

SUPPLIER MANUAL

A Policies and Procedures Manual
for Virginia ABC Vendors and Brokers

April 2014

Virginia Department of
Alcoholic Beverage Control

FOREWORD

The Virginia Department of Alcoholic Beverage Control (Virginia ABC) continually strives to provide the best possible service and product selection for the citizens of the Commonwealth of Virginia. Accomplishing this task requires that we model best practices and are able to adapt to changing consumer demands.

This manual is intended to serve as a reference guide for suppliers who are currently conducting business with Virginia ABC, as well as to educate new and prospective suppliers about Virginia ABC's policies and procedures.

—ABC Product Management Committee

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VIRGINIA ABC'S MISSION

To control the distribution of alcoholic beverages; operate efficient, conveniently located retail outlets; enforce the laws of the Commonwealth pertaining to alcoholic beverages and youth access to tobacco products; and provide excellent customer service, a reliable source of revenue and effective public safety.

I. PRODUCTS



LISTINGS

Four times a year ABC brings new products to market, either to store shelves or its Special Order Catalog. The process of bringing in new items is called “Listings,” and the new products appear on the July, October, January and April price lists.

The decision about which new products to list is made by the Product Management Committee (PMC), composed of members from different divisions within Virginia ABC. To be listed, a new product must be presented to the PMC for evaluation. These presentations are held one-to-two months prior to the listing date. Products presented must meet all requirements for listing (see below).

Please note:

- Products presented must be available and ready for sale by the next listing date. (This usually requires that the product be in the Virginia ABC bailment warehouse at least two weeks prior to that date.)
- Products presented must be entered into Virginia ABC’s Management of Inventory Product Sales (MIPS) online system, available through the ABC website.

The PMC will evaluate products based upon criteria such as:

- Category trends
- Price in comparison to other products (average price of product is used)
- Sales in other states
- Category need
- Brand strength/recognition
- Packaging and appearance (uniqueness)
- Special order demand/customer requests
- Promotional support
 - In-store sampling \$\$
 - Promotion \$\$
 - Price support \$\$
 - On-premise support \$\$

A product will be scored from 1–5 in each criteria and the PMC will confer after the presentation to determine a final score.

Preference may be given to products that are made or distilled in the Commonwealth of Virginia or that have been awarded the distinction of “Virginia’s Finest” by the Virginia Department of Agriculture and Consumer Services. (See www.vdacs.virginia.gov/vafinest.) If the product was made or distilled in Virginia, it must be stated on the bottle.

REQUIREMENTS FOR LISTING

- Supplier must be able to meet a minimum demand quantity of 100 cases (if allotted 80 stores).
 - The exception to the minimum demand quantity of 100 cases is for Virginia wines, in which the minimum demand quantity has been set at 60 cases (if allotted 60 stores).
 - Supply and production of this quantity must be feasible prior to presenting the product to the PMC.
- Product must be ready for shipment by the listing period for which it is being submitted.
 - If product is not ready until July, then it should not be presented for listing in April but at a more appropriate listing period when the product will be immediately available.

- Suppliers are required to send a list of products they plan to present to the committee.
 - The PMC will decide which items it would like to see presented.
 - If a product is for a seasonal item but supplier wants to present at an unseasonable time, then PMC will suggest a more appropriate listing period.
- Suppliers must submit a “Product Specifications” form and “New Item Information Summary” in the MIPS online system, available through Virginia ABC’s website, by the established deadline or receive zeroes in scores for missing information.

INFORMATION NEEDED TO COMPLETE THE “PRODUCT SPECIFICATIONS” FORM

- Proof/alcohol (%)
- Number of bottles per case
- Cost of shipping per case
- Net cost per case (The retail bottle price is calculated based on information provided.)
- UPC code
- Shipping container code (SCC)
- Number of cases per pallet
- Number of cases per layer on the pallet
- Case weight (in lbs)
- Case dimensions (in inches)
- Bottle dimensions (in inches)
- Shipping origination point

INFORMATION NEEDED TO COMPLETE THE “NEW ITEM INFORMATION SUMMARY”

- Explanation of why the Virginia market needs the product
- Description of the packaging appeal, price appeal and unique aspects of the product
- Explanation as to what market segment the product appeals
- Description of the planned promotional/advertising campaign
- Estimated 12-month Virginia advertising expenditure
- Sales projections for the Virginia market (6 months and 12 months)
- List of similar items currently sold in Virginia and their associated sales
- List of states in which the product is currently being sold
- Number of product cases sold in other states

There is no appeal process for products not listed.

