations.com](http://www.lcbowholesaleoperations.com) website which gives visibility to upcoming future promotions for Deals of the Week.

Price changes related to Wine Deal of the Week will be identified in the product catalogue seven days in advance and posted in a price bulletin on [www.lcbowholesaleoperations.com](http://www.lcbowholesaleoperations.com).

## **Promotions credit calculation**

Store Operators will be credited based on the sales of items on promotion during the promotional period. The calculation will be based on the number of selling units sold multiplied by the promotional discount amount for each promotional item, adjusted for HST and store operator discount.

This is identified in detail in the Wholesale Supply Agreement in section 5.

## **LOYALTY OR REWARD PROGRAMS**

AIR MILES REWARD MILES® promotions and contests run exclusively in LCBO retail stores do not transfer into grocery stores or wine boutiques. Should store operators pursue their own loyalty or rewards marketing programs they are subject to Liquor Control Act regulations.

## **Advertising and Promotion Requirements**

The AGCO sets requirements for liquor advertising, promotion, sampling and giving of liquor and sets prohibitions on inducements. The law regarding these matters is contained in the Liquor Licence Act and Regulations and all Suppliers and Agents must comply with these and all other applicable laws.

The AGCO also publishes “Advertising Guidelines” that may be downloaded from their website or obtained from their offices. Please visit the AGCO’s Website, [www.agco.on.ca](http://www.agco.on.ca) to access AGCO’s Liquor Advertising Guidelines: Liquor Sales Licensees and Manufacturers.

When advertising and/or promoting the sale of a product, the Supplier/ Agent must comply with the provisions outlined in these Advertising Guidelines. Failure to do so may result in the LCBO discontinuing its purchase of a product(s).

## **Key points related to loyalty programs and promotions:**

1. Under no circumstances can wine products for sale under the wine and restricted wine authorizations through a grocery store operator fall below the grocery floor price.
2. No cross-promotions with other items are allowed.
3. Loyalty rewards can be earned on purchases of eligible beverage alcohol products.
4. Eligible beverage alcohol products cannot be purchased by redemption of loyalty program rewards (points, cash or otherwise).
5. Trade spending on sales & marketing is not permitted.
6. No retail-level discounts or rebates for multiple package buying. No pack up pricing.

## **Special Occasion Permits**

Regulation 717 under the Liquor Control Act does not permit the sale of beverage alcohol products by grocery stores or wine boutique operators to SOP holders.

A Special Occasion Permit (SOP) is required for the sale and service of beverage alcohol at special occasions. Permits are currently issued by the LCBO and regulated by the AGCO. As of fall 2017, SOP applications will be available online through the iAGCO portal. Alcohol for the event must be purchased in Ontario under the SOP through an authorized government store.

## **SECTION 4**

### **SELECTING, ORDERING AND RECEIVING ELIGIBLE BEVERAGE ALCOHOL PRODUCTS FROM THE PRODUCT CATALOGUE**



## PRODUCT CATALOGUE

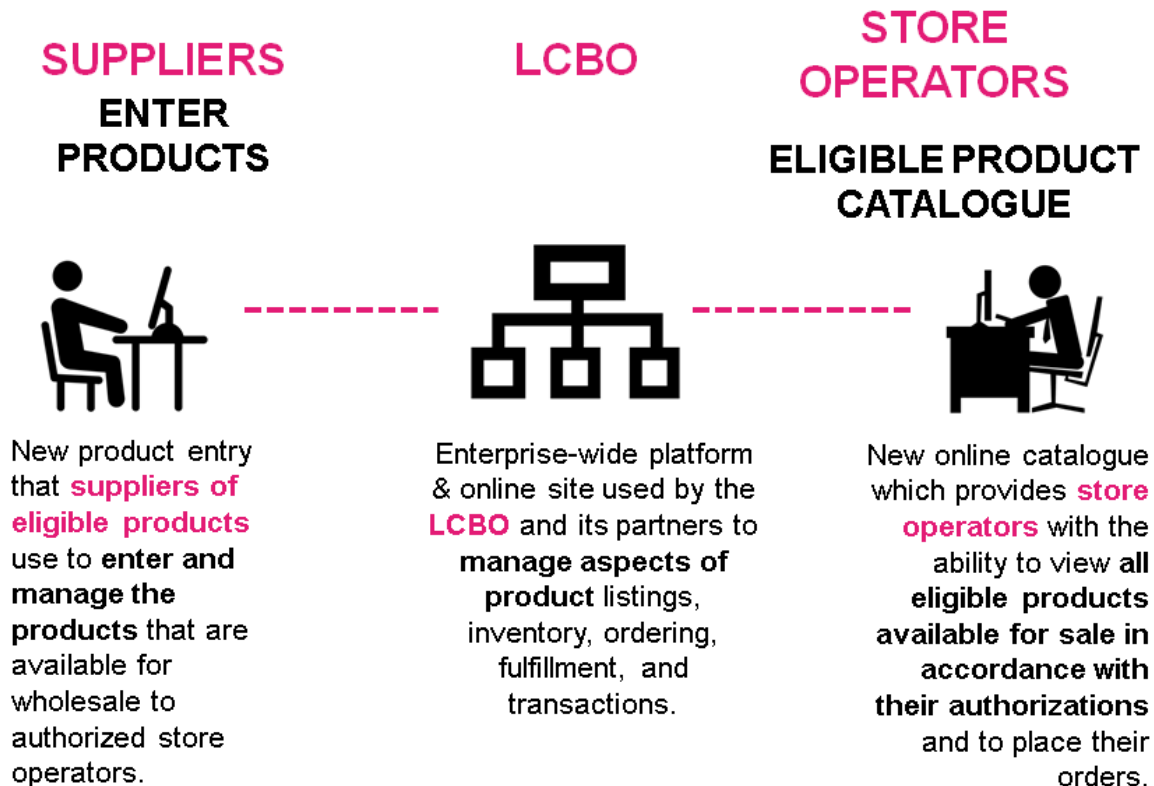
The LCBO has designed a system that connects the eligible beverage alcohol products that a supplier wants to get listed for sale with a product catalogue functionality to be used by store operators as per their class of authorization to place orders.

