



STATE OF IDAHO  
LIQUOR DIVISION  
1349 E. Beechcraft Court  
BOISE, ID. 83716  
208-947-9400  
208-947-9401 (Fax)

BAILMENT AND TRADING PARTNER AGREEMENT BETWEEN  
IDAHO STATE LIQUOR DIVISION  
AND

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The Idaho State Liquor Division, an agency of Idaho State Government, hereinafter referred to as ISLD and supplier identified above, hereinafter referred to as the Supplier; enter into this agreement for the purpose of operating a bailment inventory management program. This agreement will be effective \_\_\_\_\_, and will remain in effect until cancelled or revised in writing by the ISLD.

**BAILMENT AGREEMENT**

The bailment inventory management program requires the Supplier to continue to hold title to stock in the ISLD's distribution center until it is withdrawn from bailment for shipment to the State liquor stores, agencies, and retailers in Idaho.

ISLD and the Supplier agree to the following:

1. ISLD agrees to handle and store, at rates set by the ISLD, approved items furnished by the Supplier for sale in state liquor stores, agencies, and retailers in Idaho.
2. ISLD agrees to provide the Supplier recommended replenishment quantities (subject to adjustments with increases for truckload, pallet, tier, etc.) and arrival dates at the request of the Supplier.
3. ISLD agrees to purchase any bailment stock, which is lost or is broken by ISLD employees while stored in the ISLD's distribution center.
4. ISLD agrees to maintain a record of all bailment transactions, including a perpetual inventory in the distribution center for its own purposes, and to make reports available to the Supplier for accounting reconciliation purposes.

## **BAILMENT AGREEMENT**

ISLD agrees to allow the Supplier to conduct physical counts of its bailment stock in the distribution center.

A. There is no scheduled ISLD shut-down for annual inventory. Supplier staff or broker will be accommodated, with a seven day written notice to conduct inventory upon any or all specified supplier locations by assigned vendor number. There will be an extra handling charge of \$150.00 per hour applied as a deduction to the next supplier withdrawal invoice for ISLD staff preparation, assistance and extra product handling during the physical count.

5. ISLD has authorization, as requested, from the Supplier to withdraw bailment stock. No response to said request will be required unless permission to withdraw is denied.
6. ISLD agrees to send official "Idaho Liquor Bailment Withdrawal Statements" to the ISLD Broker Portal Website for viewing twice monthly, at mid-month and at month-end, for withdrawals of the previous one-half month. The Supplier will then invoice ISLD based on this bailment withdrawal invoice. ISLD will verify the bailment withdrawal invoice against the Supplier invoice. If all is in order and agreement, payment will be issued to the Supplier.
7. ISLD agrees that the Supplier has the right to withdraw or transfer their stock from ISLD's distribution center with written request at any time during normal working hours. It is further agreed that ISLD may charge a reasonable "transfer out" charge for merchandise that is removed by the Supplier.
8. The Supplier agrees to secure any applicable state and/or federal basic permits and federal special occupational tax stamps that may be needed before any alcoholic beverages are shipped into the distribution center under the bailment program and provide copies at the ISLD's request.
9. The Supplier agrees that any unapproved or misshipped products will be removed from ISLD's distribution center, at the Supplier's sole expense within 20 working days upon written notification by the ISLD. If such products are not removed within the 20 days ISLD will consider these goods as excess and overstock fines will accrue.
10. The Supplier agrees to place, without charge, approved items of alcoholic beverages and or related products into ISLD's distribution center in Boise. (\*See the *Trading Partners Supply, Shipping & Quantity Parameters Agreement*.) The items shall be shipped in accordance with ISLD's suggested shipping instructions and the Supplier may notify ISLD of the date of departure as well as the estimated date of arrival in Boise. When the merchandise is shipped, it is to be consigned to the Supplier, or the representative or agent in care of ISLD's distribution center.

**A. The use of this automated equipment (ASRS) at the ISLD distribution center requires that every pallet being delivered to the ISLD distribution center must comply with the following size standards.** These standards will be automatically verified on every pallet entering robotic storage within the ASRS:

**Maximum Pallet Height, including the pallet: 72”**

**Maximum Pallet Weight: 2,800 lbs.**

**Maximum Pallet Width: 42”**

**Maximum Pallet Length: 48”**

**All in-bound pallets or slip sheet stored pallets must be stretch wrapped.** Product arrival on pallets is preferred although products may arrive on slip sheets. The dimensions of **products on slip sheets must comply with the aforementioned standards.** Products which arrive on slip sheets will be transferred to standard GMA pallets. The total height when transferred must not exceed 72” in height. **NO OVERHANG** is allowed. The total width must not exceed 42” in width. GMA 40”x48” pallets are required. GMA pallets must be Grade A or Grade B. **Non-compliant loads are subject to dock refusal or extra handling charges to achieve load compliance.**

B. If a pallet contains multiple SKU’s (stock keeping units) each different product must be separated by and on its’ own 4 way pallet. The entire stack of product may come in vial slip sheet, but ISLD dock staff must be able to easily separate the different products without extra hand unloading and stacking, or by using a carton clamp to separate the products. **If a single pallet load contains multiple products, and the layers are not separated by a pallet (or slip sheet) ISLD will assess extra handling charges.**

