

CVS/pharmacy[®]

Routing Guide

&

Supplier Compliance Instructions



Attention

Logistics & Distribution

Dear Supplier:

CVS Health is committed to providing its customers with high quality service. To achieve this, CVS continuously strives to improve the effectiveness and efficiency of its operations.

CVS' Logistics Department has implemented new routing procedures and revised its freight handling instructions. Our new and revised instructions appear in this document. The instructions cover routing, scheduling, documentation, and packaging of merchandise for shipment to CVS distribution centers and stores. For your convenience, these instructions are also posted on CVS' Supplier Website at www.cvssuppliers.com.

We believe that you will find our requirements standard industry protocol. However, if you have any questions or require additional information about any of our procedures, please contact the individuals listed below for assistance:

Routing:	Christopher Kusek	(401) 770-3482	christopher.kusek@cvshealth.com
	Katie Blanchard	(401) 770-3189	katie.blanchard@cvshealth.com
Compliance:	Michael Grenon	(401) 770-3278	michael.grenon@cvshealth.com
	Suzanne Lussier	(401) 770-3084	suzanne.lussier@cvshealth.com

CVS and its suppliers will benefit from these procedures as they are designed to enhance the overall efficiency of merchandise handling, control cost, and improve customer service.

Please forward these instructions to the responsible individuals in your distribution and logistics organizations.



New and Updated Supplier Contact & Email Addresses

Please provide the following information. Note that an electronic response is preferred. For your convenience, our email address and street address appear below.

COMPANY NAME: _____

MAIN CONTACT NAME: _____

PHONE: _____

E-MAIL ADDRESSES: - *Please include email addresses for all recipients of updated CVS Routing Guides*

EMAIL ADDRESS _____

EMAIL ADDRESS _____

EMAIL ADDRESS _____

SIGNATURE (NAME) _____ DATE _____

Please forward your response to Suzanne Lussier - Supplier Compliance Analyst.

E-mail (preferred): *suzanne.lussier@cvshealth.com*

Fax: 401-652-0124

Mail: CVS/pharmacy
Logistics/Transportation Dept
Supply Chain Logistics Support Center
Attn: Sue Lussier
One CVS Drive, MC 5035
Woonsocket, RI 02895

REVISION CHANGE HISTORY

REVISION #	CHANGES
45	<p>-Page 6, Paragraph A, Introduction; IMPORTANT changes to collect policies, also refer to letter (Attachment III, pg 39)</p> <p>-Page 24, Paragraph B, Supplier Compliance Deductions; program modifications</p>
46	<p>-Page 6, Paragraph B, General Routing Instructions; Detention on Pickup (#7)</p> <p>-Page 24, Paragraph B, Supplier Compliance Deductions; removal of program modifications</p>
47	<p>-Page 7, Collect Freight Routing Instructions; Final Notice to sign up for training. New process effective June 13, 2014.</p> <p>-Page 18, Paragraph A, Carton Label Requirements; requirement of item UPC on carton for private label merchandise.</p> <p>-Page 25, Paragraph B, Supplier Compliance Deductions; added changes effective June 1, 2014</p>
48	<p>-Page 7, Collect Freight Routing Instructions; New process effective June 13, 2014.</p> <p>-Page 11, Paragraph A & B, Preferred Carriers; Added CH Robinson Consolidation Program</p> <p>-Page 23, Freight Handling Deductions, Paragraph A; Modified to include compliance program as a result of the new collect routing instructions.</p>
49	<p>Minor changes (contacts and DC hours) within the:</p> <p>-Collect Freight Section (Section II) and</p> <p>-DC Contacts (Attachment I)</p>
50	<p>Page 17, Paragraph D, Seasonal Case Labeling Requirements; updated table</p>
51	<p>-Page 22, Paragraph B, Supplier Compliance Deductions; program modifications effective 7/1/2015</p> <p>-Page 23, Paragraph C, Request for Information; updated</p> <p>-Page 26, Paragraph F, Supplier Disputes; Revised deduction dispute process. Also removed Attachment II</p>
52	<p>-Page 31, DC Contacts (Attachment I); added Houston (Conroe Bulk) DC.</p> <p>-Page 34, DC Contacts (Attachment I); eliminated Woonsocket Express Door</p>
53	<p>-Page 32, DC Contacts (Attachment I); added Medley (Navarro) DC.</p>
54	<p>-Page 22, Freight Handling Deductions; Modified to include STA program modifications effective 12/1/2015.</p>
55	<p>DC Contacts (Attachment I); updated minimal contact information</p> <p>Collect Freight Routing Instructions; clarified timing requirements, updated for 3/1/16 STA compliance requirements</p> <p>Freight Handling Deductions; updated for 3/1/16 program modifications</p> <p>Prepaid Freight Routing Instructions; updated to include no driver on dock policy</p>

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I. General Instructions

1. This Guide supersedes all previous routing guides and freight handling instructions issued by CVS Health (CVS).
2. This Guide contains detailed instructions for the routing, scheduling, documentation, and packaging of merchandise for shipment to CVS distribution centers and stores.
3. The instructions apply to all purchase orders issued by CVS and are incorporated by reference into the terms and conditions of all CVS purchase orders.
4. Noncompliance with the CVS' routing and freight handling requirements will result in a chargeback of all excess expenses incurred plus an administrative fee.
5. Each supplier is responsible to forward this Guide to its Logistics Department and other affected individuals responsible for the delivery of product to CVS distribution centers.

IMPORTANT NOTE (TOBACCO FREE POLICY)

CVS Health is dedicated to providing a healthy, comfortable, and productive work environment for Employees, Contractors, Vendors and Visitors. The use of tobacco, e-cigarettes and other methods not approved by the FDA shall not be permitted within the CVS Health defined locations. Please refer to Distribution Center Management for designated areas at each DC. Any individual found to be in violation of this policy shall be subject to immediate disciplinary action.



CVSquitsforgood

II. Collect Freight Routing Instructions

NEW PROCESS NOW IN EFFECT

As of June 13, 2014 all Collect, Backhaul and CPU Suppliers are required to be compliant with the new Collect Freight Routing instructions. The new policy requires Collect Suppliers to contact the CVS Transportation Department for all shipments 300 lbs. and/or 10 cases or greater. Any invoice dated after **June 13, 2014**, that is not compliant with the new Routing Instructions, will receive an off invoice penalty.

If you are not compliant it is imperative that you sign up for training which will provide on-boarding instruction and the Routing Request tool required for the new process. To participate in the training, please contact cvstm@cvshealth.com

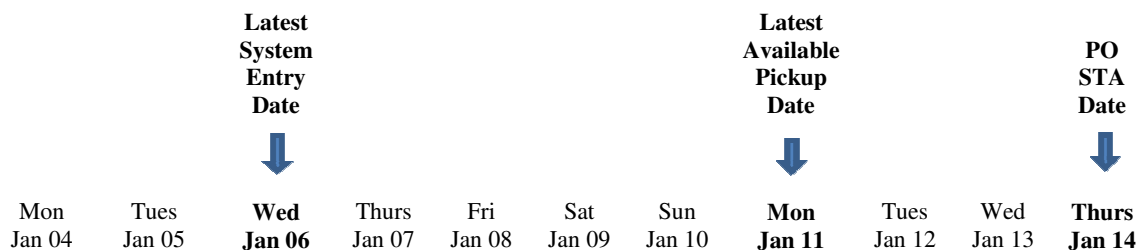
Please note; the CVS LTL Carrier Matrix is no longer in effect.

A. General Routing Notes

1. **High Value Shipments:** Suppliers with single shipments exceeding the value of \$100,000 must contact the CVS Transportation Department at cvsorders@cvscaremark.com prior to submitting your request.
2. **Backhaul Opportunities:** Suppliers must contact CVS' Transportation Department to discuss backhaul opportunities whenever shipping to a CVS Distribution Center located within 100 miles of their shipping point. Transportation Department contacts are Chris Kusek and Katie Blanchard. Chris can be reached by telephone at (401) 770-3482 or via email at christopher.kusek@cvshealth.com. Katie Blanchard can be reached by telephone at (401) 770-3189 or via email at katie.blanchard@cvshealth.com.
3. **Backorder Shipping Expectations:** Please be advised that shippers with negotiated collect freight terms will be responsible for all freight tendering responsibility and the corresponding freight charges associated with any/all backorders. Feel free to contact Katie Blanchard @ 401-770-3189 with any questions regarding this expectation.
4. **Product Origin Expectations:** Shipments must originate from the supplier production facility or warehouse location closest to the CVS distribution center destination.
5. **Multiple Purchase Order Expectations:** **Multiple purchase orders from the same location that would normally ship within one to three days of each other should be combined as one shipment (excluding weekends and holidays).**
6. **Time Specific Services:** Suppliers must receive written authorization from a member of the CVS Logistics Department to ship using a time specific service (services included but are not limited to Expedited Freight, Guaranteed Delivery or Time Critical; CVS Logistics Dept. contact information located in Section C. No.1 below).
7. **Detention on Pickup:** When the Transportation Department includes you on a detention/assessorial approval email and you do not agree, you must resolve the issue with the carrier within 48 hours of the approval. If we do not hear from you challenging the approval within that period, the LOG deduction will remain as is.
8. **Count Verification:** For CVS managed loads, the driver is only required to count the pallets. They are **not** required to count the cases.