This system facilitates the following functions:

1. Suppliers of eligible beverage alcohol identify products to be listed for store operators. All products are to be made available to all store operators as per their authorizations; no exclusive products nor private label brands.
2. Store Operators view available products and place their orders via a catalogue of all eligible beverage alcohol products.
3. LCBO Grocery Operations Group posts eligible beverage alcohol products to the catalogue (updated daily) and processes orders and transactions.

All products are presented fairly and uniformly across all store operators as per their class of authorization, according to the standardized product details provided by suppliers.

The following illustration demonstrates how this system coordinates the listing and ordering of products.



## Product catalogue details

The product catalogue presents eligible beverage alcohol products to store operators as per the operator's authorization. For example, a grocery store operator authorized to sell beer, cider and restricted wine products will only have access to the catalogue which presents eligible beer, cider and restricted wines for sale in a grocery store. As a further example, a wine boutique operator will only have access to the catalogue which presents eligible VQA wines manufactured by other Ontario wineries.

The product catalogue is accessed via a secured portion of [www.lcbowholesaleoperations.com](http://www.lcbowholesaleoperations.com) using an assigned username and password.

The catalogue will be available as a self-serve solution and the format will be downloadable as a CSV file and in Excel file format.

Eligible beverage alcohol products presented in the wholesale catalogue will include information on Item details, Pricing, and LTOs.

The catalogue contains Ontario manufactured eligible beverage alcohol products and imported eligible beverage alcohol products currently available at LCBO and/or TBS (for beer products) that suppliers have chosen to make available for sale to grocery or wine boutique operators.

Updates to products on the catalogue are posted daily.

If a product, either domestic or import, has not been ordered by store operator within 6 (six) months of the posting to the catalogue the LCBO reserves the right to remove the product from the catalogue.

## Product display requirements

As per ONTARIO REGULATION 232/16.

Found at [www.ontario.ca/laws/regulation/160232](http://www.ontario.ca/laws/regulation/160232)

Different classes of authorizations (i.e. beer & cider, wine, restricted wine, wine boutiques) are subject to product display requirements related to product attributes such as producer size, country production size or in the case of wine meeting certain definitions such as quality assurance wines for example.

The product catalogue description clearly identifies the item attributes of each eligible beverage alcohol product to assist store operators in meeting the product display requirements.

It is the store operator's sole responsibility to ensure that they are in compliance with the regulatory requirements. The LCBO product catalogue will provide store operators with the necessary information to meet these requirements.

A product's specifications in the catalogue are reflective of what is provided by the supplier. It is the supplier's responsibility to provide the LCBO with accurate and complete product information to maximize data integrity.

## ORDERING, SHIPPING AND RECEIVING

### Supplying source

All orders for eligible beverage alcohol products are placed with the LCBO. LCBO will fill orders through various supplying sources. Store Operators will receive deliveries from multiple supplying sources based on the brand of eligible beverage alcohol ordered; either through LCBO, TBS (applies to domestic beer only) or from one or more of the Ontario Manufacturers of eligible beverage alcohol products.

Eligible domestic beverage alcohol products are supplied by the LCBO, TBS (applies to domestic beer only) or manufacturers of eligible domestic beverage alcohol products, which is identified in the product catalogue.

Eligible imported beverage alcohol products are supplied exclusively by the LCBO.

