

VENDOR PERFORMANCE PROGRAM GUIDELINES and FAQs

April 1, 2026

Background:

The LCBO introduced the Vendor Performance Program on April 1, 2023. Vendor performance programs align with retail best practices and help build resilient supply chains, mitigate disruption, and reduce costs. LCBO's program also supports our corporate strategy to deliver excellence in the customer experience—ensuring customers have availability of the products they want, when they want them. These Guidelines establish the requirements of the LCBO Vendor Performance Program. As the program evolves, LCBO will continue to streamline and adapt its processes and systems and will notify vendors of any changes.

Required Vendor Actions

For each purchase order, vendors must complete the following actions in **LCBO Gateway** or via **Electronic Data Interchange (EDI)**:

1. **PO Acknowledgement** – Acknowledge receipt of the purchase order
2. **PO Confirmation** – Confirm ship date and quantities
3. **Advanced Shipment Notice (ASN)** – Confirm readiness to ship

LCBO Vendor Performance Program

The vendor performance program is applicable to specific PO types (regular warehouse POs) and involves three KPIs: PO Acknowledgement, ASN Submission and On-Time In-Full (OTIF).

PO Acknowledgement:

- Vendors must acknowledge receipt of the purchase order within **two (2) Business Days** of the LCBO issuing the PO.
- Method: LCBO Gateway or EDI
- Fee for non-compliance: **\$50 per PO**
- The calculation includes all POs issued by LCBO within the reporting period.

Examples

- **PO issued Wednesday** → Confirm by **Friday, 11:59 PM EST**
- **PO issued Thursday** → Confirm by **Monday, 11:59 PM EST**
- **PO issued Thursday with Monday as a holiday** → Confirm by **Tuesday, 11:59 PM EST**

Reporting Examples

- 2 POs issued; both compliant → **100%**, no charges
- 4 POs issued; 1 non-compliant → **75%**, **\$50 charge**

Business Day Definition

- A Business Day is Monday to Friday, excluding Ontario statutory and provincial government holidays, including: New Year's Day, Family Day, Good Friday, Easter Monday, Victoria Day, Canada Day, Civic Holiday, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day, Boxing Day, and any other day LCBO is closed for business.

ASN Submission (Ready to Ship):

- Vendors must submit an ASN confirming the PO is ready to ship **on or before the Scheduled Ship Date**.
- The ASN confirms that the order is picked, packed, and ready to ship.
- Once submitted, the ASN cannot be reversed.
- Method: LCBO Gateway or EDI
- Fee for non-compliance: **\$50 per PO**

Reporting Examples

- 10 POs received; all ASNs submitted on time → **100%**, no charges
- 10 POs received; 2 missing ASNs → \$50 per non-compliant PO, Total ASN charges: **\$100**

On-Time In-Full (OTIF):

- OTIF measures readiness and completeness of orders received in the reporting period.
- There are currently **no handling or administration fees** associated with OTIF.

Calculation

- On Time = PO Cases On Time ÷ PO Cases Ordered
- In Full = PO Cases Received ÷ PO Cases Ordered
- OTIF = On Time × In Full

Example

- 100 cases ordered
- 80 cases on time → On Time = 80%
- 80 cases received → In Full = 80%
- OTIF = 64%


There are no fees associated with OTIF at this time.


PO Confirmation: There is currently **no KPI or fee** associated with PO Confirmation.

Vendor Performance Results Emails

- LCBO issues Vendor Performance KPI Results emails for each period.
- Agents wishing to receive these emails should contact lcboorders@lcbo.com and include:
 - Agent name and number
 - Email address
 - Category supported (if applicable)
 - Name of previous contact (if replacing someone)
 - Request to receive Vendor Performance KPI Results emails
- Vendors should contact their Agent to receive the emails.

Vendor Performance Program -

 Vendor Performance <vendor.performance@lcbo.com>
 To: Hooda, Arif
 Cc: Vendor Performance

 If there are problems with how this message is displayed, click here to view it in a web browser.