B. Collect, Backhaul and Customer Pick Up (CPU) Suppliers:

1. All shipments **300 lbs and/or over 10 cases** must be submitted to CVS via the Web Portal.
 - a. Failure to follow these instructions for shipments 6,000 lbs or more will result in a financial penalty equal to the difference in freight charges or 30% of total invoice whichever is greater.
 - b. Failure to follow these instructions for shipments less than 6,000 lbs will result in a financial penalty equal to 30% of total invoice.
2. Accurate System Entry; All pieces of shipment information entered into the CVS Web Portal must be accurate. Shipments are routed based on the information provided; additional charges due to incorrect information will be charged back to the shipper in the form of an LOG (Logistics) deduction.
3. Timing of entering shipment information into the Routing Request Form:
 - a. System Entry; in order to route shipments efficiently,
 - The shipping information must be submitted to CVS at least **72 hours/3 business days prior to the Available Pickup Date**. Do not include weekends, holidays and the Available Pickup Date within the calculation.
 - b. Available Pickup Date;
 - Suppliers should consider transit times when determining their Available Pickup Date.
 - It is the Supplier's responsibility to determine an Available Pickup Date that will be compliant with CVS' STA Compliance Program (refer to Section VII for program guidelines).
 - The Available Pickup Date must be at least **72 hours/3 business days prior to the Ship to Arrive (STA) Date**. Do not include weekends, holidays and the STA Date within the calculation.
 - See below for note regarding changes beginning March 1, 2016.
 - c. Failure to comply with the above guidelines may result in penalties associated with the STA Compliance Program (refer to section VII Freight Handling Deduction) and/or accessorial charges including administrative fees.
 - d. For example: A two day transit lane may look like the following:



NOTE THE FOLLOWING CHANGES BEGINNING MARCH 1, 2016

Beginning 3/1/2016 the requirements for the STA Compliance Program will change; the Requested Delivery date will have to fall on or no more than 4 business days before the PO STA date (the 3

day allowance after the STA date will be eliminated). Due to this change; in order to route Collect shipments efficiently and on time, the following change will apply to the Available Pickup Date .

- The Available Pickup Date will need to be **144 hours/6 business days prior to the Ship to Arrive (STA) Date** (do not include weekends, holidays or the STA Date within the calculation).

For Example: A two day transit lane may look like the following:

Latest System Entry Date ↓				Latest Available Pickup Date ↓										PO STA Date ↓
Tues March 01	Wed March 02	Thurs March 03	Fri March 04	Sat March 05	Sun March 06	Mon March 07	Tues March 08	Wed March 09	Thurs March 10	Fri March 11	Sat March 12	Sun March 13	Mon March 14	

- In the event CVS manages your shipment with **ABF Freight (excludes ABF Value quotes) or NEMF**, the Supplier **must** contact the Carrier to arrange the pickup.
 - For **ABF** shipments **do not put a date on the BOL**. If the Supplier adds a date to the BOL; CVS will deduct the additional freight charges CVS will incur by ABF Freight.
- Supplier must clearly indicate the **FULL** CVS Load number on the BOL. The CVS Load number must be two letters (LD) and nine digits. Example **LD000123456**
- In the event you need to speak with someone in the Transportation Department, you can reach out to the following:

CVS Coordinator	Phone	E-mail
Jillian Caetans-Thomas	401-770-3937	cvsorders@cvscaremark.com
Christian Nebergall	401-770-3971	
Jeff Flanagan	401-770-8687	
Lisa Sweeney	401-770-5586	

Cubic Feet Requirements:

- If your pallets are higher than **59** inches, the pallet will be considered 96 inches in height.
 - Pallets, skids or cartons banded or shrink wrapped together into a single unit which are pyramided, rounded, or topped off, or
 - Units which have an irregular shape on top (i.e., machines, etc.), or
 - Units that are marked with instructions that no other freight is to be loaded on top
- If the shipment is palletized, the dimensions of the pallet determine the cubic dimensions
- HINT:** Try to keep your pallets no taller than 59 inches or build them as high as possible
-

****Please note: Routing information will be provided approximately 6 days in advance of the STA date. In the event an order is submitted late, the CVS Coordinators have 48 hours to respond with routing instructions.****

C. Partial Truckload

1. In the event CVS manages your shipment via volume LTL quote, our 3rd Party Logistics Partner/Broker or LTL carrier will provide the Supplier with their BOL. The Supplier must confirm all information is correct and provide this BOL to the Driver at point of pickup. Failure to utilize the correct/accurate BOL will result in a Logistics Deduction for the additional freight charges incurred plus administration fees (Refer to section VII).

D. UPS Ground Shipments (Small Package Shipments)

In determining when to ship via UPS Ground instead of an LTL common carrier please use the following weight limit guidelines:

1. Shipments 300 pounds and under (maximum – 10 cartons), ship via UPS Ground. Each carton should not weigh more than 70 pounds and each carton should not exceed 130 inches in length and girth combined.
2. Do not add any insurance or handling charges.
3. The top of the carton(s) must show the ship to address.
4. In order to minimize the number of cartons shipped, please place smaller cartons into a larger carton when possible. The master carton must contain the Distribution Address (see Attachment I), purchase order number and box number. (e.g. 1 of 5)
5. For shipments that exceed 300 pounds and/or over 10 cases, the vendor must route through the CVS Web Portal (refer to section B.1).
6. Include the CVS PO number in a Reference field. Only put the 7 digit CVS PO Number, DO NOT add any qualifiers such as “PO #”, or “CVS -” etc.

Note: Collect Suppliers **MUST** contact Sue Lussier at *suzanne.lussier@cvshealth.com* or (401) 770-3084 for CVS’ UPS Ground Collect Freight Account Number prior to shipping.

E. Air Freight Shipments

Ordinarily, suppliers are not to ship any merchandise via air freight. However, should the need arise to ship merchandise via air freight, follow the instructions in Section IV, Deliveries, Paragraph A, Documentation, Part 13, Air Freight Shipments, of this document.

F. Hawaii DSD Shipments

In an effort to maximize the cost benefits associated with shipping to stores on the neighbor islands, CVS/Longs has relationships with selected consolidation vendors. As part of the program, Oahu based DSD vendors with a FOB point of Honolulu dock need to use the following selected consolidation vendors:


- Dry goods – Pacific Transfer (www.pacifictransfer.com), Contact Debbie Miguel 808-676-9120 ext. 154
- Chill/frozen – CFI, Contact Carrie Camacho 808-833-0043

CVS/Longs will have provided these consolidators with a list of approved vendors provided by the stores you service. To be added as an approved vendor or have questions about this program, contact Tim Pelton at timothy.pelton@cvshealth.com.

III. Prepaid Freight Routing Instructions

A. Preferred Carriers

- I. For all prepaid shipments “less than truckload (LTL)”, “under-utilized truckload (UTL)”, or “truckload (TL)”, CVS recommends the use of preferred carriers. If the shipment is given to a preferred carrier in a timely manner, suppliers will not be responsible for missed or late deliveries (NOTE - preferred carrier exemptions do not apply to the STA compliance program). See the Preferred Carrier Lists below.

LTL & UTL	LTL (NOTE 1)	TL (NOTE 2)
C.H. Robinson Consolidation Program (Refer to Section B)	ABF Freight	AFN LLC
	FedEx Freight Priority and FedEx Freight Economy	CB Transportation (WBENC Certified) 
	N&D Transportation	CH Robinson
	New England Motor Freight Preferred Carrier status refers to direct shipping lanes only - click on link to view service area for NEMF http://nemf.com/ServiceArea.html	J.B. Hunt
		Koch Logistics
		Matson

Note 1: CVS has a Drop Trailer Program with these LTL preferred carriers. CVS assumes the expenses associated with sorting and segregating for unloading the trailers in this program. Any excess expenses CVS incurs due to noncompliance of this section by the carrier will be charged to the supplier.

Note 2: For all prepaid TL shipments, please contact Katie Blanchard at (401) 770-3189 if you need contact or reference information.

B. C.H. Robinson Consolidation Program

CVS and C.H. Robinson have joined resources to focus on improving efficiency and service levels within the inbound supply chain. This new inbound consolidation program focuses on LTL and UTL (under-utilized TL) shipments. The program is designed to consolidate freight through a network of strategically located consolidation centers while managing the product delivery to CVS Distribution Centers based on common STA dates. The primary focus points of the program also include:

- Expedited receiving of product within the CVS DC network
- Improved compliance with CVS on time delivery requirements
- Full visibility of CVS goods through the transportation supply chain
- Reduced PO cycle time (Order date to DC receipt date)

Using C.H. Robinson qualifies as use of a preferred CVS transportation supplier (CVS assumes the expenses associated with sorting and segregating and supplier is not responsible for on-time delivery exceptions). For information regarding rollout timeline and additional program details, please contact the C.H. Robinson “CVS Customer Center” at cvs@chrobinson.com or 855-202-0006.

C. Approved LTL Carriers

CVS has Drop Trailer Programs with various approved LTL carriers throughout our DC network. CVS assumes the expenses associated with sorting and segregation for unloading the trailers in these programs; however any excess expenses as well noncompliance by the carrier (i.e. missed/late appointment), will be charged to the supplier. For information regarding our approved LTL carriers, contact Mike Grenon at michael.grenon@cvshealth.com.

D. Small Package Shipments

All packages tendered to small package delivery carriers (UPS, Federal Express, etc) **must** reference CVS’ PO Number. Small parcel delivery signatures verify **CASE COUNT ONLY**.

E. Driver’s Responsibility

Effective 3/14/16, CVS Distribution Centers no longer allow Drivers to remain on the docks for the purpose of sort and segregation. CVS has a lumper service on site for purpose of breaking down and sorting product.

It is the responsibility of the supplier to pay all fees charged by the carrier. **Assessorial charges are the responsibility of the supplier.** Assessorial charges include but, are not limited to, sort and segregate, inside delivery, detention, storage fees, COD fees, pick-up attempt, lift gate, Saturday delivery, and appointment request.

F. General Routing Notes

1. Suppliers are responsible for insuring the carrier selected follows the scheduling requirements (Refer to Section IV – Deliveries).
2. CVS requires 24 hours notice whenever a carrier cannot keep a scheduled appointment. The supplier will be assessed a financial penalty whenever their carrier fails to provide the appropriate notification (Refer to Section VII – Freight Handling Deductions).

IV. Deliveries

A. Bill of Lading & Packing List Documentation (Continued on next page)

CVS requires a legible bill of lading with each shipment and a packing list with each purchase order. The bill of lading and packing list must include the following information:

PLEASE NOTE THAT CVS NO LONGER REQUIRES THE PURCHASE ORDER SHIP TO ARRIVE DATE ON THE BILL OF LADING.

- Unless you are shipping with a guaranteed delivery date please DO NOT include an arrival date of any kind on the BOL.