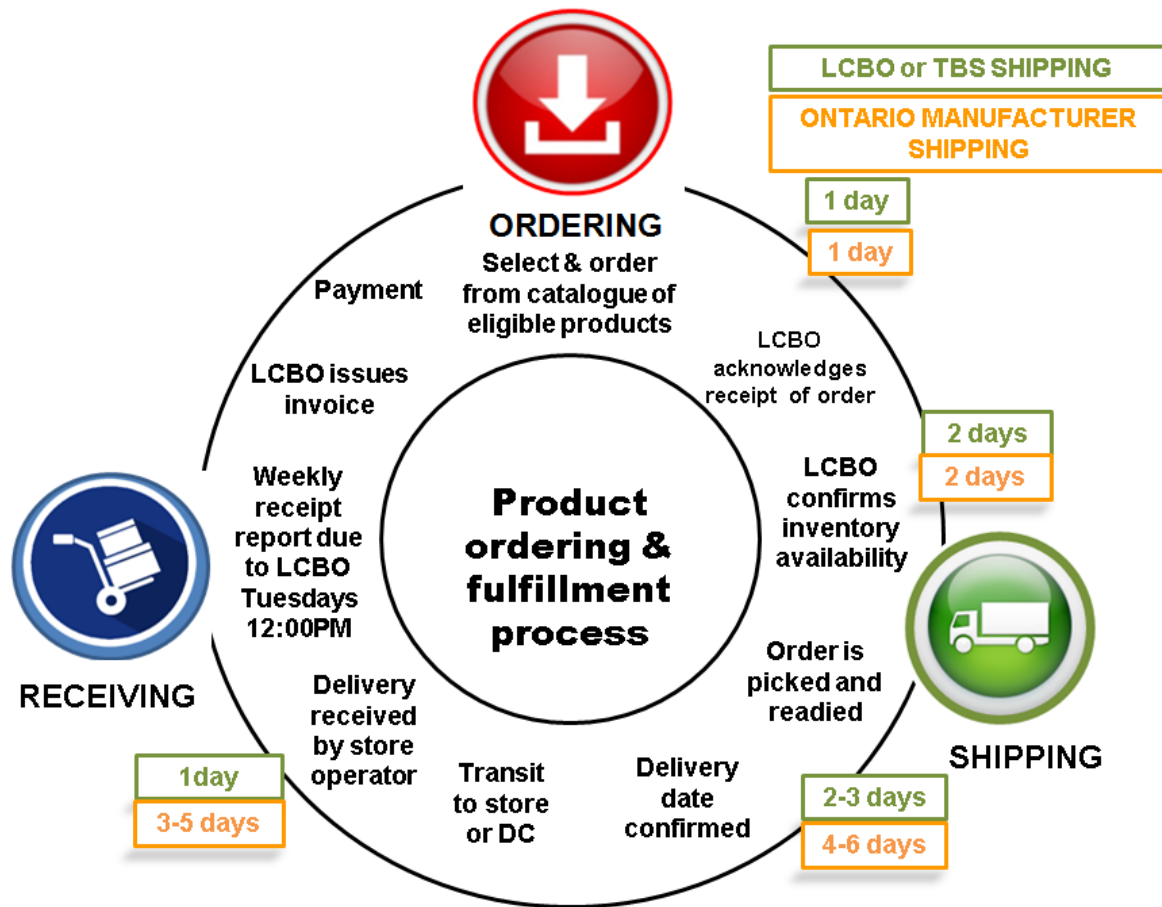
### Delivery lead times

The typical time required from placing to receiving an order is as follows:

<b>LCBO/TBS:</b>	up to 7 days
<b>Ontario Manufacturers:</b>	up to 14 days

## Ordering, shipping and receiving process

The following diagram illustrates the steps along the ordering and fulfilment process, reflecting detailed timing for the main stages of the process prior to product receipt.



## Eligible Beverage Alcohol Product ordering & fulfillment process

PROCESS STEP	ACTIVITY
1. Store Operators select and order from eligible beverage alcohol product catalogue	Orders are submitted online via the secured portion of <a href="http://www.lcbowholesaleoperations.com">www.lcbowholesaleoperations.com</a> .
2. LCBO acknowledges receipt of order	LCBO will send store operator a system-generated automatic acknowledgement for orders placed.
3. LCBO confirms inventory availability	LCBO will facilitate the confirmation of inventory with supplying sources.
4. Order is picked and readied, delivery appointment is booked	These steps can vary in sequencing between store operators and orders that are placed.
5. Product is in transit to either a grocery store or a distribution centre (DC)	Product is shipped according to store operator delivery information specifications.
6. Product is received by store operator	Delivery as agreed upon with supplying source.
7. Weekly receipt report required for submission	Store Operators are required to submit a weekly receipt report due to the LCBO by Tuesdays at 12:00 PM. Forms will be submitted via email to <a href="mailto:wholesaleservice@lcbo.com">wholesaleservice@lcbo.com</a> .
8. LCBO issues invoice	LCBO will issue invoices in electronic format.
9. Store Operator pays invoice	Payment by store operators in accordance with Wholesale Supply Agreement.

### Key summary points to note:

- Products can ship in quantities less than or equal to the purchase order amount.
- Products will not:
  - Be backordered.
  - Be substituted by other products to top-up an order, nor replace unavailable products.



## **SECTION 5**

### **DELIVERY & OPERATIONAL LOGISTICS**



## **GENERAL DELIVERY GUIDELINE**

Store Operators will receive deliveries from multiple supplying sources based on the brand of eligible beverage alcohol product ordered; either through LCBO, TBS (applies to domestic beer only) or from one or more of the Manufacturers of eligible beverage alcohol Manufacturers.

Regardless of supplying source, the LCBO will track shipments originating from supplying sources.