If a product is not listed, then the product must wait one year before being re-presented to the Virginia ABC PMC for listing consideration. This waiting period will be waived only if the ownership of the product has changed since the last listing presentation.

ABC continually adapts its evaluation criteria and profit margin requirements to meet changing business needs.

The Virginia ABC PMC reserves the right to reconsider products at any time, even those that were not selected and may have been required to wait 12 months for listing reconsideration. ■

SIZE EXTENSIONS

Requests for size extensions are included as part of the listings process. Listings are held four times a year, with new products appearing on the July, October, January and April price lists. Size extension requests must be submitted by a date specified by the PMC. Typically, this is approximately two weeks prior to a listings presentation.

A completed “New Product Information Summary” and a completed “Product Specifications” form must be entered into the MIPS system by the established deadline in order for the product to be considered for a size extension.

The PMC will evaluate size extension requests based upon the size(s) of the product currently being sold by Virginia ABC, the contribution margin of the current size(s), item expansion criteria and brand sales trends. ■

DELISTINGS

Delisting is the process by which products with a low contribution margin are removed from the Virginia ABC price list and system.

- As of July 1, 2013, new products are given 14 months to meet and/or exceed the established annual contribution margin threshold. If a product does not meet this threshold after 14 months, then it is a candidate for delisting.
- New products are given seven months from the date of listing to achieve one-half of the established contribution margin annual threshold. If this is not achieved, then the product is placed on “probation.” Probation is essentially a written warning that states if sales do not improve in the remaining seven months, then the product will likely be delisted.

Delisting criteria are as follows:

Product Type	Annual Contribution Margin Threshold
Non-Virginia products (liquor, mixers, etc.)	\$20,000
Virginia non-wine products (liquor, mixers, etc.)	\$10,000
Virginia wine	\$3,000

NOTE: Virginia products are defined as “made or distilled in the Commonwealth of Virginia” or that have been awarded the distinction of “Virginia’s Finest” by the Virginia Department of Agriculture and Consumer Services. (See <http://www.vdacs.virginia.gov/vafinest/> for more information). If the product was made or distilled in Virginia then this fact should be stated on the bottle.

These annual contribution margin thresholds include all sizes.

- For new products, the clock starts on the date of listing.
- For older products, the clock began on the date that the new delisting criteria went into effect: July 1, 2012.

A product may be spared from delisting if its annual contribution margin composes at least 2 percent of the overall contribution margin for its subcategory. This preserves offerings in smaller subcategories for Virginia ABC customers.

Categories and subcategories are as follows:

Cordials	Vodka	Virginia Wine
Gin	• Flavored	• Sparkling
• Flavored	Whiskey	• Red
• Sloe	• Blended	• White
Mixers	• Canadian	• Pink
• Rimmers	• Corn	• Fruit
Rum	• Irish	• Miscellaneous
Tequila	• Rye	
Vermouth	• Scotch	
	• Tennessee	

Products with a pattern of out-of-stocks at the Virginia ABC bailment warehouse due to inconsistent product supply may also be delisted. Virginia ABC also reserves the right to delist products based on poor vendor performance.

Items delisted must wait two years from the date of delisting until the product can be presented again to the PMC for listing consideration. This waiting period will be reduced to one year only if the ownership of the product has changed since the product was delisted.

The PMC reserves the right to reconsider products at any time, even those that were delisted and may have been required to wait for listing reconsideration for up to 24 months.

Once a product has been delisted, any inventory in the Virginia ABC bailment warehouse must be retrieved immediately.

Delisted products will often be discounted in Virginia ABC retail stores in order to remove any remaining inventory from store shelves. ■

SPECIAL ORDER CATALOG

As a service to customers, Virginia ABC offers products on its Special Order Catalog. These are typically products in which there is some demand, however not significant, due to either price or low product awareness by customers. Products offering Virginia ABC a small allotment may also be placed on the Special Order Catalog since there may not be enough to stock in all Virginia ABC stores.