DOCUMENTATION	INCLUDE ON BILL OF LADING	INCLUDE ON PACKING LIST
SHIP FROM: Complete Name of shipper and address (origin/shipping location, city, state, zip code)	X	X
SHIP TO: Refer to complete Distribution Center address as noted in Attachment I. If shipping to a Store – complete name, address and telephone number.	X	X
DATE SHIPPED:	X	X
PURCHASE ORDER NUMBER(S): Include <u>ALL</u> Purchase Order numbers	X	X
PURCHASE ORDER INFORMATION: a. Packages: Quantity & Type (e.g., Cartons) b. Handling Unit: Quantity & Type (e.g., Pallet, etc.) c. Weight Applies to each PO and the entire shipment <u>Note:</u> If density is required to properly describe merchandise, show accurate density.	X	
CVS ITEM NUMBER(S):		X
ITEM INFORMATION: Per item number a. Packages: Quantity & Type (Cases and Pieces) b. Case Pack c. Item Description		X
CARRIER NAME:	X	
SHIPPING INFORMATION: a. Shipment Cube b. Commodity Description [Reference: National Motor Freight Classification (NMFC) tariff] c. NMFC Commodity Class <u>Note:</u> If applicable, include the density and value of product.	X	
FREIGHT PAYMENT TERMS: Prepaid or Collect <u>ONLY</u> <u>DO NOT USE:</u> “prepaid & add” or any such verbiage	X	

Continued on next page...

DOCUMENTATION	INCLUDE ON BILL OF LADING	INCLUDE ON PACKING LIST
<p>FREIGHT BILLING INSTRUCTIONS: <u>Collect ONLY</u> The following instructions are to be noted: <u>Send Freight Bills for Payment To:</u> Freight Payment Coordinator Logistics Dept – Supply Chain Logistics Support Center CVS/pharmacy MC 5035 One CVS Drive Woonsocket, Rhode Island 02895</p> <p>Note: Every freight bill submitted for payment via paper invoice must have a signed copy of the delivery receipt attached as a proof of delivery.</p>	X	
<p>FREIGHT BILLING INSTRUCTIONS: <u>Prepaid ONLY</u> The following instructions are to be noted: “SHIPPER RESPONSIBLE FOR ALL ASSESSORIAL FEES.”</p>	X	
<p>SPECIAL DELIVERY INSTRUCTIONS: Indicate any delivery instructions received including the name of the authorizing individual</p>	X	
<p>AIR FREIGHT INSTRUCTIONS: <u>Collect ONLY</u> When the supplier is verbally requested to ship via air freight using collect freight terms, the supplier must record the CVS person authorizing air freight, department and the purchase order number.</p>	X	
<p>EXCLUSIVE USE/RUSH/EXPEDITED SERVICE: <u>Collect ONLY</u> When an “exclusive use”, “expedited service”, or “rush” shipment is requested, the supplier must obtain and record the CVS individual name, department and the purchase order number.</p>	X	

B. Delivery Location

All shipments must be delivered to the location specified on the purchase order unless otherwise instructed by the Receiving Department or an authorized written exception. See Attachment I for current CVS Distribution Center locations, addresses, and hours of operation.

C. Scheduling

1. Appointment Requirements:

- a. CVS Distribution Centers have different hours of operation for receiving product. The carrier/supplier must schedule deliveries within the hours of operation of the CVS Distribution Center specified on the purchase order. CVS Distribution Center current hours of operation appear in Attachment I of this document.

- b. Some distribution centers require a delivery appointment for every shipment while other distribution centers may allow non-appointed deliveries through the express door. Express Door deliveries will be received on a first come first serve basis.
See Attachment I, Distribution Center Information, for distribution center appointment requirements.
- c. Appointments will not be issued without a valid purchase order.
- d. Appointment requests should be made based on the purchase order “Ship To Arrive” date (STA).
- e. Appointment requests must be submitted via fax or the CVS eAppointment scheduling system (see below for access information).
- f. The appointment REQUESTED DATE (the date in which a Supplier/Carrier is requesting to deliver) must fall within a 3 day business window before or after the STA date. Appointments submitted with a requested delivery date outside of the 3 day business window will be considered non-compliant and may be subject to Supplier Compliance penalties (refer to Section VII – Freight Handling Deductions for details).
- g. Separate delivery appointments must be made for each truckload subject to these requirements.
- h. Appointment requests must include all purchase orders being delivered on the truck. The Distribution Center has the discretion to refuse the entire truck and/or purchase orders not listed on the appointment request.
- i. CVS will not be responsible for any costs incurred by the carrier or the supplier resulting from these requirements
- j. Drivers may request a Check-In/Check-Out confirmation form from the Receiving Clerk.

2. Appointment Requests:

- a. CVS utilizes a web based scheduling tool to appoint all inbound deliveries. If you do not have an access account please contact Tammy Beauparlant at *Tammy.Beauparlant@cvshealth.com* to obtain a setup form.
- b. Until your access account is completed please utilize the appointment request forms. If you do not have these forms please contact Tammy Beauparlant at *Tammy.Beauparlant@cvshealth.com*.
- c. All appointment requests will be addressed within 24 hours of the request.

DO NOT SEND A DUPLICATE REQUEST: If you do not receive a confirmation within 24 hours contact the DC directly.

3. Pharmacy (Rx) Appointments – Additional Requirements:

- a. All Rx deliveries are considered LIVE unloads
- b. This is a separate Rx address at each Distribution Center with Rx. As a result, an appointment needs to be made for all Rx loads. If one trailer has both Rx and Front Store on it, two appointments are required. (Refer to the DC addresses and hours at Attachment I)

V. Packaging

A. Carton Labeling Requirements

Minimum Carton Markings:

1. Supplier Name
2. Purchase Order Number
 - In lieu of marking each carton with a PO number you may provide the PO number on a pallet label.
 - Pallet labels **DO NOT REPLACE CARTON LABELS.**
 - If the PO number is not provided on the individual cartons each pallet must contain a pallet label with the CVS PO #
 - If the pallet contains cases from multiple purchase orders:
 - The cases must be bundled together to clearly separate the purchase orders.
 - A PO number must be provided on each bundle.
 - The entire pallet should then be shrink wrapped and each pallet must contain a minimum of one pallet label stating “PALLET CONTAINS MULTIPLE POs” and each PO number must be listed.
 - The pallet labels must be secured **INSIDE** the shrink wrap
3. CVS Item Number
4. Product Description
5. Case Pack
6. Weight
7. Case UPC (refer to section B. for ITEM UPC requirements)
 - Displayed as ITF-14 barcode
 - Private Label merchandise; in lieu of the Case UPC, the Item UPC (Section B) must appear on the outside of each carton displayed as is on the selling unit.
8. Seasonal Case Labeling, as appropriate
 - See Seasonal Case Labeling Table on next page
9. Expiration Date - as applicable
 - Expiration Dates must be in a readable date format (ie. MM/DD/YYYY)
10. Size and placement of label is not mandated.

Questions about Carton Labeling Requirements should be forwarded to:

- Sue Lussier [401] 770-3084 [suzanne.lussier@cvshealth.com]
- Mike Grenon [401] 770-3278 [michael.grenon@cvshealth.com]

B. Item UPC (Universal Product Code) Requirements

The item UPC must be indicated on the selling unit and reflect the selling unit established by CVS for use with its Point of Sale (POS) scanners.

C. UCC-128 Pallet Label

1. Required for CVS On-boarded UCC-128/ASN Suppliers only
2. Contact John Dzaugis (john.dzaugis@cvshealth.com) or Mike Grenon (michael.grenon@cvshealth.com) for separate specifications.

D. Seasonal Case Labeling Requirements

In addition to the product label; cartons containing seasonal merchandise must contain 4 Seasonal Case Labels. See color and lettering requirements in Seasonal Case Labeling Table.

1. Each label must be the appropriate color with the designated seasonal lettering and store set up dates
2. Labels must be placed on all four sides of carton

SEASONAL CASE LABELING TABLE

SEASON (EVENT)	LETTERING for ODD numbered years	LETTERING for EVEN numbered years	Store Set Up Date	LABEL COLOR - PMS #
Valentine	VA	VA	1/3/2016	Pink - PMS #232
Early Easter Instant Consumables	EA	EA	1/3/2016	Pink - PMS #232
Spring / Lawn & Garden	SP	LG	2/15/2016	Yellow - PMS Process Yellow
Easter	EA	EA	2/15/2016	Yellow - PMS Process Yellow
Summer	SM	SU	2/15/16 3/28/16 4/24/16	Blue - PMS #2935
Back to School	BS	BT	7/10/16 8/7/16	Orange -PMS #021
Fall Décor / Thanksgiving	TK	FD	9/11/2016	Brown - PMS #463
Halloween	HA	HW	9/11/2016	Black - PMS Process Black
Fall and Winter	FL	FW	9/18/16 10/9/16 12/4/16	No Fill
Christmas Toys, Plush, Books & Accessories	XM	XC	9/18/16 11/1/16	Green - PMS #7482
PGM	GX	GC	9/18/16 11/1/16	Red - PMS #198
Christmas - Trim a Tree, Animation, Trees, Boxed Cards	XM	XC	11/1/2016	Red - PMS #199
Christmas - Home Décor, Candles, Hanukkah	XM	XC	11/1/2016	Red - PMS #199
Christmas - Lights, Outdoor Lighting, Wiring	XM	XC	11/1/2016	Red - PMS #199
Christmas - Cosmetics, Bath, Skin, Fragrance, Beauty Accessories	XM	XC	11/1/2016	Red - PMS #199
Christmas - Gifts, Apparel, Soft Goods, Pet	XM	XC	11/1/2016	Red - PMS #199
Christmas - Electronics, Appliances, Audio-Visual, Batteries, Christmas Candy	XM	XC	11/1/2016	Red - PMS #199
Christmas - Wrap, Boxes, Bows, Ribbon, Bags	XM	XC	11/13/2016	Red - PMS #199

Confirmed – Jan 2016

The PMS # (Pantone Matching System) refers to the unique color that CVS requires for the label.
**CVS does not provide case labels. Label sizes are not mandated.

Questions about Seasonal Case Labeling Requirements should be forwarded to:

- Sue Lussier [401] 770-3084 [suzanne.lussier@cvshealth.com]
- Mike Grenon [401] 770-3278 [michael.grenon@cvshealth.com]

E. Pallet Requirements (See Ennis DC & Vero Beach DC Pallet Requirements below)

1. Suppliers must use 48" X 40" four-way hardwood pallets.
2. The pallet slats/boards must be 5/8" thick.
3. No pallets with broken boards will be accepted.
4. Extra cases on top layer must be secured with shrink wrap (do not place loose cases on top of pallets).
5. Pallet overhang is not accepted. If merchandise is oversized you must call the individual distribution centers for direction. See Attachment I for Distribution Center Information.
6. Pallets must be secured with shrink wrap or tape. Wrapping/tape is to be secured to both the cases and pallet.
7. Corner posts are required on product not shipped in corrugated cartons.
8. The merchandise must be sorted by stock keeping unit (SKU), style and color.
9. If a pallet has multiple SKUs, each SKU must be grouped together on the pallet.
10. CVS does not participate in a Pallet Exchange Program.

