

Quality Services Fee Schedule

Service	Fee, \$	Applied per	Observations
Quality Services - Administrative Charges			
1 QS Administration Fee			
1.1 Return, Destruction of Warehouse / Store Inventory	\$ 250.00		
1.2 Inventory Correction Authorization	\$ 250.00		
1.3 UPC/SCC Database Maintenance	\$ 200.00		
1.4 Processing External Charges	\$ 250.00	Per Debit Note/Invoice	Including traffic claims and third party logistics services.
2 Production of QS Circulars	\$ 100.00	Per Circular	When vendor liable and action required
3 Printing labels (e.g. UPC, SCC, Alc. Str., Net Qty)			
3.1 External Clients			
a) Selling Units	\$ 35.00	For 1st 1000 and \$ 15.00 for each additional 1000	
b) Shipping Containers	\$ 35.00	For 1st 1000 and \$ 15.00 for each additional 1000	
3.2 Internal Clients			
a) Selling Units	\$ 0.05	Per label	
b) Shipping Containers	\$ 0.08	Per label	
4 Vendor Shipped Wrong Product	\$ 1,000.00	Per Product, in addition to any other corrective action fees	
Sensory Evaluation Services			
1 Sensory Evaluation using the Grading System	\$ 120.00	Per sample	
2 Sensory Evaluation using the Accept-Reject Method	\$ 100.00	Per sample	
3 Triangle Test	\$ 70.00	Per sample	
4 Aroma Kit	\$ 80.00	Per kit of 12 aromas	Charged for external clients only
5 Defect Kit	\$ 80.00	Per kit of 6 defects	Charged for external clients only
6 VQA Sensory Analysis	\$ 107.00	Per sample	
Packaging Review			
1 VQAO Packaging Review	\$ 19.00	Per sample	
2 Shipping Container Review	\$ 35.00	Per carton	Charged for external clients only
Warehouse - Corrective Action Charges			
1 Application of self adhesive labels/stickers			
a) Shipping Containers	\$ 3.00	Per case *	
b) Selling Units	\$ 3.75	Per 6 bottles case *	
	\$ 5.00	Per 12 bottles case *	
	\$ 7.50	Per 20 or more bottles case *	
c) Wooden cases	\$ 7.50	Per case *	Extra charge for other heavily packaged items to be determined by case
2 Re-mark shipping cartons with correct information	\$ 3.00	Per case *	
3 Re-taping cartons			
3.1 Upon receipt	\$ 1.00	Per case *	
3.2 Stock retrieved	\$ 3.00	Per case *	
4 Attach value-add items to selling units	\$ 3.75	Per 6 bottles case *	
	\$ 5.00	Per 12 bottles case *	
	\$ 7.50	Per 20 or more bottles case *	
5 Candling			
5.1 Red wine or dark glass bottles	\$ 1.00	Per bottle *	
5.2 White wine or light glass bottles	\$ 0.85	Per bottle *	
6 Visual inspection of cartons or product	\$ 50.00	Per man hour *	
7 Separating or re-palletizing cartons	\$ 50.00	Per man hour *	Rate is based on 100 cases/hr
8 Non-conveyable handling charges	\$ 1.00	Per case *	
9 Administration Fee *	15%		* Add administration fee to total

Destruction/Return/Exchange of Warehouse / Retail Inventory, Inventory Correction Authorization

1 Warehouse handling charge	\$ 1.00	Per case	
2 Warehouse recycling fee	\$ 3.00	Per case	
3 Warehouse consolidation freight charges	\$ 8.50	Per case	
4 Store handling charge	\$ 3.00	Per case	
5 Store return freight charge (to supplying warehouse)	\$ 17.50	Per case	

Retail QA Service Charges for Correction Action

1 Application of tamper-evident strips	\$ 0.25	Per unit *	* Cost is calculated based on inventory reported by InfoLibrary day following RSG Alert.
2 Application of U.P.C. stickers	\$ 0.25	Per unit *	
3 Application of corrective labels	\$ 0.25	Per unit *	
4 Defacing bar codes	\$ 0.25	Per unit *	
5 Inspection of inventory per RSG Alert	\$ 0.25	Per unit *	
6 Issuing a LCB 298 per 5 above **	\$ 1.00	Per report	** Fee is in addition to \$0.25 per unit inspection fee.