The Special Order Catalog provides an opportunity for suppliers to build a product following and/or demand. Once that demand has been built, the supplier can submit the product to be listed on the standard price list. ■

STORE SELECTION

Suppliers may make suggestions as to which stores they would like to be listed in; however, the final decision will be made by Virginia ABC. ■

DISCOUNTING

Discount allowances (DAs) for distilled spirits and nonalcoholic mixers may be performed up to six times a year for each brand-label name. For example, brand “x” green apple vodka may be discounted six times a year and brand “x” watermelon vodka may also be discounted six times a year. Discounting different sizes of the same brand label each count as one of the six allotted discounts.

Virginia wines may be discounted up to seven times a year. Virginia ABC discounts Virginia wines an additional 20 percent during Virginia Wine Month (October) on top of any discount already offered by the supplier.

New products may be discounted in their first month of availability.

Minimum discount thresholds have been established and can be viewed below:

Product Type	Qualification to Discount	Minimum Discount
Nonalcoholic mixer	none	none
Virginia wine	none	none
Distilled spirits		
50mL	n/a	no discounting allowed
100mL	n/a	no discounting allowed
200mL	n/a	no discounting allowed
375mL	Retail bottle price is \$20 or greater	\$1.00 or 5% off retail bottle price*
750mL		\$1.00 or 5% off retail bottle price*
1L		\$1.00 or 5% off retail bottle price*
1.75L		\$2.00 or 5% off retail bottle price*

*In these cases, the minimum discount can be by fixed dollar value or percentage, whichever is greater.

Free

II. PACKAGING



BONUS:
TWO 8 OZ CANS
READY TO DRINK
FREE

BAILMENT WAREHOUSE SPECIAL HANDLING

Beginning with product delivered to the Virginia ABC bailment warehouse on April 1, 2014, any product requiring special handling must be shipped to the warehouse using a unique NABCA code, shipper SCC code and product UPC code. Items shipped under the regular product code will flow through the warehouse as regular product, and will be subject to the regular inventory guidelines. Virginia ABC will not provide special handling for items shipped to the warehouse under the standard product code. ■

TYPES OF PROMOTIONAL PACKAGING

Value-added products are items of value that are included in a unique packaging of a regularly listed product. Examples of value-added products are glassware, flasks, T-shirts, jiggers, mixers, etc. Mixed beverage licensee customers may not purchase value-added product packages for use in their place of business.

Co-packs are two bottles of distilled spirits which are offered at a reduced price when purchased as one sales unit. The price of the combined items must exceed the regular listed price of the more expensive item in the co-pack. All items contained in a co-pack must be regularly listed items. Mixed beverage licensees may purchase co-pack items so long as no additional item of value is contained in the co-pack.

Seasonal items are any item that has a visual reference to a holiday or seasonal event. These must be shipped to the ABC bailment warehouse using unique National Alcohol Beverage Control Association (NABCA), shipper SCC and UPC codes. Any seasonal items packaged under a brand's regular NABCA product code will be returned to the vendor. If the seasonal item is received too late to effectively capitalize upon the seasonal aspect of its design, it will be returned to the vendor. ■

TYPES OF SPECIALTY PACKAGING

Specialty bottles are bottles bearing a novelty design which is not seasonal in nature, but different from the standard bottle design. Examples include special edition bottles or single barrel bottles packaged especially for Virginia.

Standard case promotional packaging are bottles packaged with some type of promotional item. Examples include, but are not limited to, glassware or other promotional items that stack onto the neck of a standard bottle, bottle wraps or 50mL promotional bottles. The case configuration of these items is identical to the standard shipping case. ■

PRICING

Promotional packages are generally offered to customers at the same retail price as a regularly packaged bottle of the same distilled spirit. These promotional packages serve as a customer loyalty reward, incentive to try an unfamiliar product, or gift giving opportunity. In the event that the regularly packaged product contained in the promotional packaging is offered at a discounted retail price, Virginia ABC requires that the vendor sponsor the same discount on any promotional packaging still in store inventory. It is the vendor's responsibility to monitor the inventory level of promotional products and maintain a retail price consistent with the regularly packaged product. ■

APPROVAL

Value added products are not eligible to become regularly listed products in Virginia ABC stores. In order to be considered for approval, the value added package must contain a product regularly carried by Virginia ABC. Promotional packages are generally purchased in approved quantity for a one time distribution to specific stores. This distribution will be designated by Virginia ABC based upon the historical sales of the distilled spirits contained in the promotional package.

The purchase of promotional packaging items must be approved by Virginia ABC prior to shipment. Items delivered to the warehouse that have not been previously approved will be returned to the vendor.