### **General guidelines:**

- The supplying source will be responsible for arranging – where necessary – delivery appointments with the ship-to location.
- The supplying source cannot substitute products during the fulfillment and delivery process.
- The supplying source cannot attempt a second delivery for products that were originally unavailable.
- All deliveries will be freight prepaid by the supplying source, FOB ship-to location.
- All allowances or chargebacks for store delivery from store operator distribution centres performed by store operators for manufacturers of eligible beverage alcohol products are subject to agreement and payment directly between the store operator and manufacturers themselves. Neither the LCBO nor TBS are party to these delivery arrangements.

### **Delivery charges related to Manufacturers of eligible beverage alcohol products:**

As per Ontario Regulation 232/16, if the store operator charges a fee to manufacturers of eligible beverage alcohol products for providing distribution and warehousing services, the fee must be calculated in the same manner for all manufacturers and must be made publicly available.

ONTARIO REGULATION 232/16

[www.ontario.ca/laws/regulation/160232](http://www.ontario.ca/laws/regulation/160232)

- Store Operators will not impose on any supplying sources any penalties, fees, charges or surcharges for late delivery, non-compliant deliveries, breakages, non-compliant pallets or fill rates.
- No allowances or chargebacks to the LCBO or TBS will be accepted if store operators provide store delivery through their distribution centres.

## **Pallet exchange program**

Store Operators are required to accept deliveries on pallets used by the LCBO and TBS.

Pallets that need to be returned to the supplying source will be administered by each supplying source. Supplying sources will work directly with each delivery location to facilitate the return or exchange of company owned pallets.

The LCBO utilizes different pallet pools in its pallet exchange program namely LCBO (yellow), TBS (green), CHEP (blue), PECO (red) and the orange pallets (formerly CPC). The store operator is expected to accumulate pallets received from LCBO and pallet returns will vary by pallet pool.

1. For LCBO (yellow) and orange pallets – the store operator will need to return the empty pallets to LCBO through the carrier on the next shipment and/or delivery
2. For TBS (green) – to be returned to TBS; store operator will need to arrange this with TBS
3. For CHEP (blue) – to be returned to CHEP; store operator will need to arrange with CHEP
4. For PECO (red) – to be returned to PECO; store operator will need to arrange with PECO

The store operator can use the inbound pallet BOL for the empty pallet returns to LCBO by filling up the section “3” of the pallet BOL. The store operator will re-issue the pallet BOL and ensure that the driver of the LCBO Carrier has verified the quantities and signed the pallet BOL.

The store operator must sign all received and returned pallet BOLs and must keep copies for their records.

## **SECTION 6**

### **PAYMENT PROCESS AND TERMS**



## PAYMENT PROCESS

### LETTER OF CREDIT

Store operators are required to provide the LCBO with a letter of credit from a Canadian Chartered Bank as security of performance of a store operator's payments. If a store operator does **not** provide a letter of credit to the LCBO, satisfactory arrangement to the LCBO for payment on receipt of the invoice for the eligible beverage alcohol products may be arranged. To make such arrangements please contact the Grocery Operations Group at: [wholesaleservice@lcbo.com](mailto:wholesaleservice@lcbo.com)

### INVOICING

Invoices are generated based on mandatory store operator provided receipts, which are due every Tuesday by 12:00 pm noon and payment is due to the LCBO in accordance with the payment terms indicated on the invoice.

If a store operator does **not** provide their weekly receipts by the noon Tuesday deadline, invoices will be generated based on shipment quantities indicated by the supplying sources. The process of generating invoices based on shipment quantities indicated by supplying sources is referred to as "*deemed receipt*" or "*deemed to be received*".

Store operators will receive one invoice per PO (purchase order) per week unless arrangements have been made with the LCBO to receive one invoice per split PO (i.e. per shipment). Contact the Grocery Operations group at [wholesaleservice@lcbo.com](mailto:wholesaleservice@lcbo.com) for further details.

Invoices will be made available to authorized users in the GMS Portal for self-service viewing and download. A GMS IT Access form is required to be filled in to obtain invoicing access.

When new invoices are available, an email notification will be sent to the emails provided on the Customer Profile form.

To access invoices, authorized users can sign into the secure GMS account and select "My Account" in the top right corner. In the left navigation there are two options:

#### 1. Invoice Summary

A listing of all invoices by date will be available for download in one batch. Regular weekly invoices, adjusting invoices and LTO invoices are available for download. This includes invoices for all stores the user has access to view.

#### 2. Invoice Details

Invoices are individually listed by invoice number and grocer purchase order (PO). Regular weekly invoices, adjusting invoices and LTO invoices are available for download. A search bar is available and invoices may be searched by attributes including Invoice Number, PO number, amount and store number.

If no errors or discrepancies are noted by the store operator within 5 days, the invoice will be deemed correct. Claims submitted after the 5 days will **NOT** be accepted.

Any variances between shipping and delivery reports will be investigated by the LCBO Grocery Operations Group. Where requested by the LCBO, the store operator must provide copies of delivery documents (i.e. signed Bills of Lading) within 3 business days.

Payments must be remitted electronically to the LCBO. Remittance details must be either included within the EFT payment, or emailed separately to [accounts.receivable@lcbo.com](mailto:accounts.receivable@lcbo.com) to ensure timely and accurate payment application. LCBO banking details will be provided to store operators upon registration.

