



# EXCHANGE

## Drop Ship Compliance Program

Rate Code	Description	Detailed Description	Charge
<b>Printing Orders</b>			
ECM.VC1	Failure to print orders from Radial/VendorNet within two (2) business days.	Suppliers will receive automated email notifications when orders have sat unprinted in Radial/VendorNet for 24 hours (excluding weekends/holidays).	\$50 per PO
<b>Estimated Ship Dates</b>			
ECM.VC15	Failure to update Estimated Ship Date (ESD) on a PO as they change.	Purchase Orders approaching or having passed their negotiated lead times must have the Estimated Ship Date (ESD) updated in Radial/VendorNet.	\$50 per PO
ECM.VC26	Updating the ESD 30+ days out unless otherwise negotiated by the buyer or drop ship team.	Vendor cannot change the ESD more than twice or try to expand the ESD further out to avoid frequent changes. Open orders should not be 30+ days unless custom or Specialty. The ESD should be consistently accurate.	\$100 per PO
ECM.VC31	Estimated Ship Date (ESD) has changed more than twice in Radial/VendorNet.	A noncompliance charge will be assessed on the 3rd Estimated Ship Date change. We are accountable for the customer experience. Inconsistent ESD changes will degrade the customer service.	\$25 per PO

Note: Subject to change at any time without notice (updated 06 May 2019)

## Shipping

ECM.VC2	Failure to update Radial/VendorNet same day as shipment.	Shipment information must be manually entered or EDI 856/ASN must be sent to Radial/VendorNet the same day the PO ships.	\$25 per PO
ECM.VC3	Incorrect mapping resulting in EDI 856 ASN Transmission Errors	Purchase Orders held up from processing in the Exchange's Radial/VendorNet Pending Ship error batches are subject to chargeback for transmission errors.	\$50 per PO
ECM.VC4	Unauthorized Carrier Used	The supplier must ship the PO using the Ship Method or Carrier agreed upon with the buyer. Use of 3 <sup>rd</sup> party accounts must be pre-approved by the buyer and coordinated with the Exchange Logistics team and the Exchange Drop Ship Support Team.	\$75 per PO
ECM.VC5	Incorrect Tracking Information Entered into Radial/VendorNet	Incorrect carrier name and tracking number entered into Radial/VendorNet will result in the customer unable to track their order and may result in a chargeback to the supplier.	\$75 per PO
ECM.VC6	Unauthorized Use of FedEx 3 <sup>rd</sup> Party Billing Account	FedEx is the required carrier for CONUS shipments for FOB Origin suppliers with authorization to use Exchange 3 <sup>rd</sup> Party Billing Accounts.	\$75 per PO
ECM.VC7	Compliance charge for incorrectly using stamps.com account	Stamps.com (USPS) is the required carrier for OCONUS (APO) and CONUS PO BOX Shipments for FOB Origin suppliers with authorization to use Exchange 3 <sup>rd</sup> Party Billing Accounts.	\$150 per PO
ECM.VC8	Tracking number from FedEx 3 <sup>rd</sup> Party Billing Account does not match to tracking number from Radial/VendorNet	Supplier has entered an invalid/incorrect tracking number or no tracking number.	\$75 per PO
ECM.VC9	Shipments sent "Collect" to the customer.	Under no circumstances should the "Ship To" customer have to pay any additional fees.	\$75 per PO
ECM.VC10	Duplication of customer orders	Supplier is responsible to implement safeguards to prevent duplicate shipments of customer orders.	\$25 per PO
ECM.VC11	Failure to update PO status.	All PO's must have shipping/tracking information provided and/or any non-shipped lines must be cancelled in Radial/VendorNet or Estimated Ship Date (ESD) updated.	\$75 per PO

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ECM.VC12	On Time Monthly Fulfillment Rate below 97%	The Exchange requires a 97% or higher On Time Monthly Fulfillment Rate in order to maintain the highest levels of customer service.	\$100 for the month
ECM.VC13	Order not Shipped in Established Lead Time	Order must be shipped in standard lead time of two (2) business day unless a different lead time has been negotiated with the buyer. May result in chargebacks or removal from the Drop Ship Program.	\$75 per PO
ECM.VC14	Notification of Order Cancellation not received within two (2) business days	Supplier must notify the Exchange via comments in Radial/VendorNet if order cannot be filled and is cancelled.	\$25 per PO
ECM.VC24	Shipping (manually or transmitting via EDI) item in VendorNet that was not shipped to customer (i.e. Label created only).	Any tracking that remains in label created status with no movement will be considered unshipped merchandise. A noncompliance charge will be assessed if a vendor marks an item as shipped in Radial/VendorNet that was never shipped.	\$100 per PO
ECM.VC25	Holding customer orders due to cost discrepancies.	All cost issues should be resolved internally. Customer orders should not be delayed to due to cost increases. Suppliers are required to work with their buying team to resolve any cost discrepancies.	\$25 per PO
ECM.VC28	Shipping the wrong item (CRC) or quantity to customer.	Customers expect to get the right item and quantity when placing their order. Service must be exceptional for online customers.	\$25 per PO
ECM.VC30	Order shipped after Cancellation Request subject to Non Payment of invoice if Order was shipped after Cancel Date.	A noncompliance charge will be assessed on the 3rd business day if verified that the Order has Shipped after cancellation request has been submitted to the vendor. The vendor has 48 hours to respond to all cancellation requests.	\$25 per PO
ECM.VC31	Estimated Ship Date (ESD) has changed more than twice in Radial/VendorNet.	A noncompliance charge will be assessed on the 3rd Estimated Ship Date change. We are accountable for the customer experience inconsistent ESD changes will degrade the customer service.	\$25 per PO
ECM.VC36	The Supplier has partially delivered for example 1 of 2.	The Supplier has started the delivery however has not fulfilled the entire order and instead has delivered partial deliveries of a set/kit.	\$150 per PO
ECM.VC37	Order Shipped to an incorrect address	The supplier must ship orders to the customers "ship to" address. Shipping to an incorrect location will result in a chargeback to the supplier.	\$50 per PO

