EXCHANGE CROSS DOCK PROGRAM

For Existing Cross Dock Suppliers

Objectives

➢ **Introduce the Exchange Cross Dock program**

➢ **Identify the goals for the Cross Dock Program**

➢ **Differentiate between the two types of Cross Dock programs**

➢ **Fulfill the requirements for maintaining participation in a Cross Dock Program**

➢ **Avoid common difficulties associated with the Cross Dock Program**

What is Cross Dock?

➢ **Cross Dock is a method of procurement/moving merchandise.**

➢ **Multiple store orders are consolidated into one purchase order per Conus Exchange Distribution Center (DC) per week.**

➢ **Merchandise is delivered to a DC instead of individual stores.**

➢ **Merchandise is received by the DC and quickly distributed to the stores.**

Cross Dock Goals

➢ **Reduce transportation & DC labor costs**

➢ **Reduce store workload expenses**

➢ **Minimize total lead time from order to store sales floor**

➢ **Reduce inventory**

➢ **Provide full merchandise tracking capability**

➢ **Allow smaller stores to order merchandise in smaller quantities.**

Types of Cross Dock

➢ **Cross Dock POs have no minimums by line/PO total/store**

➢ **Cross Dock FOB Origin POs-Exchange pays shipping**

➢ **Cross Dock FOB Destination POs-Supplier pays shipping**

➢ **Shipping conveyable case weight/dimension requirements:**

- **- Minimum 9"x9"x4"/3#**

- **- Maximum 36"x24"x24"/70#**

➢ **Cross Dock 2 (XD2):**

- **-Cases contain mixed UPCs**

- **-Conveyable – UCC128 label has Ship To Warehouse Mark For each store**

➢ **Cross Dock 3 (XD3):**

- **-Cases contain 1 UPC**

- **-Conveyable – UCC128 label has same Ship To Mark For**

Requirements

- ➢ **Cross Dock orders are fill or kill……no back orders or multi shipments**

- ➢ **Cross Dock POs are not to be amended, extended or changed:**
  - **-If a purchase order cannot be filled on or before contracted ship/arrival date, notify the MD Cross Dock team Buyer to cancel the PO**

- ➢ **Origin vendor orders should ship by the contracted ship date on the PO.**

- ➢ **Destination vendor orders should ship to arrive by the 1st contracted destination date on the PO**

➢ **Origin POs must be released to our Transportation Management System (TMS) 72 hours before the ship date.**

        - Allows time for the order to be routed.

        - Allows up to 3 days for the carrier to schedule pick-up.

➢ **Advance Ship Notice (ASN 856) must accurately define what is being shipped**

        -Must be transmitted within 24 hours after the PO is released in time to be in the receiving warehouse system before the PO arrives

➢ **At this time, only one ASN should be transmitted per Purchase order (PO).**

        -It is recommended the actual PO number be used as the ASN to eliminate duplication (18 month rule for ASN & UCC numbers)

Requirements

➢ **Vendors must maintain a 90% <u>on time</u> deliveries.**

➢ **Vendors should ship all PO merchandise that is available.**

➢ **Vendors must maintain a 95% PO <u>fill rate.</u>**

➢ **Vendors must comply with the terms of the PO.**

➢ **Vendors can only ship from one location per assigned vendor code number**

> **-Multiple ship points or non Conus ship points not allowed**
>
> **-Each ship point requires its own Vendor Code #**

➢ **Other Cross Dock Vendor restrictions:**

> **-No substitute items: only UPCs on PO accepted**
>
> **-No overages: only case packs noted on PO are accepted**

Common XD Issues

➢ **No ASN in our system when the PO arrives for processing**

-The ASN opens the PO in the DC receiving system (ASN # used only once in 18 month period)

-The UCCs attached to the ASN describe contents of each case for the DC SPA system to read/process against the PO lines

➢ **Requirements on UCC128 labels:**

-Only the 7 digit numeric store number can be used in bar code form

-SSCC 18 digit serial shipping container code with application ID "00" (used only once in 18 month period)

-Required label no smaller than 6"tall x4"wide printed on 6"tall area

-Do not fold any barcode area over an edge

-Position label on cartons in same general area in same position

-Make sure ink is legible

-Make sure no other labels cover any aspect of UCC label

➤ **Multiple ship locations**

> **-Exchange transportation costs are calculated on 1 ship point per vendor code #**

> **- Vendors may have more than 1 vendor code # as assigned by the MD Team Buyer**

➤ **Cross Dock is for the 3 main warehouses only:**

> **-West Coast DC (French Camp, California)**

> **-Dan Daniels DC (Newport News, Virginia)**

> **- Waco DC (Waco, Texas)**

> **-Exchange has other overseas DCs which are not on the Cross Dock program**

Additional Resources

➢ **You may learn more information about the Exchange Supplier Requirements, Vendor Compliance Program and other aspects of our business by logging onto this site:**

http://www.aafes.com/Images/doingbusiness/handbook.pdf

Contact: LGCompResourcesBr@aafes.com for additional information