## SECTION 7

### CLAIMS AND RETURNS



All sales of eligible beverage alcohol products made to store operators under the Wholesale Supply Agreement are final. Store Operators may make a request to:

1. Return unopened, saleable eligible beverage alcohol products to the supplying source\*
2. Claim reimbursement for product quality related issues:
  - Product recalls
  - Product quality complaint returns
3. Claim reimbursement for damaged, unsaleable inventory received from a supplying source

Saleable condition means that the product:

- Is unopened with tempered evident seals, labels and original packaging intact and with no visible tampering
- Is in its original condition
- Is in its original selling unit (for example, a full case)
- Has no evidence of age related deteriorations
- Is not stale-dated

The following applies to all returns:

- No returns are to be made to LCBO retail stores.
- Beverage Alcohol Products damaged by store operators are ineligible for returns.
- Reimbursement for returns will be based on the original purchase price and will be issued via credit memo
- All returns must be approved by the LCBO. Once approved, the supplying source (i.e. LCBO, TBS or Ontario manufacturers of eligible beverage alcohol products) and the store operator must mutually agree on a time for pick-up of the returned products.

***All forms required for submitting a claim or refund can be accessed at [www.lcbowholesaleoperations.com](http://www.lcbowholesaleoperations.com) under the “Store Operator” tab, under the “forms” section.***

***\*See section 1. and 2. on the following pages for details.***



## 1. Saleable Product

### A Request to Return Saleable Product may be made when:

#### 1.1 A Shipping Error Occurs

The product is in saleable condition and supplying source makes an order error

1.1.1 Examples of shipping errors include, but are not exclusive to:

- Picking error (wrong product placed on the order)

#### 1.2 Other

The product is in saleable condition but returned for other reasons

1.2.1 Examples of other reasons include but are not exclusive to:

- Store Operator out of business
- Licence suspended

If product is to be returned a completed **Return/Refund Authorization** form along with the signed bill of lading (BOL) is to be sent to the [wholesalereturns@lcbo.com](mailto:wholesalereturns@lcbo.com)

To return product:

- i) If a return is being requested due to a “*Shipping Error*” (see 1.1.1 above) within 72 hours of receipt of an order, a completed **Return/Refund Authorization** form and a copy of the signed Bill of Lading must be emailed to the LCBO at [wholesalereturns@lcbo.com](mailto:wholesalereturns@lcbo.com)
- ii) If a return is being requested due to a “*Other*” reason (see 1.2.1 above) a completed **Return/Refund Authorization** form, including valid proof of purchase information and a copy of all applicable signed Bill of Ladings must be emailed to the LCBO at [wholesalereturns@lcbo.com](mailto:wholesalereturns@lcbo.com).
- iii) The LCBO will review the return request (confirmed against the Bill of Lading) and will inform the store operator if the return is approved or declined
- iv) Once the return is approved, the supplying source (i.e. LCBO, TBS or manufacturer of eligible beverage alcohol products) will coordinate with the store operator to mutually agree on a time, and arrange for pick up of the returned products.
- v) All returns must be in original packaging and/or shipping container (i.e. cartons or trays). When a product is returned because of a supplying source error, freight charges – if necessary – are covered by the supplying source.
- vi) In the case of a return of saleable product for reasons other than shipping error, a reasonable restocking fee may be applied to the purchase price of the returned product.
- vii) Once the LCBO receives confirmation from the supplying source that the returned product has been received, a credit memo will be issued.

Failure to report a claim may result in the store operator being liable for payment of the product.

## 2. Product Quality Issues

**2.1. Product Recalls** are initiated by the LCBO on behalf of the Agent or Supplier

There are two types of product recalls

- Class 1 which may pose an “immediate or potential health hazard”
- Class 2 requiring product removed from sale but may escalate to Class 1 after further investigation (example of this is foreign material present in bottle)

When the LCBO has confirmation of a recalled product, ***specific instructions will be provided to the store operator by the LCBO via email regarding:***

- Action to be taken by store operator for the recalled product
- Making a claim for reimbursement to the LCBO if applicable

### **Effective May 24, 2017**

When the LCBO has confirmation of a recalled product, grocery and wine boutique head offices and grocery franchisee locations will receive via email a QA Alert from LCBO Quality Assurance. Specific instructions will be provided in the QA Alert by the LCBO regarding:

- Required Acknowledgement of the Alert within 3 hours of receipt
- Reporting affected inventory within 2 weeks of recall date to make a claim for reimbursement to the LCBO if applicable

All QA Alerts issued by the LCBO require acknowledgement even if there is no affected product in stock. Grocery and wine boutique head offices are responsible for reporting on behalf of their corporately owned stores and distribution centres. Owners of franchisee locations are responsible for reporting for their own stores unless corporate franchisor has expressly assumed responsibility for franchisee locations. Acknowledging a QA Alert and, if applicable, reporting affected inventory will be completed through the LCBO’s online QA Recall Portal. The link to the QA Recall Portal is provided in the QA Alert.

To return affected product to the LCBO for:

- 1) Report affected inventory in units by location in the QA Recall Portal within 2 weeks of recall date.
- 2) Complete a Product Recall Form.
- 3) Print two copies of the Product Recall Form. Include one copy inside the box and keep one copy for your records.
- 4) Write the LCBO assigned store number (i.e., 5\_ \_ \_) clearly on the outside of the box.
- 5) Ensure store staff is aware of the pending pick up by the LCBO’s designated carrier and the location of the product to be turned over to avoid delay in credit.