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ECM.VC48	Improper use of FedEx Express/ Next Day Air/ 2-Day Delivery	The supplier should not ship orders using FedEx Express/Next Day Air/2-Day Delivery unless directed by the Exchange. (e.g. Customer Selected Priority Shipping, requested by an Exchange Associate) Customer selected priority shipment will be transmitted with the order.	\$50 per PO
<b>Inventory</b>			
ECM.VC32	Failure to update Inventory Daily without written exception from Exchange Buyer or Drop Ship Support Team.	The data from the inventory entered into Radial/VendorNet will be transmitted to the Exchange and will be used to control the display of items. It is imperative that our online customers be able to place order(s) for only product that is currently available.	\$75 per occurrence
ECM.VC33	Failure to remove discontinued item from <a href="http://www.shopmyexchange.com">www.shopmyexchange.com</a> resulting in order cancellation(s).	The Exchange buyer must be notified immediately of all discontinued items and if applicable inventory must be updated to show -0- on hand to avoid order cancellations.	\$50 per PO
ECM.VC34	Failure to provide updated inventory resulting in order cancellation(s)	Inventory updates are needed from all Drop Ship Suppliers so that all items ordered by customers are available to ship within the approved lead time.	\$50 per PO
<b>Invoicing</b>			
ECM.VC16	Failure to invoice in Radial/VendorNet within 30 days of PO shipment	Invoice information must be manually entered or EDI 810/ASN must be sent to Radial/VendorNet within 30 days of shipment. Invoices transmitted 180 days after shipment will not be processed.	\$25 per Invoice
ECM.VC17	Incorrect mapping resulting in EDI 810 Invoicing Errors	Invoice held up from processing in the Exchange's Radial/VendorNet Pending Invoice Error batches are subject to chargeback for Transmissions Errors.	\$25 per Invoice
ECM.VC18	Sending paper invoice in addition to invoice entered into Radial/VendorNet (either manually or through EDI Transmission)	All purchase orders must be invoiced through Radial/VendorNet. "Paper" or Manual invoices will only be accepted for Exceptions (i.e. short payments).	\$150 per Invoice
ECM.VC19	Duplicate Invoice numbers entered into Radial/VendorNet (either manually or through EDI Transmission)	Invoice numbers must be unique and not reused.	\$75 per Invoice
ECM.VC29	Order Invoiced by Supplier but not Shipped	A noncompliance charge will be assessed per Purchase Order if a vendor submits an invoice for an order that was never shipped.	\$50 per Invoice

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<b>Packing Slip</b>			
ECM.VC20	No packing slip provided in shipment.	Packing Slip must be included with each Customer Order.	\$25 per PO
ECM.VC21	Exchange branded packing slip not provided in shipment.	Exchange branded packing slips are required for each purchase order and must be included in the shipping package. Exceptions must be approved by the Drop Ship Support Team.	\$25 per PO
ECM.VC22	Unauthorized packing inserts	No outside advertising materials or packing inserts may be inserted into the package unless prior written permission has been provided by the Exchange buyer.	\$25 per PO
<b>Returns</b>			
ECM.VC23	Returns/Refusals/Undeliverable not processed in VendorNet	Returns/Refusals/Undeliverable of orders must be processed through Radial/VendorNet using the Return Order Function within two (2) business days.	\$75 per PO
<b>Comments/Inquiries</b>			
ECM.VC38-47	Failure to answer supplier review comments on orders within one (1) business day.	The Supplier Review Bucket in Radial/VendorNet must be checked daily. A response is required within one (1) business day detailing the action to be taken. Failure to do so may result in a chargeback.	38 - \$10 – 1 day 39 - \$20 – 2 days 40 - \$30 – 3 days 41 - \$40 – 4 days 42 - \$50 – 5 days 43 - \$60 – 6 days 44 - \$70 – 7 days 45 - \$80 – 8 days 46 - \$90 – 9 days 47 - \$100 – 10 days
<b>Other</b>			
ECM.VC35	For Drop Ship Conditions that are not in Compliance with eCommerce Customer Service Guidelines	Order not in Compliance with Exchange eCommerce Customer Service Guidelines	\$100 per occurrence

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