Quality Services Warnings & Fines Schedule

No	Type	Non-Compliant Packaging/Labeling Description (per LCBO Product Packaging Standards)	1st Offence Warn or Fine	120 Days after W 1st Fine	After 120 Days	120 Days After 2nd Fine	Immediate Corrective Action (CA) Required
1	SCM 5.0	LCBO # on shipping container is assigned to another product. Corrective action is required.	N/A	-	-	-	\$3.00 per case to correct
2	SCM C2	Shipping container code is missing or format does not meet LCBO specifications	N/A	-	-	-	\$3.00 per case to correct
3	SCM C2	Human readable characters are not fully visible/readable	W	\$1.00	\$2.00	\$3.00	
4	SCM C2	Human readable characters do not accompany SCC.	W	\$1.00	\$2.00	\$3.00	
5	SCM C2	Human readable characters do not match SCC.	F	\$3.00	\$4.00	\$5.00	
6	SCM C2	SCC does not appear on two adjacent panels.	N/A	-	-	-	\$3.00 per case fine
7	SCM C2	The UPC does not appear on two adjacent panels or on the top and bottom panels when a selling unit is also a shipping container and contains more than 6 bottles.	F	\$3.00	\$4.00	\$5.00	
8	SCC 1.1	SCC does not appear on shipping container.	N/A	-	-	-	\$3.00 per case to correct
9	SCC 2.2	SCC uses the UCC/EAN-128 format and is missing the application identifier (01).	N/A	-	-	-	\$3.00 per case to correct
10	SCC 2.2	The "Packaging Indicator" must be 1 to 8 if the "Item Number" of the SCC is the same as the "Item" Number used for the U.P.C.	N/A	-	-	-	\$3.00 per case to correct
11	SCC 3.0	SCC is not of an acceptable format.	N/A	-	-	-	\$3.00 per case to correct
12	SCC 5.2	SCC does not scan with bar code reader.	N/A	-	-	-	\$3.00 per case to correct
13	SCC 5.2	Inconsistent print quality of SCC bar code affects scannability - corrective work required to shipping container.	N/A	-	-	-	\$3.00 per case to correct
14	SCC 5.3	SCC does not scan with an ANSI Verifier, but scans with bar code reader.	W	\$1.00	\$2.00	\$3.00	
15	SCC	SCC does not match LCBO corporate database.	N/A	-	-	-	\$200 Admin. fee to update database.
16	SCC	SCC is not in horizontal position.	N/A	-	-	-	\$3.00 per case to correct
17	SCC	SCC on end panel is different than on the side panel and one of them is assigned to a different brand.	N/A	-	-	-	\$3.00 per case to correct
18	SCC	SCC on end panel is different than on the side panel and requires updating the LCBO corporate database.	N/A	-	-	-	\$200 Admin. fee to update database.
19	SCC	The SCC on the shipping container is assigned to another product - corrective work required.	N/A	-	-	-	\$3.00 per case to correct
20	SCDS 1.5	Shipping container folds are perforated. Excessive breakage encountered.	W	\$1.00	\$2.00	\$3.00	
21	SCDS 2.3	Shipping container is not of a single case design.	W	\$1.00	\$2.00	\$3.00	Repacking may be required if product is nonconveyable.
22	SCDS 2.4	Shipping container joints are not securely sealed, corrective action required.	N/A	-	-	-	Fee based on type of corrective re-work. Repacking may be required if product is nonconveyable.