**2.2. Product Quality Complaint** may or may not require further investigation and refund or exchange to retail customer is based on Store Operator's return policies

- i) Customers general complaints do not generally require further investigation and include (but are not limited to):
  - off colour
  - off odour
  - off taste
  - sediment in bottle
- ii) Product Quality Complaints requiring further investigation include (but are not limited to):
  - Alleged illness
  - Property damage
  - Personal injury
  - Customer requests for investigation

Product Quality Complaints require the completion of the **Product Quality Complaint** form. Refer to the instructions on the form for reporting **Product Quality Complaints** that require investigation.

In cases where the return of product is due to a customer complaint, complete the **Product Quality Complaint** form and email to [wholesaleservice@lcbo.com](mailto:wholesaleservice@lcbo.com). The store operator must advise the retail consumer that:

- The personal information collected is protected in accordance with the Freedom of Information and Protection of Privacy Act; and,
- The information is required in the event the LCBO finds it necessary to contact the retail consumer regarding the complaint

If the Store Operator issues a refund to the customer, the Store Operator may submit a request to the LCBO to be reimbursed by completing both the **Product Quality Complaint** form (including valid proof of purchase information from the customer) along with the completed Return/Refund Authorization form and email it to the LCBO at [wholesalereturns@lcbo.com](mailto:wholesalereturns@lcbo.com)

### 3. Claims for reimbursement for damaged and unsaleable inventory

Within 72 hours of delivery claims must be made for damages or incorrect shipping, including:

- Goods received in bad order (e.g. short in case, dry breaker, stale dated upon receipt)
- Defective product
- In-transit damage not identified at time of receipt (e.g. breakage, frozen or heated load)
- Unsaleable inventory found while unloading or stocking shelves

To file a claim:

Requires a completed **Store Operator Adjustment Report**, along with a copy of the signed Bill of Lading (BOL), to be sent via email to the LCBO at [wholesalereturns@lcbo.com](mailto:wholesalereturns@lcbo.com). Supporting documentation, including photos, may be requested by the LCBO before a claim is approved. Specific instructions will be provided upon review of the **Store Operator Adjustment Report**.

### Destruction of Damaged and unsaleable inventory

Unless the LCBO provides specific instructions for the return of eligible beverage alcohol products to a supplying source in connection with a product recall or claim, store operators are responsible for the destruction of damaged and unsaleable beverage alcohol products. Store Operators must ensure that the destruction of damaged or unsaleable beverage alcohol products is carried out in a manner consistent with appropriate environmental protection practices and safeguards given the nature of the product being destroyed. Damaged and unsaleable beverage alcohol products may not be discarded as garbage or waste. Store Operators may contact the LCBO for information concerning third parties that offer destruction services for beverage alcohol products

Failure to report a claim may result in the store operator being liable for payment of the product.

#### 4. Claims for reimbursement for short shipments discovered **DURING** receiving

Where the store operator identifies a shortage or damaged product during receiving, this must be marked on the signed BOL provided to the driver. The store operator must indicate the shortage on their weekly receiving report. If the shortage is not input on the weekly receipt log, a claim must be filed **within 72 hours of delivery** to avoid being invoiced for the product(s).

To file a claim:

Requires a completed **Store Operator Adjustment Report**, along with a copy of the signed Bill of Lading (BOL), to be sent via email to the LCBO at [wholesalereturns@lcbo.com](mailto:wholesalereturns@lcbo.com). Supporting documentation, including photos, may be requested by the LCBO before a claim is approved. Specific instructions will be provided upon review of the **Store Operator Adjustment Report**.

Failure to mark the shortage on the signed BOL provided to the driver or report a claim may result in the store operator being liable for payment of the product.

#### 5. Claims for reimbursement for short shipments discovered **AFTER** receiving

Within 72 hours of delivery, claims must be made for short shipments discovered after receiving, where the store operator signed the BOL for receipt in full. The claim must be made regardless of the amounts the store operator inputs as received on their weekly receiving report.

To file a claim:

Requires a completed **Store Operator Adjustment Report**, along with a copy of the signed Bill of Lading (BOL), to be sent via email to the LCBO at [wholesalereturns@lcbo.com](mailto:wholesalereturns@lcbo.com). Supporting documentation, including photos, may be requested by the LCBO before a claim is approved. Specific instructions will be provided upon review of the **Store Operator Adjustment Report**.

Failure to report a claim may result in the store operator being liable for payment of the product.

## **ONLY APPLIES TO GROCERY OPERATORS AUTHORIZED TO SELL WINE**

### **6. Floor Price Product Recall**

As per regulation:

#### **ONTARIO REGULATION 232/16**

found at [www.ontario.ca/laws/regulation/160232](http://www.ontario.ca/laws/regulation/160232)

Wine sold by an authorized grocery operator is subject to a grocery floor price. In the event that a wine product's retail price falls below the regulated floor price **specific instructions will be provided to the grocery operator by the LCBO via email regarding:**

- Action to be taken by store operator for the recalled product
- Making a claim for reimbursement to the LCBO if applicable

## **ONLY APPLIES TO WINE BOUTIQUE OPERATORS**

### **7. Sampling Program Claim**

Wine boutique operators can apply to be refunded the cost of up to ten (10) bottles per Stock Keeping Unit (SKU) per store per LCBO fiscal year for wine manufactured by other wineries (i.e. non wine boutique owner wine).