Ennis DC & Vero Beach DC Pallet Requirements:

1. When shipping to the Ennis DC or the Vero Beach DC, suppliers are required to ship on pallets that have bottom deck boards and are in **GOOD** condition.
2. Also note that the **Ennis DC & Vero Beach DC have zero tolerance for pallet overhang.**

Failure to follow these important directives may result in the shipment being refused and a financial penalty.

Questions about Pallet Requirements should be forwarded to:

- Sue Lussier [401] 770-3084 [suzanne.lussier@cvshealth.com]
- Mike Grenon [401] 770-3278 [michael.grenon@cvshealth.com]

F. Ti-Hi Requirements

Each distribution center has different Ti-Hi requirements. Please contact the respective distribution centers for Ti-Hi information. See Attachment I for Distribution Center Information.

For Collect Freight please be sure to read Cubic Feet Requirements on page 8.

G. Floor Loading

Floor loaded shipments require the prior approval of the Transportation Department. Please reach out to Chris Kusek at (401) 770-3482 or at christopher.kusek@cvshealth.com.

H. Item and Case Requirements:

The following is a summary of CVS/Caremark, Inc. item and case packaging criteria. A supplier's ability to supply items within these criteria will help ensure safe and successful distribution throughout the CVS supply chain. Adherence to this information is critical to the overall success of the item(s) life cycle.

1. Item Dimension Accuracy:

- The Supplier is responsible for communicating Item/Case/Pallet configuration changes during the products' life at CVS.

- Item quantities and manufacturers' case pack quantities must conform in all respects to the item quantities and case pack quantities specified on the purchase order (multiple items cannot be mixed in a single case). The supplier cannot change item quantity or case pack quantity after the purchase order has been issued. Moreover, CVS may, at its option, refuse to accept delivery if item quantities or case pack quantities do not conform with purchase order requirements.

2. *Item Criteria:*

- Items distributed in pieces/eaches or pre-approved inner packs must safely fit into a CVS tote.
- The standard size of a CVS tote is: 19"L x 13.5"W x 8.5"H
- Items distributed in pieces/eaches or pre-approved inner packs must be packaged to avoid damage/leakage for tote travel. Items presenting known challenges include: flip top lids, trigger bottles, glass/porcelain and/or excessive weight
- The supplier is responsible to ensure the items are appropriately packaged to ship in a CVS tote, to include safety seals under caps, proper torque on lids, etc
- Suppliers must be aware that CVS retail locations receive 96+% of their orders in single selling units. All exterior master case and inner packaging is removed prior to shipping to the store.

3. *Inner Pack Criteria:*

- With regards to new items and/or packaging changes on existing items, when the item is distributed in pieces/eaches; ***CVS accepts no Inner Packs without prior approval from Lisa Tomasetti or Jen DiSumma (contact information is below)***
- When Inner Packs are approved the previously agreed upon style of inner must be used. The inner pack style includes those where the selling unit is readily accessible for piece picking and unit pricing.
- In **all** inner pack criteria, when the selling unit is piece/each picked, **the selling unit must be immediately accessible once the master case is cut open for order selection.** Six sided inner pack styles or styles with product surrounded in plastic, cardboard, or bound together in any way are NOT acceptable.
- For more details about Inner Pack criteria refer to the CVS Domestic Warehouse New Item Form / Quantity of Children Example tab <http://cvssuppliers.com/distribution-center-suppliers>

4. *Case Criteria:*

- Maximum Case Dimensions: 28"H x 20"W x 30"L
- Minimum Case Dimensions: 3"H x 8"W x 8"L
- Cases/Displays should be a minimum of 3 pounds and not exceed 50 pounds
- Exceptions to this criteria should be requested through Lisa Tomasetti or Jen DiSumma (contact information below)

Questions about Item and Case Requirements should be forwarded to:

- Lisa Tomasetti [401] 770-5595 [alisa.tomasetti@cvshealth.com]
- Jen DiSumma [401] 770-4124 [jennifer.disumma@cvshealth.com]

VI. Backorders/Overages/Shortages/MisShipments/Damages

A. Backorders

Suppliers are expected to ship each purchase order complete by the “Ship To Arrive” date. Failure to ship a purchase order complete may result in a financial penalty from CVS’ Supplier Compliance Program.

1. If CVS cancels a purchase order and a subsequent delivery is made against the purchase order (back order), CVS reserves the right to accept or reject the delivery.
 - If CVS accepts the backorder on product after the purchase order has been cancelled, a financial penalty may result.
 - If CVS rejects the backorder, CVS will immediately return the backorder to the supplier at the supplier’s expense.
2. When an allowance is set-up with a supplier and a backorder occurs, CVS will deduct the full allowance based on the original purchase order and the supplier will be responsible to ship the remaining product at the supplier’s expense.

B. Overages

1. CVS has the option of accepting or rejecting delivery of overages from suppliers.
2. If CVS rejects the overage at the time of delivery and the carrier will not accept or retain possession of the merchandise, CVS will treat the merchandise as follows:
 - CVS will notify the supplier of such overages within two business days of the rejection and CVS will request written instructions regarding the disposition of such merchandise within two business days.
 - If the supplier does not provide disposition instructions to CVS within two business days, CVS reserves the right to immediately return the merchandise to the supplier at the supplier’s expense.
3. CVS will not be responsible for any cost, liability or damage to merchandise in its possession that it has determined is overages regardless of the method used by CVS to store or handle the merchandise.

C. Shortages

1. Visible shortages detected by CVS at the time of delivery will be noted on the carrier delivery receipt and will be deducted from the supplier’s invoice.
2. Concealed shortages discovered after the carrier has been released will be documented by CVS during the check-in process. CVS will notify the supplier within a reasonable time period after discovering concealed shortages. Concealed shortages will be deducted from the supplier’s invoice.

D. Mis-Shipments

1. CVS reserves the right to refuse delivery of items that CVS does not carry when detected at the time of delivery. CVS will return the merchandise to the supplier at the supplier's expense and take full credit against the supplier's invoice for mis-shipped items.
2. If the carrier will not accept or retain possession of the merchandise, CVS will treat the merchandise as follows:
 - CVS will notify the supplier of the mis-shipment within two business days of the rejection and request that written disposition instructions be provided within two business days.
 - If the supplier does not provide written disposition instructions within two business days, CVS will return the merchandise to the supplier at the supplier's expense or dispose of the merchandise in any manner it deems appropriate.
3. Mis-shipments detected by CVS during the detailed check-in process will be treated in the same manner stated in Paragraph D.2 above.
4. CVS will not be responsible for any cost, liability or damage to merchandise in its possession that it has determined as mis-shipped regardless of the method used by CVS to store or handle the merchandise.

E. Damages

1. Unless otherwise agreed upon, CVS will refuse to accept delivery of damaged or defective merchandise discovered by CVS at the time of delivery.
2. Damaged or defective goods detected by CVS during its detailed check-in process will be documented on the carrier delivery receipt and/or the packing list. Such damages or defective merchandise will be deducted from the supplier's invoice. CVS will not be obligated to return such damaged or defective merchandise to the supplier.

VII. Freight Handling Deductions

Logistics (LOG) and Supplier Compliance Deductions result when a Carrier or Supplier fails to comply with CVS/pharmacy's routing instructions or freight handling requirements. Be advised that financial penalties will be deducted from the supplier's invoice and appear on the remittance advice.

A. Logistics Deductions (LOG):

COMPLIANCE ATTRIBUTE	DEFINITION	FINANCIAL PENALTIES	
		ADMINISTRATIVE FEE	ADDITIONAL FEE
Collect & Prepaid shipments	Failure to follow CVS Routing Guide instructions.	\$100	Excess Freight Charges

B. Supplier Compliance Deductions:

COMPLIANCE ATTRIBUTE	DEFINITION	PENALTY
Missed Appointment**	Failure to arrive for scheduled appointment &/or failure to cancel/reschedule more than 24hrs prior to delivery date <i>(does not include weekends & holidays)</i>	\$275
Late for Appointment**	Failure to arrive within 1hr of scheduled appt.	\$275
Monthly On-Time Compliance** <i>(Beginning with July 2015 scorecard)</i>	Carrier compliance originally deducted as individual Missed/Late penalties (see above) transitioned to a cumulative monthly penalty.	Monthly/variable \$275 per chargeable penalty/no max
Bill of Lading	Missing or Inaccurate Bill of Lading	\$100
Packing List	Missing or inaccurate Packing List	\$100
PO Ship to Arrive (STA) Date Failure***	Failure to maintain a compliance level of 95% or greater against <u>front store replenish POs, Code 98, and New Items (Code NI)</u> (excluding Hawaii POs) NOTE – Compliance for Hawaii POs are against <u>seasonal and promotional POs</u> .	Monthly/variable \$250 increments Max of \$3,500

****Preferred carrier exemptions will apply only if the correct carrier name is noted in the CVS Web Scheduling tool.**

*****Preferred carrier exemptions apply to missed and late penalties only.**

Questions about Freight Handling Deductions should be forwarded to:

- Sue Lussier [401] 770-3084 [suzanne.lussier@cvshealth.com]

C. UCC128/Advance Shipping Notice (ASN) Compliance Deductions (effective 7/1/14)

- a. **IMPORTANT** – Program is ONLY applicable for CVS On-Boarded ASN Vendors (notified via formal communication post successful on-boarding procedures and testing).
- b. Program requirements and deduction information is available by contacting Michael Grenon at Michael.grenon@cvshealth.com.

D. Supplier Disputes:

- Refer to the “Logistics Deduction Dispute Requirements/Forms” document, which can be obtained from: <http://www.cvssuppliers.com/logistics>
- Disputes submitted without the required information will be automatically dismissed.

