



Distribution Center
200 South 56th Street
Chandler, Arizona 85226

INBOUND PERFORMANCE IMPROVEMENT PROGRAM

Effective: January 1, 2007
(Updated: August 23, 2012)

INTRODUCTION

In an effort to remain competitive and improve service levels to the retail stores, Bashas' is implementing an **Inbound Performance Improvement Program**, which focuses on streamlining and increasing efficiencies in all aspects of the receiving functions.

The principal objectives of this program are summarized as follows:

1. Reduce receiving operating costs by improving labor scheduling efficiencies
2. Improve the service level to the stores by receiving inventories on time
3. Reduce receiving errors by focusing on quality and accuracy
4. Comply with suppliers' receiving time constraints to avoid detention charges
5. Develop a list of preferred carriers (based on delivery performance) and share this list with Bashas' suppliers

The first step toward accomplishing the stated objectives begins with the reduction of *non-compliance* to delivery dates and scheduled appointment times. Currently, it is common practice for transportation companies (representing the corresponding suppliers) to fail in making a delivery appointment, arriving late, or not delivering at all. Each one of these failures results in higher operating costs due to the under utilization of scheduled labor and dock doors, and the subsequent increase of safety stock inventories to maintain required service levels.

In this document, we clearly outline the key factors of the **Inbound Performance Improvement Program**.

INBOUND PERFORMANCE IMPROVEMENT PROGRAM

DISTRIBUTION CENTER RECEIVING HOURS (DELIVERY TIMES)

Grocery, Non- Foods and Liquor: 9:00 pm to 6:00 am, Sunday night thru Friday morning

All Refrigerated and Frozen products, including Candy: 10:00 pm to 6:00 am, Sunday thru Friday, and 12:00 am - 6:00 pm on Saturday. Holiday hours may vary.

APPOINTMENT OFFICE HOURS (E-MAIL)

Grocery, Non- Foods and Liquor: 8:00 am to 3:00 pm, Monday thru Friday

E-mail address: appointmentdesk@bashas.com

All Refrigerated, Frozen, Produce and Candy: 8:00 am to 3:00 pm, Monday thru Friday

E-mail address: appointmentdesk@bashas.com

APPOINTMENT REQUIREMENTS

A minimum of 48-hour appointment notice is required for all deliveries. Exceptions are given for purchase orders that specify a lead time of less than 48 hours. Carriers will need a delivery appointment before the shipment leaves the supplier's dock. A good practice is to include on the Bill of Lading wording such as "Get appointment before delivery." No charges are processed for appointments cancelled or changed at least 48 hours prior to the appointment date.

CHARGES FOR FAILING TO COMPLY WITH REQUIREMENTS

All charges will be deducted from the Vendors in the form of a Cooperative Merchandise Agreement Certificate (CMAC) and deducted off the vendor invoice.

REQUIREMENT	DESCRIPTION	CHARGES
Late Delivery (1)	Failure to arrive within 1 hour from appointment time	\$100
Missed appointment without call (2)	Carrier fails to arrive at the DC, and does not call at least 24 hours after missed appointment to reschedule delivery.	\$300
Missed appointment without call (3)	Carrier fails to arrive at the DC, but calls at least 24 hours after missed appointment to reschedule delivery.	\$200
No appointment (4)	Carrier arrives at the DC without a scheduled appointment for the day.	\$300