



Supplier Inventory Buyback Agreement FAQ

- 1) Q: Can suppliers that only provide special orders to the WSLCB sign the buyback agreement?
A: Yes.
- 2) Q: Who from the supplier organization can sign the agreement?
A: Anyone that can legally bind the supplier organization.
- 3) Q: What is the basis for the shipping and handling charge?
A: The charge is \$4.97 per case. This includes only the cost of packaging materials and transportation. The labor cost is already covered under current funding, so it is being absorbed by the WSLCB. The full cost breakdown for the process is:

Cost	
Box	\$ 1.63
Labels	\$ 0.15
Tape	\$ 0.09
Transportation (from stores to DC dock, includes unloading)	\$ 3.10
<i>Materials and transportation cost</i>	\$ 4.97
Retail Labor Cost	\$ 2.34
DC Labor Cost	\$ 2.10
<i>Labor cost absorbed by WSLCB</i>	\$ 4.44
<i>Total Reverse Logistics Cost per Case</i>	\$ 9.41

- 4) Q: Regarding the shipping and handling charge: Will there be a lesser charge for partial cases, or cases of less than 12 bottles?
A: The “per case” charge applies equally to both full and partial cases, and the various case configurations. This is because the costs are primarily fixed, regardless of how many bottles are in each case.
- 5) Q: How will the pallets be configured?
A: The WSLCB will take all reasonable efforts to mirror the supplier case configuration, block and tier pattern as of January 1, 2012.
- 6) Q: If suppliers provide empty cases, can product be re-packed in supplier branded cases?
A: The WSLCB will not be able to accept empty boxes from suppliers in which to re-pack product. This would logistically be too difficult. When product is still in original cases, those cases will be used. Otherwise product will be packed in WSLCB-provided generic cases, which conform to WSLCB Delivery Standards.



- 7) Q: Will suppliers that enter into a buyback agreement be able to participate in any of the retail programs that were suspended in November?
- A: Yes, only suppliers with a buyback agreement will be able to participate in the retail programs that the WSLCB is re-starting.

Special Orders:

- Stores can place special orders for products from suppliers with a buyback agreement until April 6, 2012.
- The products may be sold to retail customers or licensees by the bottle.
- Orders must be delivered to the Distribution Center no later than May 4, 2012, but can be sold through May 31, 2012.

Sampling:

- The sampling pilot program will re-start in January 2012.
- Any supplier participating in the buyback 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, or has demand for 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 2 months or less of average store sales.