



Agent and Supplier Memo

Dec 11, 2015

B2B Orders AND Transfers For 2016

Orders vs Transfers

AGLC and Connect Logistics Services (CLS) offer the ability for other Liquor jurisdictions to place orders. Board ORDERS are defined as an order placed to CLS by a Liquor Board that is paid to the AGLC and subsequently to the Agency or Supplier in Alberta.

Board TRANSFERS are defined as a transfer of stock from Alberta to a different jurisdiction. Transfers are invoiced at zero dollars with the receiving jurisdiction paying the Agent directly. Transfers will have service blackout periods to prioritize service for Alberta Orders.

Advantages of Board to Board Ordering Versus Transfers (as noted by AGLC):

Benefit	Description
Earlier payment of Customs and Excise amounts	Liquor agencies would receive the customs and excise amounts much sooner via "sale to other Board" for import products that clear Customs in another jurisdiction and are sent to Alberta (duty paid). This could improve an Agencies cash flow.
Reduction in paperwork	Liquor Agencies using Sales-to-other-Boards would have one Consignment Payment and Report showing summaries of their sales figures within Alberta and also to other boards (vs. managing orders and inventory separately for each jurisdiction).
No "Black Out Period" for Board to Board Orders	CLS periodically institutes "Black out" periods in which Board to Board transfers are not allowed because the distribution system is focused on meeting the needs of the Alberta Liquor Market. Seasonal "Black out" periods are usually declared at peak distribution times corresponding with busy periods in other jurisdictions. Having other Liquor Boards place an order rather than request a transfer reduces the likelihood of lost sales due to failure to get inventory on the shelf in a timely fashion.

Board to Board Ordering Online

For other Liquor Board ORDERS, each Jurisdiction can now access www.LiquorConnect.com to submit orders similar to Alberta Licensees. It is very easy and the feedback is immediate with a confirmed order, total, and price. This is a new method and has worked well. Liquor boards can email boards@exel.com to get setup if they aren't already. Again, payment of these orders is made to the AGLC.

Board to Board Fees

For B2B transfers and orders, the transportation is organized by the requestor. Order processing and loading costs are paid by the Agency for "Transfers" and the Board for "Orders". CLS has implemented fees on B2B transactions to isolate the value added service of processing and loading B2B transfers and orders. In 2016, the B2B fees will be changed slightly to recognize the difference between Orders, which are automatic through the system, versus Transfers which require manual intervention. The 2016 Fees are:

Type	Orders (per case)	Transfers (per case)
Case	\$0.27	\$0.37
Mega Case	\$0.54	\$0.74
Beer Keg	\$1.63	\$2.21
Mega Keg	\$3.26	\$4.42

If you have any questions please contact Connect.Agents@exel.com or 1-800-265-6784.

2016 Handbooks

2016 CLS Agency and Supplier handbooks will be sent early in 2016. The document is always available online but if you'd like to ensure you get a hard copy please request by contacting Agency Services.

NEW: Connect Pallet Recovery Program (CPRP)

In 2015 the Canadian Pallet Council (CPC) was disbanded. Therefore, effective immediately CLS will not be tracking or returning CPC pallets. This, as well as a trend to product specific pallets created many inquiries about acceptable pallets and their return. ALL pallets received at CLS are considered one-way and will not be returned. The 2015 Agency Handbook States:

CLS accepts pallets that are appropriate for elevated storage in racking. Pallets must be 48"x40" four-way, with stringers. CHEP standard is acceptable. Pallet must be in good repair and not damaged in any way. Pallets are considered one way and will not be returned.

If the pallets do not meet the guideline, the product will be clamped or manually moved to appropriate pallets during receiving and the "Slip-sheet" or "Case" Receiving rate will apply.

New for 2016

For 2016, CLS will be launching a new Connect Pallet Recovery Program (CPRP) which will allow specialty pallets to be returned to the shipper (Agency, Freight Forwarder, or Supplier) if approved for the program. This service is to satisfy these special value added requests. Only pallets with prior approval for the CPRP will be returned. Only uniquely identifiable and durable pallets will be eligible for the program. CLS will not return white board, standard, or old CPC pallets.

The program is simple. CLS will gather the approved pallets until a full truck load (FTL) is available for pickup. Once a FTL has accumulated, CLS will send a pickup request to the owner of the pallets. The pallets must be picked up with a scheduled appointment within 7 days.

The fee for this service is \$0.48 per pallet returned in full truck load quantities. Less than truck load (LTL) pickup is available only by exception and will incur additional fees.

CLS is not intending to store these pallets for any length of time. 7 days after notification of pickup the Sample and Promo Storage rate of \$25 per 30 days will apply for each pallet position (stack) of pallets. This fee is billed daily (\$0.07 per day, per pallet). CLS reserves the right to dispose of pallets not picked up in a timely manner.

CLS is not responsible for, nor monitors, the CPRP pallets at any point in time during warehousing or distribution. Pallets may be shipped to the Retail trade and, although significant efforts to recoup the pallets are conducted, they may not be returned to CLS. CLS will only inventory pallets for pickup purposes once they are empty and through the entire distribution process.

NEW: Support for Expiry Date and Lot Codes. Connect Code Tracking (CCT)

In 2016, CLS will be launching a new service called Connect Code Tracking (CCT) to track lot codes or expiry date as a “reference code” on products. This service is to satisfy specific value added requests from Agents. Each pallet is assigned a unique identifier for warehousing purposes, called a License Plate Number (LPN). This LPN is tracked throughout the distribution system until the product is sent to the active pick location. CLS will add the reference code, inputted during receipt, to the LPN information for ongoing reference while the product is stored at CLS. The reference code will be reported for the pallet, LPN, on LiquorConnect.com under a new CCT report until it is moved to the pick location.

Note: CLS will track ONE reference code per LPN. If, for instance, multiple date codes are sent by the supplier of a single product on the same pallet only one will be recorded as the reference code.

The program is optional. Many Retailers have expressed concerns to CLS and AGLC regarding stale- dated beer being received as part of their order. In the vast majority of these cases the issue has been inventory management by the Agency, ie. carrying too much inventory and not selling through quickly enough. This program may help Agencies identify such issues and take action to address the situation.

As the program is implemented more information will be sent out, including how to sign up, etc.

Rates are \$4.75 per LPN tracked, billed upon tracking, and LiquorConnect.com online reporting is included.