Hello

Agent :

Below are your results for the Vendor Performance Program for Period 202309 (please note OTIF is shared for informational purposes only):

Vendor Code	Vendor Name	PO Confirmation			Ready to Ship Confirmation			On Time In Full (OTIF)						
		Issued POs	POs NOT confirmed within 2 business days	POs confirmed within 2 business days	Received POs	POs NOT confirmed as Ready to Ship	POs confirmed as Ready to Ship	Received POs	PO Cases Ordered	PO Cases Received	PO Cases Not on time	On Time	In Full	OTIF
123	Vendor123	1	1	0%	10	2	80%	10	100	80	20	80%	80%	64%
456	Vendor456	1	0	100%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Below are the details of any non-compliant POs:

Vendor Code	Vendor Name	PO Numbers NOT confirmed within 2 Business Days	PO Numbers NOT confirmed as Ready to Ship
123	Vendor123	000-123456	000-234567; 000-234568

Figure 1: sample vendor performance program email

Fees

- All applicable fees are outlined in the **LCBO Fee Schedule for Non-Compliance to Purchase Order Terms and Conditions** available on Doing Business With LCBO.
 - Maximum of **one fee per PO** for PO Acknowledgement
 - Maximum of **one fee per PO** for ASN Submission
 - Maximum combined fee: **\$100 per PO**

Dispute Process

- There are no exceptions to the requirements. If an error is suspected:
 - **Agents** may submit a dispute within 30 days of receiving the KPI Results email by contacting vendorperformancesupport@lcbo.com. Include:
 - Agent name and number
 - Vendor name and number
 - PO number
 - Reason for dispute
 - **Vendors** should contact their Agent to initiate a dispute.

Frequently Asked Questions (FAQs)

What's changed in light of LCBO's future state modernization project or LCBO Gateway?

- Some terminology has changed, but what you're measured on has not.
- Key is the renaming of past KPIs:
 - PO confirmation, which reflects receipt of the PO is now called PO Acknowledgement (Order Confirmation will now be used to describe the process of confirming PO ship dates and quantities)
 - Ready to Ship confirmation is now called ASN submission
 - On Time In Full — OTIF — remains unchanged.

What order types are covered under the Vendor Performance Program?

- Import PO (ZIPO)
- Standard PO (ZNB)
- Direct PO Legacy (ZDPL)
- VSO PO (ZVSO)

How do I complete required actions?

- Via LCBO Gateway or EDI
- Supported EDIs: 855 (PO Acknowledgement/Confirmation), 856 (ASN)

I was on vacation—can fees be waived?

- No. Only statutory and LCBO-recognized holidays are excluded.

I couldn't access LCBO Gateway, can fees be waived?

- Contact lcbogateway@lcbo.com immediately to resolve access issues.

My EDI transaction didn't submit the required actions, can fees be waived?

- Vendors are responsible for completing the required actions for a PO (acknowledgement, confirmation, and ASN submission). All EDI transactions are reflected in LCBO Gateway within minutes. If any required action is not successfully transmitted through EDI, you must complete that action directly in LCBO Gateway until the issue is resolved. Note: If a confirmed ship date (DTM011) is not sent, or is sent incorrectly, the order must be confirmed in LCBO Gateway. If you are not setup for EDI 856 (ASN), you must complete this action in LCBO Gateway.

How can I set up/change my EDI transactions?

- LCBO is not processing any new or revised EDI setups at this time.

How do PO changes impact KPIs?

- LCBO-driven changes do not impact results; vendor-driven changes do

Who pays the fees?

- Fees are charged to the Vendor.

How are fees paid?

- Debit notices are issued after each period (visible in LCBO Gateway).
- Credits are issued if disputes are resolved in the vendor's favour.

Do carrier delays or transit damage impact results?

- No. OTIF measures vendor readiness only.

My OTIF result is low even though I was ready, why?

- Not submitting an ASN creates operational challenges, results in fees, and negatively impacts OTIF results.

How are over/under shipment fees calculated?

- Refer to LCBO Purchase Order Terms and Conditions.

Where can I get help?

- Email: vendorperformancesupport@lcbo.com
- Visit: LCBO Gateway at Doing Business with LCBO