Proposals for promotional packaging are to be submitted to the ABC Marketing and Merchandising Manager a minimum of 45 days in advance of the start of the quarter in which the promotion will take place. The following table illustrates the necessary dates of submission for promotional packaging considerations.

<u>Promotion Period</u>	<u>Submit By</u>
<u>Q1. January, February, March</u>	<u>November 15</u>
<u>Q2. April, May, June</u>	<u>February 15</u>
<u>Q3. July, August, September</u>	<u>May 15</u>
<u>Q4. October, November, December</u>	<u>August 15</u>

Considerations for approval include:

- **Incremental sales potential.** Considering the fiscal, logistical and retail resources required to stock a product, does it possess sufficient customer value to encourage incremental sales rather than simply replacing the regularly carried product?
- **Responsible drinking.** Items must not have any component that would be specifically attractive to underage buyers, promote irresponsible drinking or violate any statute pertaining to alcoholic beverage promotional items.
- **Appropriateness.** Items must not be likely to be found offensive by any customer visiting a Virginia ABC store.
- **Proposed quantity.** The proposed quantity should sell through in 30–90 days, depending upon the purpose of the special pack. ■

III. MERCHANDISING



SHELF GUIDE PLACEMENT

Shelf guides and resets will occur quarterly on the first day of January, April, July and October to coincide with new product listings. Category resets will alternate on listing dates. For example, vodka, bourbon and rum categories will reset in April and October, while the cocktail category will reset in January and July.

Suppliers who have concerns about shelf guide compliance at a particular store may contact the store manager. Unresolved issues should be reported to Virginia ABC's Marketing Division. ■

MERCHANDISING MATERIALS SUBMISSION

In-store promotions are the responsibility of the supplier and subject to review and approval by Virginia ABC's Marketing Division. Virginia ABC requires all merchandising actions listed below be submitted 45 days in advance of the desired in-store placement:

- Display requests
- Promotional materials request ("promotional materials" includes all display materials, point-of-sale [POS] materials, shelf talkers, posters, mail-in rebate coupons, recipe cards, giveaways and in-store sweepstakes.)
- Forceout request
- Value-added packaging (VAP) request
- Giveaway request
- On-pack request
- Near-pack request

Once approved, artwork may be used repeatedly and on different pieces without further approval. Mock-ups may be submitted with the understanding that only minor changes are made following approval.

Ad campaign artwork is most frequently refused for the following reasons:

- Nudity or partial nudity
- Appeals to children/underage persons
- Product advertised is not listed in Virginia
- Encourages overconsumption
- Implies drinking enhances performance at sports, sex, etc.
- Shows drinkers engaging in irresponsible acts such as driving or operating heavy machinery

The supplier will receive notification of approval/denial of the merchandising request via email. It is recommended a copy of the merchandising approval(s) be brought to the store and shown to the store manager. ■

DISPLAY POLICY

All floor displays must be submitted for approval to Virginia ABC's Marketing Division at least 45 days prior to anticipated in-store placement. Displays without approval may not be set up in Virginia ABC retail stores.

Display space is allocated on a first-come, first-serve basis. Suppliers who do not visit stores in a timely or frequent manner cannot expect to have display space reserved for them. Please note: Display approval does not guarantee a space in the sales floor display area.

Virginia ABC's Marketing Division will determine the duration of each display at the time of display review and approval. This will be communicated as part of the approval notification.

Displays are to be delivered to the store and set up no more than seven days after the display period begins. For example, a display due for February/March must be set up by February 7. If the display is not up by the end of the seventh day, the space will be reallocated.

Suppliers must set up and place their own display materials as approved by store management. Virginia ABC retail store employees will not perform marketing tasks for individual products.

Displays not maintained by the respective supplier may be taken down by store management and the space reallocated.

Virginia ABC retail store management has the final approval on allocation of display space. Suppliers should visit stores when the manager is available to allocate space. Allocations by assistant managers and acting assistant managers may be overruled when the store manager returns.

Suppliers should request an appointment with the store manager on duty if they wish to set up displays on scheduled product delivery days so that the truck may be unloaded prior to the beginning of display setup.

Supplier representatives may provide empty shippers to bulk up displays when inventory levels are low. Empty shippers will be marked with a green dot to differentiate them from boxes containing actual merchandise during store inventories. Virginia ABC retail stores will not hold empty shippers for suppliers due to space constraints.