E. Requests for Information:

- Requests are handled in the order in which they are received
- If following up on a previous request **please note “2nd request”** in the email subject line
 - Allow a **minimum of 48hrs** after initial request
- Supporting documentation **may NOT be available for deductions posted to checks dating back more than 12months.**

PRIOR to forwarding requests for deduction backup:

- Refer to the information and instructions on the following pages
- Requests not containing the correct information will be dismissed

1. DEDUCTIONS ENDING WITH “PL” or “BL”:

- Shipping Document Compliance–packing list and/or bill of lading was missing, incomplete or incorrect
- **Examples as seen on check remittance:**
 - **CHEM 17 12345 1234567 PL** (packing list)
 - **CHEM 17 12345 1234567 BL** (bill of lading)
- The letters represent the DC location code (see below chart)
- The first set of numbers relates to the delivery week (per CVS fiscal calendar)
- The second set of numbers is the PO number

DC Codes	Distribution Center Locations	DC Codes	Distribution Center Locations
BESS	Bessemer, AL	LUMB	Lumberton, NJ
CHEM	Chemung (Waverly), NY	NAUG	Beech Island, SC (formerly N. Augusta)
CONR	Conroe, TX	NOVI	Novi, MI
ENNI	Ennis, TX	ONTR	Ontario, CA
FRED	Fredericksburg, VA	PATT	Patterson, CA
HAWI	Honolulu, HI	PNIX	Phoenix, AZ
INDY	Indianapolis, IN	SOME	Somerset, PA
KNOX	Knoxville, TN	VERO	Vero Beach, FL
LHBR	La Habra, CA	WOON	Woonsocket, RI (also includes N. Smithfield, RI)

- **Obtaining Back Up:**
 - Contact Sue Lussier suzanne.lussier@cvshealth.com.
- Paperwork is filed at the individual DCs. Backup is provided upon request. Requests are forwarded to the DCs on your behalf and paperwork will be faxed or emailed to you by the DC.
- Address the subject line of your email as **“request for backup PL/BL”**
- The body of the email must provide the following:
 - **The deduction invoice(s)** as it appears on the check remittance
 - **And / or the check number(s)** in which you found the deduction(s)
 - **And / or a copy of the check remittance(s)**
 - NOTE - The Distribution Centers will need the entire deduction as shown in the examples above. If you do not have visibility to this and you do not have the CVS check number contact your CVS AP rep for access to the Vendor Portal. If you do not know who your rep is call 401-770-2620 and follow the prompts to find out who handles your account.

2. DEDUCTION INVOICES ENDING WITH “MISSED / LATE”:

(NOTE - transitioned to monthly deductions beginning July 2015 / see On-Time monthly deduction information – Section 3)

- Carrier On-Time Compliance – associated with infractions against appointment dates and times
- Examples as seen on check remittance (prior to July 2015):
 - LUMB 1234567 1234567 MISSED
 - LUMB 1234567 1234567 LATE
- The letters represent the DC location code (refer to above chart)
- The first set of numbers represents the appointment approval number (automatically generated within the scheduling system when appointment is submitted)
- The second set of numbers is the CVS PO number
- MISSED - canceled/rescheduled with less than 24hr notice, canceled/rescheduled after appt date/time, did not show up and did not notify DC (includes drop trailers)
- LATE - arrived more than 60minutes after appt time (includes drop trailers)
- A single Approval number and/or PO number can generate multiple penalties
- **Obtaining Back Up:**
 - CVS Compliance Portal – backup for individual MISSED/LATE penalties is available within the CVS Compliance Portal in the form of appointment details obtained directly from the CVS Scheduling system. Contact Sue Lussier for account access Suzanne.lussier@cvshealth.com
- In order to obtain appointment details you will need the CVS PO number (the last 7 digit numbers of the invoice). If you do not have visibility to the entire deduction invoice as shown in the examples above and you do not have the CVS check number contact your CVS AP rep for access to the Vendor Portal. If you do not know who your rep is call 401-770-2620 and follow the prompts to find out who handles your account.

3. DEDUCTION INVOICES BEGINNING WITH “ON-TIME”:

(NOTE - previously deducted as individually penalties prior to July 2015 / see MISSED / LATE – Section 2)

- Monthly Carrier On-Time Compliance – monthly accumulation of individual penalties against appointment dates/times within a given month.
- **Example as seen on check remittance:**
 - **ON-TIME JULY 2015 12345** (last 5 digits represent your CVS pay vendor #)
- **Report Details:**
 - **Chargeable Exceptions** – infraction without exemptions resulting in a penalty (shipped with non-CVS preferred carrier &/or prepaid shipment)
 - **Non-Chargeable Exceptions** – infraction that did not generate a penalty due to applicable exemptions (shipped with a CVS preferred carrier &/or collect shipment)
- A single appointment number and / or PO number can generate multiple penalties within the same month as well as across multiple months (depending on the appointment date)
- A single PO can generate penalties for both On-Time and STA compliance. These are two different programs with unrelated compliance metrics.
- **Obtaining Back Up:**
 - The On-Time Reports are distributed monthly via email. Contact Sue Lussier to be added to the monthly distribution list Suzanne.lussier@cvshealth.com
 - CVS Compliance Portal – backup for individual penalties are available within the CVS Compliance Portal in the form of appointment details obtained directly from the CVS Scheduling system. Contact Sue Lussier for account access Suzanne.lussier@cvshealth.com

4. DEDUCTION INVOICES BEGINNING WITH “STA”:

- Refer to Section G for complete program requirements
- **Example as seen on check remittance:**
 - **STA JULY 2015 12345** (last 5 digits represent your CVS pay vendor #)
- **Report Details:**
 - **Non-Compliant PO Detail** – all Pos deemed non-compliant (did not meet program requirements).
- A single PO number can appear more than once within the same month as well as across multiple months depending on the number of appointments (with different approval #s) associated with the PO
- A single PO can generate penalties for both STA and On-Time compliance. These are two different programs with unrelated compliance metrics.
- STA Compliance for Collect Shippers; refer to Section B. Collect, Backhaul, and CPU Suppliers.
- **Obtaining Back Up:**
 - The STA Reports are distributed monthly via email. Contact Sue Lussier to be added to the monthly distribution list Suzanne.lussier@cvshealth.com
 - CVS Compliance Portal - reviewing the appointment details obtained from the CVS Compliance Portal can be helpful in determining why a requested delivery date fell outside the 7 day compliance window. Contact Sue Lussier for account access Suzanne.lussier@cvshealth.com

5. DEDUCTION INVOICES BEGINNING WITH “LOG”:

- Logistics Compliance – associated with excessive shipping costs due to failure to follow routing instructions as noted in CVS Routing Guide and Supplier Compliance Instructions (primarily collect shipments). The Guide is regularly updated so you’ll want to check the link often to download revised copies. <http://www.cvssuppliers.com/logistics>
- **Example as seen on check remittance:**
 - **LOG 12345** (numbers are automatically generated during processing)
- **Obtaining Back Up:**
 - Available upon request; contact Sue Lussier Suzanne.lussier@cvshealth.com
 - Address the subject line of your email as “**request for backup LOG**”
 - The body of the email must provide the following:
 - **The deduction invoice(s)** as it appears on the check remittance
 - **And / or the check number(s)** in which you found the deduction(s)
 - **And / or a copy of the check remittance(s)**
 - **NOTE** - If you do not have visibility to the entire deduction invoice as shown in the example above and you do not have the CVS check number contact your CVS AP rep for access to the Vendor Portal. If you do not know who your rep is call 401-770-2620 and follow the prompts to find out who handles your account.

6. DEDUCTION INVOICES INCLUDING “ASN”:

- Compliance associated with our ASN/UCC128 Program (on boarded suppliers only)
- **Obtaining Back Up:** Available upon request; contact Mike Grenon michael.grenon@cvshealth.com

F. Appointment Times:

- Appointment date and times utilized to calculate supplier compliance deductions are systemically generated within the CVS web based scheduling tool. This appointment data is considered complete and final. Date and times include, but not limited to:
 - i. Status Code (submitted, approved, refused/canceled)
 - ii. Transaction Date/Time
 - iii. Requested Time
 - iv. Appointment Time
 - v. Check-In and Check-Out Times

G. PO Ship to Arrive (STA) Program:

- STA Program Details:
 - a. Suppliers are required to maintain a monthly compliance level as noted in Section B.
 - vi. A compliant PO must meet the following criteria:
 - 1. Has a Requested Delivery Appointment that falls within a plus (+) or minus (–) 3 day business window from the STA date.
 - a. **EFFECTIVE 3/1/16** – the compliance window will be STA date minus (1) 4 business days.

2. **EFFECTIVE 12/1/15** – Has a minimum of a 48 hour/2 business day time frame between the appointment submit date and request date. (for example, a request date for a delivery appoint. on 9/25 at 8:00 AM EST must have an appoint. submit date no later than 9/23 at 8:00 AM EST) **
 - a. Prepaid full truck and LTL live unload shipments (excluding CH Robinson Consolidated and dropped trailers).
 - vii. Applicable to Store Replenish/Turn/Code 01, New Items/NI, and Code 98 POs only. Rx, Promotional and Seasonal POs are not included in the program.
 - viii. Refer to Section II for Collect Freight timing expectations to ensure STA compliance.
- b. Compliance charges will be assessed based on the level of compliance and the number of affected POs:
 - i. Suppliers with less than 100 affected POs within a month will be assessed charges at a rate of \$250 per exception with a maximum monthly charge of \$3,500.
 1. Example A: Supplier X had 20 affected purchase orders for the month with 3 purchase orders that were not compliant. This Supplier would receive a monthly charge of \$750.
 2. Example B: Supplier Y had 30 affected purchase orders for the month with 20 purchase orders that were not compliant. This Supplier would receive a monthly charge of \$3,500 having hit the \$3,500 cap amount.
 - ii. Suppliers with 100 or more affected POs within a month will be assessed charges at a rate of \$250 per percentage variation from the required threshold (rounded down) with a maximum charge of \$3,500.
 1. Example A: Supplier X had 120 affected purchase orders for the month with 14 purchase orders that were not compliant calculating to an 88.3% rating. The deviation between 88.3% and 95% is 6.7 percentage points which is rounded down to 6 so this Supplier would receive a monthly charge of \$1,500.
 2. Example B: Supplier Y had 150 affected purchase orders for the month with 40 purchase orders that were not compliant calculating to an 73.3% rating. The deviation between 73.3% and 95% is 21.7 percentage points which is rounded down to 21 so this Supplier would receive a monthly charge of \$3,500 having hit the \$3,500 cap amount.
 - c. Charges will be assessed the first week of every month and will be based on data collected against affected POs requested within the prior month.
 - d. Preferred carrier exemptions DO NOT apply to the STA compliance program.