C. If a supplier sends several layers of the same SKU on the same load, these same SKUs must be on the same pallet. **If a product is separated on several different pallets, necessitating ISLD dock staff to combine these layers, ISLD will assess extra handling charges.**

D. Unless the product received is a SPECIAL ORDER product, supported by a unique ISLD purchase order, **ISLD expects that the number of cases shipped be equal to a full layer.** If the amount being shipped is a layer and a portion of a layer, the delivery should be two layers. Partial layers are no longer acceptable. Unless an existing ISLD purchase order specifies a smaller quantity, ISLD expects minimum deliveries to be in full layer quantities. **ISLD will assess extra handling charges on deliveries less than a full layer.**

**E. The ISLD warehouse requires appointments for deliveries. Appointments for deliveries must be made 72 hours in advance of requested delivery date.**

11. The Supplier agrees to assume all storage risks and to acquire any necessary insurance, if deemed advisable, and to hold ISLD harmless from any damage to such stock except for breakage caused by ISLD employees while the stock is stored in ISLD’s distribution center and/or disappearance while in ISLD custody. ISLD may require proof of insurance on merchandise held in bailment.
12. The Supplier agrees to provide ISLD with current price quotations at least 60 days in advance of any price quotation changes (weight, pack, pallet, shippoint, price, etc.) The FOB Boise cost on file will be the price paid by ISLD at the time the merchandise is withdrawn from bailment.

**TRADING PARTNERS AGREEMENT**

1. There will be a minimum and a maximum quantity for each item (code) stored in ISLD's distribution center (exceptions-closeout and special order items).
2. The minimum and maximum parameters will be negotiated between ISLD and the Supplier.
3. These parameters may be adjusted quarterly in accordance with sales volume or due to negotiations.
4. The Supplier has the right to maintain whatever quantities they desire within the quantity parameters.
5. The Supplier will not maintain an inventory of special order or closeout items at ISLD's distribution center unless listed or approved by ISLD.
6. ISLD will send the Supplier a suggested replenishment order for special order items. ISLD may "withdraw" the special order merchandise from bailment stock into state stock upon its arrival to the ISLD's distribution center.
7. A penalty of \$.25 per case per day may be assessed for each case over the maximum. A charge of \$.50 per case per day will be assessed for each case under the minimum that is not shippable under normal shipment and supply conditions.
8. A product that goes below the minimum quantity is at that time" chargeable". Penalty charges will only be assessed at such time that store orders cannot be filled and/or the quantity is at zero. Penalties will be retroactive to the date the merchandise became "chargeable".
9. Penalties will be waived on minimum quantities if they are not met due to a natural disaster (flood, fire, earthquake, etc.), acts of war, or unpreventable strikes and/or walkouts.
10. A grace period of 5 days on all items that are above the maximum will be allowed.
11. It is **mandatory that the N.A.B.C.A. issued Control State Code numbers** (CSC or ISLD-issued code numbers are included on each item on the shipping manifest. Additionally, it is **mandatory that the N.A.B.C.A. issued Standard Case Code (SCC)** numbers – in electronic read scan bar code format is included on each case shipped. **Products that are not-compliant are subject to refusal or extra handling charges.**
12. If the order to be shipped is different in any way from the suggested replenishment order placed by ISLD, the Supplier must notify ISLD fifteen (15) days in advance of the merchandise arriving in ISLD's distribution center.
13. Each load shall be shipped under shipper's load and count. Each case shall be clearly labeled with the control state code number.
14. If small amounts of damaged merchandise are received, concealed or otherwise; ISLD will purchase the damaged merchandise and file a claim against the Supplier. ISLD may apply extra handling charges to recover and repackage undamaged merchandise.

15. Local Supplier representatives may be asked to inspect the damaged merchandise and sign ISLD's loss/damage form.
16. Products on manifests, which are not shipped (short-shipped), will not be received into bailment by ISLD.
17. Products, which arrive at the ISLD distribution center, which are either not listed or not shown on the manifest, will be received into bailment using the assigned Idaho broker code, the Supplier will be notified and supplier will remove according to instructions provided by ISLD. Processing of unlisted products is subject to extra handling charges.
18. ISLD reserves the right to refuse an entire shipment of damaged merchandise and/or accept the damaged load and charge the Supplier back for recouping and administrative costs.

**SUPPLIER INFORMATION**

Supplier Name (or DBA) \_\_\_\_\_

Supplier Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone : \_\_\_\_\_ Fax: \_\_\_\_\_

Primary Supplier Contact Name: \_\_\_\_\_

Primary Supplier Contact E-Mail Address: \_\_\_\_\_

For ISLD Broker Portal Bailment Invoicing access- (See Bailment Agreement #6)

Email Address: \_\_\_\_\_

Email Address: \_\_\_\_\_

**AGREEMENT EXECUTION:**

\_\_\_\_\_  
Supplier Representative

\_\_\_\_\_  
ISLD Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date