Giveaway displays may be limited during the fourth quarter of the calendar year to accommodate holiday gift sets. Items on special discount for the holiday season are not guaranteed floor displays and placement will be determined at the discretion of store management on a store-by-store basis. ■

DISPLAY CREATION FOR NEW STORES

Supplier representatives will be invited to set up displays at a specific date and time when the store and merchandise will be available. Suppliers unavailable on the invited date and time should contact the respective store's management to reschedule. Suppliers should not visit new stores before the invited date.

PROMOTIONAL MATERIALS

Promotional materials are items that bring attention to products in a Virginia ABC retail store, including shelf talkers, recipe cards, rebate coupons, giveaways, in-store sweepstakes, etc. Promotional materials must be submitted for approval to Virginia ABC's Marketing Division at least 45 days prior to the anticipated in-store placement date. Promotional materials that are not approved may not be used in Virginia ABC retail stores.

Recommended size for shelf talkers, recipe cards and rebate coupons is approximately 3 x 5 inches.

Promotional materials are to be placed using plastic or metal clips that insert into the front shelf channels (approximately 1 3/8"). Use of glue, tape or anything else that damages the paint on the shelving or leaves a residue is prohibited.

Items displayed on retail shelving must extend upward over the supplier's advertised product and may not hang down to cover the products displayed below the advertised product.

REBATES

Mail-in rebates must be submitted for approval to Virginia ABC's Marketing Division at least 45 days in advance of the anticipated in-store placement. Rebates should be offered only on items listed for sale in the Commonwealth of Virginia. Rebate coupons denied may not be executed or placed in Virginia ABC retail stores. Rebate amounts must be less than 50 percent of the product's retail bottle price. Group product rebates will be limited and checked using the least expensive item.

Approved rebate coupons may be hung as bottle neckers or tear pads. Placement is the responsibility of the supplier and will not be done by Virginia ABC retail store employees. It is also the supplier's responsibility to remove expired rebate coupons. Any customer issues with mail-in rebate redemption will be forwarded to the assigned supplier for resolution.

GIVEAWAYS

Awarded prize items are typically present in the store with an accompanying display. Exceptions include large-ticket items such as jet skis, which may only be on display in one or two retail stores.

A giveaway proposal should include:

- Item to be given away, including an actual sample of the giveaway item or a photo with dimensions (item substitutions will require prior approval)
- Quantity of giveaway items available
- Giveaway start date and drawing date
- Product codes to be included on giveaway display
- Requested display stock quantities for each code
- Sale information for included products

Displays for giveaway items will not exceed the footprint of the actual displayed prize by more than one case width on each of the four sides of the product. Each top case should be opened and the product inside displayed for sale. As cases are emptied, they will be removed and new cases opened. Supplier representatives may provide empty shippers to take the place of removed empty cases (if desired).

Store management is to provide entry forms to customers for in-store giveaways. Store employees and their immediate families are not eligible to enter giveaways. Approved entry forms must be available at all times. The supplier representative is to draw the winning name.

Store management will notify the winner and arrange for pickup of the prize. Notification information is entered on the winning entry slip. Notification will be attempted twice. If the winner does not pick up the prize after the second notification, then the prize will be awarded to a secondary winner.

Giveaway displays may be limited in the fourth quarter of the calendar year to accommodate holiday gift sets. Items on special discount for the holiday season are not guaranteed floor displays and will be determined at the discretion of store management on a store-by-store basis.

IN-STORE SWEEPSTAKES

Sweepstakes typically award prizes that cannot be physically displayed in a store, such as a trip. Customers enter the sweepstakes through a remote site like the Internet or through the mail.

Suppliers who wish to place advertising and entry forms for sweepstakes in Virginia ABC retail stores must submit requests to Virginia ABC's Marketing Division at least 45 days in advance of the anticipated sweepstakes. Denied requests for advertising materials or entry forms may not be placed in Virginia ABC retail stores. Alcohol cannot be awarded as a prize for sweepstakes. ■

STORE VISIT PROTOCOL

It is a violation of federal regulation for a supplier representative to physically move bottles or cases of merchandise belonging to another supplier. Under no circumstances may a supplier move any product that they do not personally represent. Violation of this federal regulation may result in administrative sanctions.