**** Important Submit Date Requirement Notes:**

- i. Requirement is also applicable to standing appointments.
- ii. Requirement is only applicable for the first appointment request date. Reschedules are not applicable to the 48hr/2 business day requirement.
- iii. Preferred LTL drop trailers/appointments are currently excluded due to LTL network operational processes.

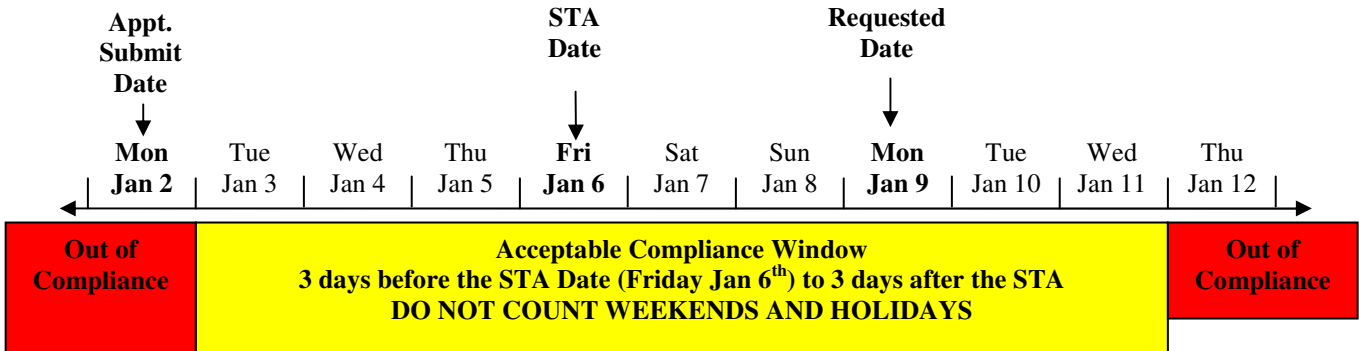
STA Compliance Examples on following pages...

- **STA Program Example (PRIOR TO MARCH 1, 2016):**

Compliant PO Example:

- 1.
- 2.
- 3.

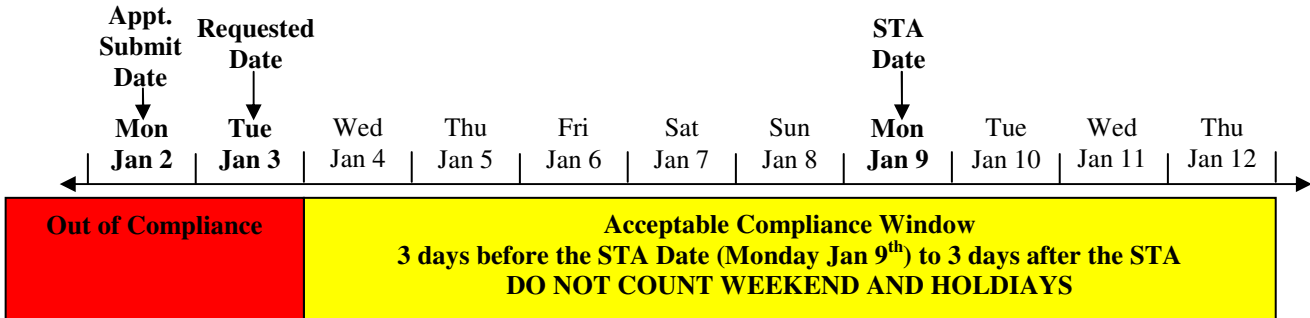
<p>PO STA date is January 6th.</p>	<p>Carrier / Supplier enters CVS' online appointing application and submits an appointment on Monday, January 2nd at 9:00 AM (compliant – more than 2 days/48 hrs from the request date)</p>	<p>Carrier/Supplier requests a delivery appointment of Friday, January 6th at 11:00 AM (compliant – within the acceptable compliance window)</p>
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Non-Compliant PO Example:

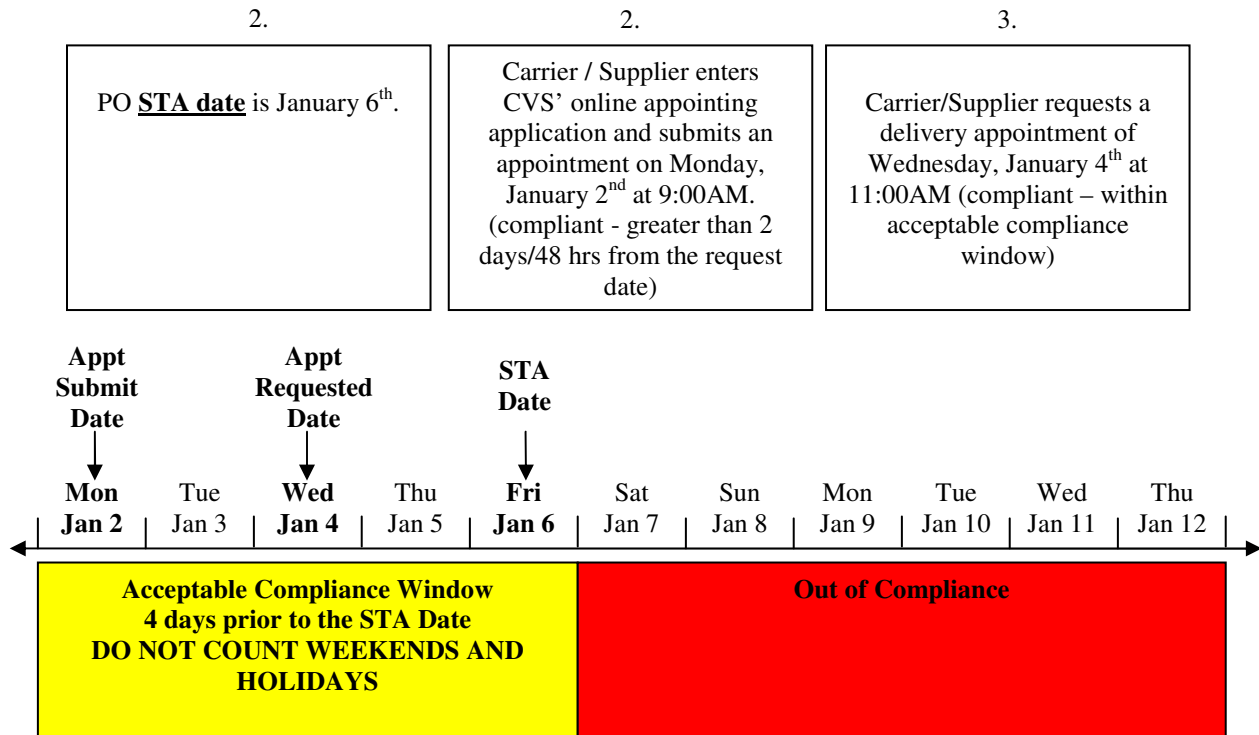
- 1.
- 2.
- 3.

<p>PO STA date is January 9th.</p>	<p>Carrier / Supplier enters CVS' online appointing application and submits an appointment on Monday, January 2nd at 9:00 AM (non-compliant – less than 2 days/48 hrs from the request date)</p>	<p>Carrier/Supplier requests a delivery appointment of Tuesday, January 3rd at 11:00 AM (non-compliant – outside the acceptable compliance window)</p>
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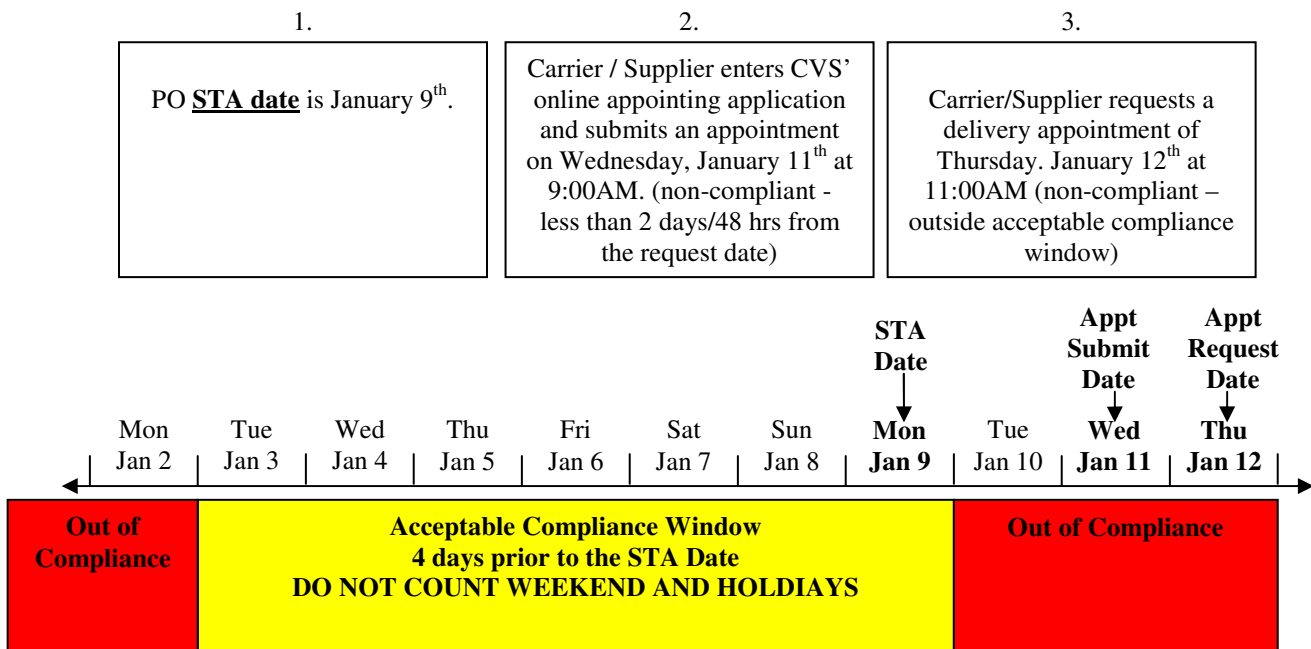


• **STA Program Example (AFTER MARCH 1, 2016):**

Compliant PO Example:



Non-Compliant PO Example:



IX. International Shipments

Contact CVS' Import Department by telephone at (401) 770-4263 or (401) 770-2556 for guidance and direction on international shipments. Please use the following link to access the Import Guide:

- <http://www.cvssuppliers.com/Requirements/Import information>

Attachment I

Distribution Center Information

NOTE: For applicable Distribution Codes and DEA numbers, please refer to the “Distribution Center ID Table” at www.cvs-suppliers.com.