To claim a credit under the sampling program, Wine Boutique operators must complete the form and remit to the LCBO no later than the fiscal year end March 31 for the current year.

The form can be found on [www.lcbowholesaleoperations.com](http://www.lcbowholesaleoperations.com) by selecting Store Operators from the top menu, then forms from the left-hand navigation.

## SECTION 8

### MANDATORY WEEKLY REPORTS REQUIRED FOR SUBMISSION TO THE LCBO



## MANDATORY WEEKLY REPORTS

Store Operators are obligated as per their Wholesale Supply Agreement (WSA) to submit weekly reports to the LCBO. These reports are mandatory.

Store Operators are encouraged to refer to the WSA for full details.

Templates for the weekly reports are available online at [www.lcbowholesaleoperations.com](http://www.lcbowholesaleoperations.com) and all fields contained in the reports are mandatory for completion.

Submission details are also provided with each form.

There are four mandatory weekly reports for store operators to complete and submit to the LCBO.

- A. Weekly sales report (due by 12:00pm on the following Tuesday except when the Tuesday is a holiday, report is then due on the Monday by 12:00pm)
- B. Weekly received shipment report (due by 12:00pm on the following Tuesday except when the Tuesday is a holiday, report is then due on the Monday by 12:00pm)
- C. Weekly Demand forecast (due monthly by the first Sunday in each month)
- D. Inventory on hand report (due monthly by Tuesday at 12:00 p.m. following the first Sunday in each month)

### A. Weekly Sales Report

Store Operators are required to submit a report to the LCBO containing all eligible beverage alcohol product retail sales information, represented in selling units, on a weekly basis (based on Sunday to Saturday week).

Store Operators are to submit via email to [wholesaleservice@lcbo.com](mailto:wholesaleservice@lcbo.com) by 12:00pm on the following Tuesday except when the Tuesday is a holiday and report is due on the Monday by 12:00pm. The report is in an Excel file format (XLS).

The form can be found on [www.lcbowholesaleoperations.com](http://www.lcbowholesaleoperations.com) by selecting Store Operators from the top menu, then forms from the left-hand navigation.



## B. Weekly Received Shipment Report

The Weekly Received Shipment Report identifies all eligible beverage alcohol products received, by PO, SKU, and location, represented in cases, on a weekly basis (based on a Sunday to Saturday week).

Store Operators must submit an Excel file format (XLS) report to [wholesaleservice@lcbo.com](mailto:wholesaleservice@lcbo.com) by 12:00pm on the following Tuesday (except when Tuesday is a holiday and report is due on the Monday by 12:00pm), or record receives in the Grocery Management System.

If a product is not received, store operators must report a received quantity of '0' (zero) as an acknowledgement of non-receipt.

If a store operator does **not** provide their weekly receipts by the noon Tuesday deadline, invoices will be generated based on shipment quantities indicated by supplying sources, based on the estimated delivery date.

The form can be found on [www.lcbowholesaleoperations.com](http://www.lcbowholesaleoperations.com) by selecting Store Operators from the top menu, then forms from the left-hand navigation.

Receivals may also be entered directly into the Grocer Management System. To enter receipt into GMS, sign into GMS and select "My Account." Select the relevant PO and click "View Status." Enter the received quantity and received date for each SKU on the PO and confirm by selecting "Notify."

The screenshot shows the 'my orders' section of the LCBO system. It displays a list of orders under 'Order History' with columns for Purchase Order, Order Date, Order Details, Status, and Total Price. The selected order is LRRROC6Ates, which is 'Order shipped' and has a total price of \$11,508.68. Below this, a detailed table shows the following data:

LRROC6Ates	Supplying Source	Orders	Available	Preliminary Delivery Date	Estimated Delivery Date	Shipped Qty	Received Date	Received	Deemed Receipt
Boxer Ice+ SKU : 0184143	LCBO	23	23	21-Aug-2016	23-Aug-2016	0			
Bavaria Holland Beer 6 Pl-C (Mid Cone) SKU : 0676429	LCBO	34	34	21-Aug-2016	23-Aug-2016	0			
Budweiser 710ml SKU : 0679449	TBS	54	54	21-Aug-2016	20-Aug-2016	0			
Brewmaster Craft Pack Lake Of Bays 4x473ml SKU : 0448126	LAKE OF BAYS BREWNG	23	23	21-Aug-2016	20-Aug-2016	0			
Wanderoot Cider SKU : 0456608	LCBO	54	54	21-Aug-2016	23-Aug-2016	0			
Hopping Mad Cider Radler SKU : 0453282	LCBO	30	30	21-Aug-2016	23-Aug-2016	0			

## **C. Monthly demand forecast report: LCBO supplied beverage alcohol products ONLY**

**Effective June 1, 2017, demand forecast reporting moves to a monthly schedule.**

### **Demand Forecasts**

Store Operators will provide the LCBO with demand forecasts identified by the LCBO store operator number for all Authorized Products by week and by SKU by cases for the upcoming 6 (six) months period. Unless the LCBO provides other instructions, forecasts will be provided by the Vendor by the first Sunday in each month. The report is in an Excel file format (XLS). Reports are submitted via email to [wholesaleorders@lcbo.com](mailto:wholesaleorders@lcbo.com).