1. Supplier representatives will provide each store that carries their product(s) with the representative's contact information (name, phone, email, address) and a list of represented products.
2. Supplier representatives are required to check in with the store manager on duty immediately upon entering the store and sign the visitor's log including name, company and date of visit.
3. Supplier representatives will notify the store manager on duty before beginning any work on the sales floor and discuss with them the purpose of the visit and which products are to be serviced during the visit.
4. Supplier representatives will not change the location of merchandise on Virginia ABC retail store shelves unless approved by store management. *Please note: Request for changes in shelf sets must be forwarded to the Virginia ABC Marketing Division.*
5. Supplier representatives may restock their represented product(s) in their allocated shelf locations. However, they may not add additional facings.
6. Supplier representatives may restock any approved displays or racks on the sales floor using on-hand merchandise from the store's stockroom.
7. Supplier representatives may add approved on-pack item (i.e. neckers) to bottles of their product(s) currently on the sales floor. Approved on-packs should be affixed to the bottle in some manner, not left for Virginia ABC employees to give to customers at purchase.
8. Near-pack items (where an item is given free with purchase and is displayed beside the purchase item but not attached to it) will be allowed on floor displays only and will not receive space on retail shelves. Virginia ABC store employees will not be responsible for policing who receives near-pack items.

What Suppliers Can/Should Do	What Suppliers Cannot Do
Submit display, promotional materials and forceout requests to Virginia ABC's Marketing Division 45 days in advance	Move other suppliers' products
Put up discount signs	Move their own products without permission from the store manager on duty, who must first verify if the move adheres to the shelf guide
Display approved POS materials and signs	Offer alcoholic on-packs to ABC retail store employees
Set up floor displays with store management approval	Offer incentives to ABC retail store employees for display placement
Restock OWN products on shelves and displays	Request additional products be added to store assortment
Hang approved on-pack merchandise	Offer display or giveaway items not approved by Virginia ABC's Marketing Division
Provide product knowledge/customer assistance	Solicit participation in programmed displays/giveaways to stores not meeting the sales criteria as determined by Virginia ABC's Marketing Division
Maintain professional relationships with customers and store staff	
Take cell phone calls off the sales floor	
Report problems to their home offices for forwarding to Virginia ABC's Marketing Division	
Deliver approved giveaway items in a timely manner	
Set up displays within one week of approved start date	

III. WAREHOUSE





BAILMENT WAREHOUSE

Virginia ABC uses a bailment warehouse system. This means that products delivered to the Virginia ABC warehouse must be consigned to the supplier in care of Virginia ABC. While products are stored in the Virginia ABC bailment warehouse, the supplier is the owner of, has legal title to and bears the risk of loss of those products, except for loss or damage caused by Virginia ABC's failure to exercise such care in regard to stored products as a reasonable, careful person would exercise under like circumstances. Virginia ABC will take title to products only once they are purchased by Virginia ABC (at the time the product is picked up for delivery to Virginia ABC retail stores).

There are minimum and maximum levels for each product code maintained in the Virginia ABC bailment warehouse. Suppliers will be provided with access to a report detailing inventory levels for their products. It is the responsibility of the supplier to manage appropriate inventory levels in the Virginia ABC bailment warehouse.

The minimum inventory level for high-volume items will be set at a 10-day supply based on the seasonally adjusted historical average. The minimum level for medium-volume items will be set at a 15-day supply based on the seasonally adjusted historical average. The minimum level for low-volume items will be set at a 30-day supply based on the seasonally adjusted historical average or one pallet, whichever is greater. The minimum level for direct import items will be set at a 30-day supply based on the seasonally adjusted historical average.

The maximum inventory level for high-volume items will be set at a 30-day supply based on the seasonally adjusted historical average. The maximum level for medium-volume items will be set at a 45-day supply based on the seasonally adjusted historical average. The maximum level for low-volume items will be set at a 60-day average based on the seasonally adjusted historical average. The maximum level for direct import items will be set at a 60-day supply based on the seasonally adjusted historical average.

Suppliers are required to maintain adequate inventory levels or a specified amount of inventory as provided by Virginia ABC for items that will receive price discounts or advance buys. Virginia ABC will notify supplier of its expected inventory requirements 30 days prior to the anticipated withdrawal date.