Front Store/Bulk/Store Supply Facilities:

DISTRIBUTION CENTER ADDRESS/PHONE NUMBERS	CONTACT PERSON EXTENSION	RECEIVING HOURS	APPOINTMENT REQUIREMENTS
Beech Island, SC see North Augusta, SC			
Bessemer, AL 2600 Morgan Road Bessemer, AL 35023 Phone - (205) 230-4300 Fax - (205) 230-4306	Evonne Aaron Evonne.Aaron@cvshealth.com (205) 230-4320	8:00 am – 1:00 pm Express Door: 9:00 am – 3:00 pm	250 cases or more requires delivery appointment. Express Door: less than 250 cases
Chemung, NY 1 CVS Drive Waverly, NY 14892 Phone - (607) 249-0100 Fax - (607) 249-0103	Denise Brown Denise.Brown2@cvshealth.com ext. 249-0140	7:00 am – 3:30 pm (1:30 – last appointment) <u>NO EXPRESS DOOR</u>	Delivery Appointment Required
Conroe, TX Main Building & OTC 100 South Trade Center Pkwy Conroe, TX 77385 Phone - (936) 271-5825 Fax - (936) 271-5804	Veronica Clark Veronica.Clark@cvshealth.com Ext. 125-5101 Paula Kizzie Paula.Kizzie@cvshealth.com (936) 271-5813	6:00 am - 2:30 pm M-F Express Door: 6:30 am -1:30 pm M-F	Delivery Appt. Required for shipments of more than 100 cases. Express Door: less than 100 cases / will be unloaded at the next available dock door.
Conroe, TX (Bulk Building) see Houston, TX			
Ennis, TX 700 CVS Drive Ennis, TX 75119 Phone - (214) 241-5000 Fax - (401) 652-0542	Charika Russell Charika.Russell@cvshealth.com (214) 241-5061	6:00 am - 2:00 pm CST 3:30 pm - 11:30 pm CST	Delivery Appointment Required
Fredericksburg, VA 500 Lansdowne Road Fredericksburg, VA 22408 Phone - (540) 834-5600 Fax – (540) 834-5610	Marie Wilson Marie.Wilson@cvshealth.com (540) 834-5635	6:00 am - 12:30 pm Express Door: 6:00 am - 1:30 pm	250 cases or more requires delivery appointment. Express Door: must call for approval Less than 250 cases <u>and</u> no more than 4 different items.

DISTRIBUTION CENTER ADDRESS/PHONE NUMBERS	CONTACT PERSON EXTENSION	RECEIVING HOURS	APPOINTMENT REQUIREMENTS
Fredericksburg, VA Bulk Storage Building 501 Lansdowne Road Fredericksburg, VA 22408 Phone - (540) 834-5600 Fax - (540) 834-5610	Marie Wilson Marie.Wilson@cvshealth.com (540) 834-5635	6:00 am - 12:30 pm <u>NO EXPRESS DOOR</u>	Delivery Appointment Required
Hainesport, NJ Lumberton Cosmetics 8 Berry Drive Hainesport, NJ 08036 Phone - (609) 267-6700 Fax - (609) 518-5786	Kim Lawrence Kimberly.Lawrence@cvshealth.com ext 5185612 Deb Gilbert Deborah.Gilbert@cvshealth.com ext 5185612	12:00 am - 4:00 pm Express Door: 8:00 am - 3:00 pm	250 cases or more requires delivery appointment. Express Door: Less than 250 cases
Houston, TX Conroe Bulk Building 19802 Imperial Drive 100 Houston, TX 77073	Veronica Clark Veronica.Clark@cvshealth.com Ext. 125-5101 Linda Duhe Linda.Duhe@cvscamark.com (936) 271-5844	6:00 am - 1:00 pm M-F	Delivery Appt. Required for shipments of more than 100 cases. Express Door: less than 100 cases / will be unloaded at the next available dock door.
Indianapolis, IN 2800 Enterprise Street Indianapolis, IN 46219 Phone - (317) 610-4300 Fax - (317) 610-4301	1st contact - Sherry Washington Sherry.Washington@cvshealth.com Ext 1355164 Jeff Hoover Jeffrey.Hoover@cvshealth.com ext 6104340	<u>1st Shift</u> 6:00 am - 2:00 pm <u>2nd Shift</u> 3:00 pm - 11:00 pm <u>NO EXPRESS DOOR</u>	Delivery Appointment Required.
Indianapolis, IN Mt. Comfort (Satellite DC) 6887 West 350 North Greenfield, IN 46140 Phone - (317) 353-1458 Fax - (317) 351-3019	1st contact Sherry Washington Sherry.Washington@cvshealth.com ext 1355164	6:00 am - 2:00 pm <u>NO EXPRESS DOOR</u>	
Kapolei, HI 1025 Opakapaka St. Kapolei, HI 96707 Phone - (808) 690-8722 Fax - (808) 690-8702	Wil Haney Wilfred.Haney@cvshealth.com	6:00 am - 12:00 pm M-F	Appointment required for shipments exceeding 2 pallets. Accepted Trailers: 24', 45', 48' and 53', NO Flatbed Trailers
Knoxville, TN 10008 Parkside Drive Knoxville, TN 37922 Phone - (865) 231-9900 Fax - (865) 231-9901	Pokey Mullins Pokey.Mullins@cvshealth.com ext 1275008 Mark Trombley Mark.Trombley@cvshealth.com ext 2319941	6:00 am - 2:00 pm <u>NO EXPRESS DOOR</u>	Appointment required for all deliveries.

DISTRIBUTION CENTER ADDRESS/PHONE NUMBERS	CONTACT PERSON EXTENSION	RECEIVING HOURS	APPOINTMENT REQUIREMENTS
La Habra, CA General Merchandise 777 South Harbor Blvd. La Habra, CA 90631 Phone - (714) 578-4600 Receiving Office ext 1340516 Fax - (714) 578-4691	Contacts: Carmen Jimenez Carmen.Jimenez@cvshealth.com Vera Owens Vera.Owens@cvshealth.com (714) 578-4727 Alternate Contact: Vicki Slood Vicki.Slood@cvshealth.com (714) 578-4600 ext 1340513	<u>Main Dock</u> 5:30 am – 1:00 pm 6:30 pm - 1:00 am Express Door 6:00 am - 11:00 am	Main Dock: More than 200 cases, 4 pallets and 5 items- requires delivery appointment Express Door: Less than 200 cases & no more than 4 pallets and 5 items.
La Habra, CA Seasonal & Promotional 1111 South Harbor Blvd. La Habra, CA 90631 Phone - (714) 578-4670 Receiving Office (714) 578-5406 Fax - (714) 578-4691	Contacts: Carmen Jimenez Carmen.Jimenez@cvshealth.com Vera Owens Vera.Owens@cvshealth.com (714) 578-4727	<u>Main Dock</u> 5:30 am – 1:00 pm 6:30 pm - 1:00 am Express Door 5:00 am - 11:00 am	Main Dock: More than 200 cases, 4 pallets and 5 items- requires delivery appointment Express Door: Less than 200 cases & no more than 4 pallets and 5 items.
Loudon, TN 3400 Huntington Park Dr. Loudon, TN 37774 Phone - (865) 657-2212 Fax - (865) 231-9901	1st contact Pokey Mullins Pokey.Mullins@cvshealth.com (865) 231-9900 ext 1275008 Doug Hill / Grant Sewell Douglas.Hill@cvshealth.com Justin.Sewell@cvshealth.com (865) 657-2200 ext 1280001	6:00 am - 3:30 pm <u>NO EXPRESS DOOR</u>	<u>Appointment required for all deliveries into Loudon, DC.</u>
Lumberton, NJ 1 Berry Drive Lumberton, NJ 08048 Phone - (609) 267-6700 Fax - (609) 518-5779	Deb Gilbert Deborah.Gilbert@cvshealth.com ext 5185612	7:00 am - 8:30 pm Express Door: 7:00 am - 2:00 pm	250 cases or more requires delivery appointment. Express Door: less than 250 cases representing 10 items or less / 6 pallets or less
Lumberton, NJ (Cosmetic Building) see Hainesport, NJ			
Medley, FL Navarro Distribution Center 9400 N.W. 104 Street Medley, FL 33178 Phone - (305) 636-7765 Fax - (305) 633-4030	Narciso Lopez nlopez@navarro.com	6:00 am – 2:00 pm	Suppliers or Carriers must call for delivery appointment (305) 636-7765 No deliveries will be accepted without an appointment.
Murfreesboro, TN Store Fixtures 606 Butler Street Murfreesboro, TN 37127 Phone - (615) 494-9226	Receiving Office 615-494-9226	7:00 am - 2:30 pm <u>NO EXPRESS DOOR</u>	Delivery appointment required. Call for delivery appointment.

