



Washington State Liquor Control Board

Frequently Asked Questions: Suppliers

March 21, 2012

1. How long will the LCB continue to place orders for products?

- A. If a buy back agreement is established with a supplier, the purchase of listed products will continue as needed to maintain a regular supply for customers through May 31, 2012. For suppliers that didn't enter into a buy back agreement, purchases have ceased and the remaining bailment inventory will need to be picked up at the Distribution Center (DC). Existing store inventory will be depleted in a manner to minimize risk of surplus after May 31, 2012. Special orders will continue to be placed with suppliers that have entered into a buy back agreement.

2. What type of inventory reporting is available to suppliers on their product inventory levels at the DC and in the retail stores?

- A. Upon supplier request to Purchasing, the following reports are available by brand code, three weeks after the end of each month:
- Statewide store and DC inventory totals
 - Individual store inventory levels

3. Will there be any discounts on liquor products in the stores?

- A. This LCB will use internal discounting and merchandising strategies as necessary to maximize sell through of product not covered under a buy back agreement before May 31, 2012. Remaining inventory not covered under a buy back agreement will be returned to the DC and consolidated for auction.

4. What will happen to POS materials and branded decor in the stores?

- A. POS materials and branded decor are considered the property of suppliers. We are developing a process for the return of these items to the appropriate supplier. Items not collected by the supplier will be disposed of in accordance with LCB policy.

5. How will new products be introduced to the market before June 1, 2012?

- A. The LCB will not be listing any new products. However, suppliers that have signed buy back agreements can fill special orders for any products ordered by a store. Stores will order only products based on actual licensee or retail customer demand, not on supplier request.

6. Will suppliers that enter into a buy back agreement be able to participate in any of the retail programs that were suspended in November?

- A. Yes, only suppliers with a buy back agreement will be able to participate in the retail programs that the LCB is re-starting, within the following parameters:

Special Orders:

- Stores can place special orders for products from suppliers with a buy back agreement until April 6, 2012.
- The products may be sold to retail customers or licensees by the bottle through May 31, 2012.
- Orders must be delivered to the DC no later than May 4, 2012. Undelivered Purchase Orders will be canceled on that date.

Sampling:

- The sampling pilot program will re-start in January 2012.
- Any supplier participating in the buy back agreement may submit a request to sample up to 4 products in a specific store during one of the designated sampling event times. Requests will be approved on a first-come, first-served basis.
- Special order products may be sampled in any store that currently has the product.
- The store inventory requirement has been reduced to one case per product. Suppliers must bring bins or other equipment to professionally display the product during the sampling event.
- All other existing standards and regulations remain in place.

Unique Displays:

- Unique displays can be requested for any product that is covered under a buy back agreement.
- All existing standards for unique display assignments will remain in place; including the requirement that product required for a display must be two months or less of that store's average sales.

7. What is the process for a supplier to pick up bailment inventory from the DC?

- A. If a supplier has not signed a buy back agreement, all remaining bailment inventory will need to be picked up upon notification by the LCB. If a supplier entered into a buy back agreement, product will be shipped to stores until mid-May, and normal inventory levels should be maintained in the DC until that time. All inventory pick-ups must be prearranged to ensure dock availability and minimize disruption. Contact Purchasing to begin the process, then the DC will contact you to arrange a mutually acceptable time to pick up the inventory.

8. Where can information be found about the new licenses, taxes, and fees under the new structure?

- A. Fact sheets on all the new licenses and a sample pricing calculator can be found on our website at [Fact Sheets and Price Calculators](#).

9. Is a list available of Washington State spirit distributors?

- A. The list of active and pending distributors is on the Public Records Office's [Frequently Requested Lists](#) Webpage.

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