The form can be found on [www.lcbowholesaleoperations.com](http://www.lcbowholesaleoperations.com) by selecting Store Operators from the top menu, then forms from the left-hand navigation.

## **D. Monthly inventory on hand report: LCBO supplied beverage alcohol products ONLY**

**Effective June 1, 2017, inventory reporting moves to a monthly schedule.**

### **Inventory on Hand Reports**

Store Operators will also provide the LCBO with inventory on hand for all Authorized Products identified by the LCBO store operator number by SKU and selling units for inventory ending Saturday before the first Sunday of each month. Unless the LCBO provides other instructions, inventory on hand will be provided no later than Tuesday at 12:00 p.m. following the first Sunday in each month. The report is in an Excel file format (XLS). Reports are submitted via email to [wholesaleorders@lcbo.com](mailto:wholesaleorders@lcbo.com).

The form can be found on [www.lcbowholesaleoperations.com](http://www.lcbowholesaleoperations.com) by selecting Store Operators from the top menu, then forms from the left-hand navigation.

## APPENDIX



## GLOSSARY OF TERMS

### AGCO

Alcohol & Gaming Commission of Ontario; regulating body for the sale of beverage alcohol in the province of Ontario.

### ASN

Advanced shipping notification: created when an order is released for shipping and defines which product is being shipped and in what quantity

### CREAM WINE

An alcoholic beverage made from wine and added milk ingredients.

### ELIGIBLE BEVERAGE ALCOHOL PRODUCTS

Include beer and cider products as defined by ONTARIO REGULATION 232/16. Eligible products for each individual grocer location(s) are defined in the Wholesale Supply Agreement.

### FORTIFIED WINE

Wine to which an alcoholic distillate has been added.

### GMS

Grocery Management System: the system by which store operators place orders for eligible beverage alcohol products

### GROCERY FLOOR PRICE FOR WINE

Minimum price, by size, at which wine products can be sold by a grocery operator under a wine/restricted wine authorization. The complete version of the table below can be found in ONTARIO REGULATION 232/16 at [www.ontario.ca/laws/regulation/160232](http://www.ontario.ca/laws/regulation/160232)

Container size (in millilitres)	Retail Price in dollars
50 or less	\$0.85
200	\$3.35
250	\$4.10
300	\$4.80
375	\$5.90
400	\$6.20
500	\$7.60
600	\$9.00
720	\$10.65
750	\$10.95
1000	\$14.05
1500	\$20.15
2000	\$25.90
2250	\$28.75
3000	\$37.90
4000	\$49.35

## **LCBO**

The Liquor Control Board of Ontario: Crown Corporation retailing a full assortment of beverage alcohol products across the province of Ontario and providing wholesale service to TBS, authorized grocery stores, wine boutiques, licensees, duty free operators and agency stores.

## **LCBO GROCERY OPERATIONS GROUP**

Fully dedicated team inside the LCBO to serve grocery stores and wine boutiques customers and partner with manufacturers of eligible beverage alcohol products.

## **LTO**

Limited Time Offer

## **MALT BASED COOLER**

An alcoholic beverage that is produced from a base of malt blended with juice, water, carbon dioxide or flavouring and that does not have the aroma or taste commonly attributed to beer.

## **MID-SIZED WINERY**

Wine manufacturers with worldwide sales of less than 4.5 million litres

## **ONTARIO REGULATION 232/16**

Regulation regarding the sale of eligible beverage alcohol products in grocery and wine boutiques

## **QUALITY ASSURANCE WINE**

Wine (excluding cider) that is designated as meeting the quality control standards of a statutory appellation of origin regime that certifies, in the aggregate, less than 50 million litres of wine (excluding cider) annually .

## **SMALL PRODUCERS**

### ***Brewery***

Brewers with worldwide production of less than 400,000 hectolitres of beer in volume/year.

### ***Cidery***

Cider manufacturers with worldwide production of less than 25,000 hectolitres of cider in volume/year

### ***Winery***

Wine manufacturer with worldwide sales less than 200,000 litres of wine per year

## **TBS**

The Beer Store

## **WHOLESALE SUPPLY AGREEMENT (WSA)**

Agreement of business terms between the LCBO and grocers/wine boutiques for the wholesale of eligible beverage alcohol products.

## **WINE BEVERAGE**

A wine-based cocktail or an alcoholic beverage that is produced from a base of wine that may have added to it flavouring or flavouring preparation, juices, colour and sugar, that does not have the aroma or taste commonly attributed to wine and that is available in a spirits-based version.

**THANK YOU**

WE LOOK FORWARD TO SERVING YOUR BEVERAGE ALCOHOL WHOLESALING NEEDS