DISTRIBUTION CENTER ADDRESS/PHONE NUMBERS	CONTACT PERSON EXTENSION	RECEIVING HOURS	APPOINTMENT REQUIREMENTS
North Augusta, SC 111 Revco Road Beech Island, SC 29842 Phone – (888) 378-7336 Fax - (401) 652-1026	Vera Robinson Vera.Robinson@cvshealth.com Ext 1350034	7:00 am - 3:30 pm Express Doors: 7:00 am - 1:00 pm M-F	250 cases or more requires a delivery appointment. Express Door: Less than 250 cases & no more than 3 pallets
North Augusta, SC (Lovers Lane – Satellite DC) 1413 Lovers Lane Augusta, GA 30901 Phone – (888) 378-7336 Fax - (401) 652-1026	Vera Robinson Vera.Robinson@cvshealth.com Ext 1350034	6:00 am – 1:00 pm	
North Smithfield, RI 150 Industrial Drive North Smithfield, RI 02896 Phone - (401) 235-5000 Fax - (401) 235-5255	Carl Gravel Carl.Gravel@cvshealth.com (401) 235-5042 Lorraine Languirand Lorraine.Languirand@cvshealth.com (401) 235-5045	3 Shifts 7:00am – 12:00pm 3:00pm – 8:00pm 1:00am – 3:00am Express Door: 7:00 am - 2:00 pm	250 cases or more requires delivery appointment. Express Door: Less than 250 cases & no more than 6 pallets
Novi, MI 43800 Genmar Drive Novi, MI 48375 Phone – (248) 675-2100 Fax - (248) 675-2109	Laurie Beth Gruich Laurie.Gruich@cvshealth.com x1295018 John Budner John.Budneriii@cvshealth.com (248) 675-2138 Andrea DiLorenzo Andrea.DiLorenzo@cvshealth.com x1295019	6:00 am - 11:30 am Express Door: 7:00 am - 12:00 pm	Appointment required for all deliveries (including Express Door).
Orlando, FL 8525 Exchange Drive Orlando, FL 32809 Phone - (407) 858-4000 Fax - (407) 858-4122	Bianca Acevedo Blanca.Acevedo@cvshealth.com x1320004	6:30 am - 3:30 pm M-Th 6:30 am - 10:30 am F Express Door: 6:30 am - 2:00 pm M-Th 6:30 am - 9:00 am F	Express Door: Less than 100 cases
Patterson, CA 2400 Keystone Pacific Pkwy Patterson, CA 95363 Phone - (209) 895-8500 Fax - (401) 733-0763	Jeremiah Saleapaga Jeremiah.Saleapaga@cvshealth.com (209) 895-8528 Tonie Aguilera Antonia.Aguilera@cvshealth.com (209) 895-8528	5:00 am – 1:00 pm Express Door: 6:00 am – 1:00 pm (M-F)	250 cases or more requires delivery appointment. Express Door: less than 250 cases & 6 pallets or less
Phoenix, AZ (Beverages) 125 S. 67th Ave. Bldg 1 Phoenix, AZ 85043 Phone - (623) 824-7002 Fax - (623) 824-7016	Cynthia Felix ext 8247023	6:00 am - 1:00 pm Express Door: 6:00 am - 12:00 pm	Delivery appointment required for delivery of more than 250 cases. Express Door: less than 250 cases

DISTRIBUTION CENTER ADDRESS/PHONE NUMBERS	CONTACT PERSON EXTENSION	RECEIVING HOURS	APPOINTMENT REQUIREMENTS
Somerset, PA 322 Revco Road Somerset, PA 15501 Phone - (814) 289-2200 Fax - (814) 289-2202	Denver Snyder Denver.Snyder@cvshealth.com ext 1310014 Bob Christner Robert.Christner@cvshealth.com ext 1310017 Seth Williams Seth.Williams@cvshealth.com ext 1310018	6:00 am - 8:30 pm <u>NO EXPRESS DOOR</u>	Appointment required for all deliveries.
Twinsburg, OH Business Integration Center 1940 Enterprise Parkway Twinsburg, OH 44087 Phone - (330) 487-6916 Fax - (330) 963-0760	Dale Petruno (330) 487-6912 Jennifer Ayers (330) 487-6916	8 :00 am - 3:30 pm M-F <u>NO EXPRESS DOOR</u>	No delivery appointment required
Vero Beach, FL 2577 98 th Ave Vero Beach, FL 32966 Phone - (772) 774-2131 Fax - (401) 652-0596	Heather Harris Heather.Harris@cvshealth.com	1 st shift 6am -2pm 2 nd shift 2pm-10pm <u>NO EXPRESS DOOR</u>	All deliveries require an appointment.
Woonsocket, RI 400 Founders Drive Woonsocket, RI 02895 Phone - (401) 235-5000 Fax - (401) 235-5255	Carl Gravel Carl.Gravel@cvshealth.com (401) 235-5042 Lorraine Languirand Lorraine.Languirand@cvshealth.com (401) 235-5045	5:00am – 12:30pm <u>NO EXPRESS DOOR</u>	All deliveries require an appointment
Woonsocket, RI CVS Print Department 50 Fortin Drive Woonsocket, RI 02895 Phone - (401) 770-2993 Fax - (401) 767-2234	Mike Cote Michael.Cote@cvshealth.com (401) 770-2993	8:00 am - 4:00 pm	All deliveries require an appointment
Store Supplies 221 Founders Drive Woonsocket, RI 02895 Phone - (401) 235-5803 Fax - (401) 235-5855	Receiving Office – (401) 235-5803 Gary Capparella – Gary.Capparella@cvshealth.com (401) 235-5156 for anything other than appt. scheduling	8:00 am - 1:30pm	All deliveries require an appointment. CALL for an appt. DO NOT send a fax.

Pharmacy (Rx) locations listed on next page...

Pharmacy (Rx) Facilities:

DISTRIBUTION CENTER ADDRESS/PHONE NUMBERS	CONTACT PERSON EXTENSION	RECEIVING HOURS	APPOINTMENT REQUIREMENTS
Chemung, NY 150 White Wagon Rd Chemung, NY 14825 Phone - (607) 249-0100 Fax - (607) 249-0103	Lisa Green Lisa.Green@cvshealth.com (607) 249-0140	7:00 am – 3:30 pm <u>NO EXPRESS DOOR</u>	Delivery Appointment Required
Conroe, TX 225 Harpers Landing Blvd. Conroe, TX 77385 Phone - (936) 364-2849 Fax - (936) 271-5804	Veronica Clark Veronica.Clark@cvshealth.com Ext. 125-5101 Paula Kizzie Paula.Kizzie@cvshealth.com (936) 271-5813	6:00 am - 2:30 pm M-F Express Door: 6:30 am - 1:30 pm M-F	Delivery Appt. Required for shipments of more than 100 cases. Express Door: less than 100 cases / will be unloaded at the next available dock door.
Ennis, TX 800 CVS Drive Ennis, TX 75119 Phone - (214) 241-5000 Fax - (401) 652-0542	Charika Russell Charika.Russell@cvshealth.com (214) 241-5061	6:00 am - 2:30 pm CST 3:30 pm - 6:30 pm CST <u>NO EXPRESS DOOR</u>	Delivery Appointment Required
Indianapolis, IN 7590 Empire Drive Doors 116-123 Indianapolis, IN 46219 Phone - (317) 610-4374 Fax - (317) 610-4308	Patty Paul Patricia.Paul2@cvshealth.com ext 3055 Gary Lamberth Gary.Lamberth@cvshealth.com ext 3051	7:00 am - 2:00 pm <u>NO EXPRESS DOOR</u>	Delivery Appointment Required.
Knoxville, TN 10017 Kingston Pike Knoxville, TN 37922 Phone - (865) 231-9900 Fax - (865) 231-9902	Pat Jessie Patricia.Jessie@cvshealth.com ext 1275025	7:00 am - 2:30 pm <u>NO EXPRESS DOOR</u>	Appointment required for all deliveries except small package deliveries made by UPS, Federal Express, Airborne, etc. Drivers must enter through the 10008 Parkside Drive Entrance.
La Habra, CA 777 South Harbor Blvd. Suite D-152 La Habra, CA 90631 Phone - (714) 578-4600 Receiving Office ext 1340516 Fax - (714) 578-4691	Primary Rx Contact: Genet Habte Genet.Habte@cvshealth.com (714) 578-4600 ext 1340512 Alternate Rx Contact: Vicky Slood Vicki.Slood@cvshealth.com (714) 578-4600 ext 1340513	<u>Main Dock</u> 5:30 am – 1:00 pm 6:30 pm - 1:00 am Express Door 6:00 am - 11:00 am	<u>Appointment required for all deliveries into La Habra DC</u> Main Dock 200 cases or more Express Door: Less than 200 cases

DISTRIBUTION CENTER ADDRESS/PHONE NUMBERS	CONTACT PERSON EXTENSION	RECEIVING HOURS	APPOINTMENT REQUIREMENTS
Lumberton, NJ 3 Berry Drive Lumberton, NJ 08048 Phone - (609) 267-6700 Fax - (609) 518-5779	Deb Gilbert Deborah.Gilbert@cvshealth.com ext 5185612	7:00 am - 3:00 pm Express Door: 7:00 am - 2:00 pm	250 cases or more requires delivery appointment. Express Door: less than 250 cases representing 10 items or less / 6 pallets or less
North Smithfield, RI 150 Industrial Drive North Smithfield, RI 02896 Phone - (401) 235-5000 Fax - (401) 235-5255	Carl Gravel Carl.Gravel@cvshealth.com (401) 235-5042 Lorraine Languirand Lorraine.Languirand@cvshealth.com (401) 235-5045	3 Shifts 7:00am – 12:00pm 3:00pm – 8:00pm 1:00am – 3:00am Express Door: 7:00 am - 2:00 pm	250 cases or more requires delivery appointment. Express Door: Less than 250 cases & no more than 6 pallets
Orlando, FL 8201 Chancellor Drive Orlando, FL 32809 Phone - (407) 858-4000 Fax - (407) 858-4122	Bianca Acevedo Blanca.Acevedo@cvshealth.com x1320004	6:30 am - 3:00 pm M-Th 6:30 am - 10:00 am F Express Door: 6:30 am - 2:00 pm M-Th 6:30 am - 9:00 am F	Express Door: Less than 100 cases
Patterson, CA 2400 Keystone Pacific Pkwy Suite B. Patterson, CA 95363 Phone - (209) 895-8500 Fax - (401) 733-0763	Jeremiah Saleapaga Jeremiah.Saleapaga@cvshealth.com (209) 895-8528 Tonie Aguilera Antonia.Aguilera@cvshealth.com (209) 895-8528	6:00 am – 1:00 pm (M-F) Express Door: 6:00 am – 1:00 pm (M-F)	250 cases or more requires delivery appointment. Express Door: less than 250 cases & 6 pallets or less
Vero Beach, FL 2575 98 th Ave Vero Beach, FL 32966 Phone - (772) 774-2131 Fax - (401) 652-0596	Heather Harris Heather.Harris@cvshealth.com	6:00 am – 2:00 pm <u>NO EXPRESS DOOR</u>	All deliveries require an appointment.