No	Type	Non-Compliant Packaging/Labeling Description (per LCBO Product Packaging Standards)	1st Offence Warn or Fine	120 Days after W 1st Fine	After 120 Days	120 Days After 2nd Fine	Immediate Corrective Action (CA) Required
23	SCDS 2.5	Staples are not permitted anywhere on a shipping container	W	\$1.00	\$2.00	\$3.00	
24	SCDS 2.6	Gap between the outer top flaps exceeds 0.25 " (0.64 cm)	W	\$1.00	\$2.00	\$3.00	
25	SCDS 2.7	Consumer units do not completely fill carton and/or are not secure within shipping container.	W	\$1.00	\$2.00	\$3.00	
26	SCDS 2.7	Head space does not meet LCBO specifications.	W	\$1.00	\$2.00	\$3.00	
27	SCDS 3.0	Trays are non-conveyable. Glass bottles are not packaged in multi-pack selling units.	N/A	-	-	-	Immediate CA required to repack
28	SCDS 3.3	Tray height is less than 1/3 height of selling unit or less than the requirement of 6.4 cm (2.5").	W	\$1.00	\$2.00	\$3.00	Allowing a +/- tolerance of 1/4"
29a	SCDS 4.0	Shrink wrap is not tight or secure - nonconveyable.	Send to third party to shrink wrap				
29b	SCDS 4.0	Shrink wrap is not tight or secure.	W	\$1.00	\$2.00	\$3.00	
30	SCDS 4.0	Tray is not shrink wrapped.	Send to third party to shrink wrap				
31a	SCDS 4.2	Shrink wrap is less than 0.0635 mm in thickness - nonconveyable	Send to third party to shrink wrap				
31b	SCDS 4.2	Shrink wrap is less than 0.0635 mm in thickness	W	\$1.00	\$2.00	\$3.00	
32	SCDS 4.4	Seams/openings of the shrink wrap interfere with LCBO applied bar codes.	F	\$1.00	\$2.00	\$3.00	
33	SCDS 8.0	Bottle partitions do not meet LCBO specifications.	W	\$1.00	\$2.00	\$3.00	
34	SCDS 8.1	Shipping container does not have bottle partitions.	W	\$1.00	\$2.00	\$3.00	
35	SCDS C3,4	Shipping container does not meet minimum burst strength.	W	\$1.00	\$2.00	\$3.00	Allowing a +/- tolerance of 10%
36	SCDS C3,4	Shipping container exceeds the maximum allowable weight of 22.9 kg (50.49 lbs).	W	\$1.00	\$2.00	\$3.00	
37	TIC 2.0	Load shifted in transit. Re-packing required. For domestic products only (<i>Imported products are referred to Traffic</i>).	F	-	-	-	Problem load sheet. Immediate CA req.
38	TIC 2.6	Improper piling pattern. Cases were re-palletized upon receipt.	F	-	-	-	Problem load sheet. Immediate CA req.
39	TIC 2.7	Cases were damaged during unloading due to excessive adhesive applied between tiers. Cases were re-worked upon receipt.	F	-	-	-	Problem load sheet. Immediate CA req.
40	TIC 2.8	Pallets were not adequately secured. Pallets were poly-strapped upon receipt.	F	-	-	-	Problem load sheet. Immediate CA req.
41	CULR 7.0	LCBO # is on selling unit is different than the one assigned. Corrective work is required.	N/A	-	-	-	Refer to QS Fee Schedule
42	CULR 8.0	U.P.C./EAN human readable characters do not match bar code.	W	\$1.00	\$2.00	\$3.00	
43	CULR 8.0	U.P.C./EAN on selling unit is assigned to another product. Corrective action is	N/A	-	-	-	Refer to QS Fee Schedule
44	CULR 8.1	U.P.C./EAN does not appear on the selling unit. Corrective action is required.	N/A	-	-	-	Refer to QS Fee Schedule
45	CULR 8.9	Incorrect bar code format used for the U.P.C./EAN and does not scan.	N/A	-	-	-	Refer to QS Fee Schedule
46	CULR 8.10	U.P.C./EAN human readable characters are missing.	W	\$1.00	\$2.00	\$3.00	
47a	CULR	U.P.C./EAN bar code does not match LCBO corporate database.	N/A	-	-	-	\$200 Admin. fee to update database.
47b	CULR	U.P.C./EAN bar code does not match LCBO corporate database, assigned to another brand (not a value-add).	N/A	-	-	-	Refer to QS Fee Schedule for charges based on case configurations.

For detailed description on type of noncompliance, refer to the LCBO Product Packaging Standards and Guidelines for Chemical Analysis