An overstock fee of \$1.00 per excess case per day will be assessed to any supplier whose inventory exceeds the maximum inventory level for more than five consecutive days. A space reservation fee of \$1.00 per case per day for each case below the minimum inventory level assigned will be assessed to any supplier for any product for which Virginia ABC is unable to fill store orders. ■

CASE CODE LABEL INSTRUCTIONS

The “case code label” is one of the major benefits to the control state coding system. Below is an example and explanation of the approved case code label:



- A. Actual size of the case code label is 4 x 6 inches.
- B. Case code labels should be on white stock paper with black lettering unless approved otherwise.

1. Product description

- The size of the product must be included.

2. Control state code (CSC) number

- “320” represents the three-digit prefix to further identify class and type. “43136” is the unique six-digit CSC number. (Note: All leading zeros should be omitted.) The number “75” represents the two-digit suffix identifying the size. The CSC number should be 7/8” to 1” high. The prefix and suffix number should be 1/4” to 1/2” high.

3. Other state code numbers

- Pennsylvania and North Carolina code numbers should be 7/8” to 1” high. All other state code numbers should be 1/2” high.

4. UPC symbology

- The UPC symbology should be located in the lower left-hand corner of the case code label.

5. Location

- The label should be located on an end panel.

All bar codes (UPC, EAN, SCC-14, SSCC-18, and other AIs and data) shall be printed and placed in a vertical bar configuration (picket fence). Placement of bar codes is independent of print technology and symbology employed.

If you have any questions about where to place bar codes or if they are in proper format, please contact the Virginia ABC transportation department at (804) 213-4524. ■



DELIVERY OF PRODUCT TO WAREHOUSE

Suppliers will be responsible for determining the quantities of merchandise to be delivered to the Virginia ABC bailment warehouse for storage as provided by the minimum and maximum inventory levels. Suppliers shall schedule deliveries through the MIPS system. Trucks without an appointment will not be unloaded.

Cases that are received at the Virginia ABC bailment warehouse with visible damage will be unloaded into a holding area. The supplier will be notified and asked for disposition instructions.

Supplier must notify Virginia ABC by letter 30 days prior to a pallet configuration change or Virginia ABC will not be responsible for any discrepancies. ■

WITHDRAWAL OF PRODUCT FROM WAREHOUSE

A supplier may request a withdrawal of product inventory from the Virginia ABC bailment warehouse. The request is reviewed and either approved or denied by the Freight Traffic and Inventory Manager. If the request is approved, then the product that has been requested will be collected and staged for loading onto the supplier's truck.

Reasons for withdrawal requests vary, but may be due to the delisting or discontinuation of a product, the supplier's need to reallocate some of their inventory to another location (i.e., West Virginia has run out and there is more than enough inventory to cover Virginia currently stored in the Virginia ABC bailment warehouse), the maximum inventory level at the Virginia ABC bailment warehouse has been reached or product is defective or unsalable.

**Note: The Freight Traffic and Inventory Manager will discuss the issue with the supplier and if inventory levels permit for the withdrawal, the request may be approved. The Freight Traffic and Inventory Manager will also determine whether a fee for this service will be assessed. A supplier may be charged \$22.00 per hour for this service with a one-hour minimum. ■*

FEES

Suppliers will be charged for the following services:

- Place merchandise on pallet\$22.00 per hour (one-hour minimum)
- Reooperage.....\$5.00 per case
- Relabel case.....\$3.00 per case per item on the **first** occurrence
\$5.00 per case per item on the **second** occurrence
\$5.00 increments per item for each occurrence thereafter
- Physical inventory\$22.00 per hour (one-hour minimum)
- Withdrawal from bailment\$22.00 per hour (one-hour minimum)
- Destroy product.....\$10.00 per case

Any service fee to be charged to a supplier will be deducted from monthly merchandise payments by Virginia ABC. ■

CONTACT INFORMATION

FOR INQUIRIES REGARDING SPECIAL ORDERS, PLEASE CONTACT:

Neilann Brown
Product Specialist
(804) 213-4528
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FOR INQUIRIES REGARDING DISCOUNTING, LISTINGS AND DELISTINGS, PLEASE CONTACT:

Maria Jeter
Product Manager
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FOR INQUIRIES REGARDING STORE SELECTION, HOLIDAY PRODUCTS AND SCHEDULING OF VENDOR PRESENTATIONS, PLEASE CONTACT:

Joy Reeves
Marketing and Merchandising Manager
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FOR INQUIRIES REGARDING THE BAILMENT WAREHOUSE, PLEASE CONTACT:

Bryan Vaughan
Freight Traffic and Inventory Manager
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