



## STA & On Time compliance programs for LTL shippers

CVS Health supplier compliance programs seek to boost customer service by aligning with the supplier community to enhance the efficiency and effectiveness of the supply chain. Collaboration between suppliers and carriers is an integral part to maintaining healthy compliance metrics and in order to help facilitate that collaboration, CVS Inbound Transportation has developed the following outline/guidelines.

**STA Compliance;** the STA date is the Ship To Arrive date associated with the CVS purchase order. This date represents the ideal time the purchase order should deliver to CVS DCs.

STA compliance is based on the first Requested Delivery Date (entered into the CVS scheduling system by the carrier). This date must fall **within the five day compliance window: the STA date and the 4 business days prior.**

STA Compliance is not based on the Approved Appointment Date or the Drop Date as CVS does not hold suppliers accountable for DC scheduling constraints.

### Prepaid Supplier expectations:

- Determine a timely pickup date that ensures your freight will reach the delivering terminal on the first compliant request date (4 business days before STA):
  - Obtain the transit time from your carrier(s) for each of the CVS locations
  - Add 4 business days to the transit time (this will enable the carrier to reach the delivering terminal on the 1<sup>st</sup> day of the 5 day compliance window and will allow for trailer consolidation time)
  - Arrange for pickup according to the above formula (transit time plus four days)
    - Example - STA is Tues 8/23/16, transit time is 2 business days:
      1. Subtract 2 business days from STA = Friday 8/19
      2. Subtract 4 business days from the above date = Monday 8/15
      3. Arrange for pickup on Monday 8/15/16
      4. Freight arrives at delivering terminal 1<sup>st</sup> day of compliance window = 8/17/16
      5. This leaves sufficient time for the carrier to enter a compliant request date within the 5 day window ( 8/17/16 - 8/23/16
- Speak with your CVS Supply Planner (the person who creates your purchase orders) if you have concerns insufficient lead time
- **Understand the Carrier expectations! You are accountable for their performance.**

### Carrier expectations:

- Once freight hits the delivering terminal it should immediately placed on a consolidation trailer
- Carriers SHOULD NOT split POs from a single supplier onto multiple trailers/appointments (all pallets should delivery on the same trailer)
- If a PO is shipped in full there should be only one appt associated with a PO
- CVS and our suppliers expect POs to be entered into our scheduling system no more than 24hrs after arriving at the delivering terminal
  - As soon as the trailer is full immediately submit an appointment request (DO NOT submit appt requests before freight arrives at the terminal)
- Enter all POs into the scheduling system
  - The DC may refuse an entire truck and/or any purchase orders not listed on the appointment request.
  - When adding purchase orders to an existing appointment, the appointment request must be resubmitted and approved prior to the appointment date
- The Requested Delivery Date must be **NO MORE than 2 business days after the appointment is submitted**
  - Example – If the appointment is created/submitted on Wednesday 8/17/16, the Requested Delivery Date entered into the scheduling system should be no later than Friday 8/19/16 (to ensure freight isn't being trapped)
- If it takes more than 24hrs to fill a trailer at small volume CVS locations, consider utilizing a smaller trailer or arrange to drop partial trailers

### Prepaid Suppliers:

#### What to do if you shipped on time however the PO ended up being non-compliant:

- Review the appointment details using the CVS compliance portal (contact [Suzanne.lussier@cvshealth.com](mailto:Suzanne.lussier@cvshealth.com) if you don't have an active account)
- Consult with your internal transportation team
- The following issues should be addressed directly with your carrier. CVS Preferred Carrier contact information is available in the CVS Routing Guide (section III – Prepaid Freight Routing Instructions)



- Your PO was shipped on time and in full however there are multiple appointments with different request dates
- The appointment was not submitted in a timely manner – refer to the appointment submit date column in the PO appointment details
- The carrier entered a requested delivery date that was more than 2 business days after they submitted the appt – refer to the requested time column in the PO appointment details
- Any other issues can be submitted as a dispute to [logisticsdeductions@cvscaremark.com](mailto:logisticsdeductions@cvscaremark.com) (refer to the Logistics section of this link for dispute instructions <http://cvssuppliers.com/logistics> )

**On Time Compliance** is based on your carrier's ability to honor their approved appointment date/time. This refers to drop trailers as well as live unload. Penalties are assessed for the following:

- Failure to arrive for scheduled appointment
- Failure to cancel/reschedule more than 24 hours prior to appointment
- Failure to arrive no more than 1 hr after the scheduled appointment

**Shipments tendered to CVS Preferred carriers are exempt from On Time penalties.**

**What to do when you receive an On Time penalty:**

- Review the appointment details using the CVS compliance portal (contact [Suzanne.lussier@cvshealth.com](mailto:Suzanne.lussier@cvshealth.com) if you don't have an active account)
- Consult with your internal transportation team
- Consult with your carrier
  - CVS Preferred Carrier contact information is available in the CVS Routing Guide (section III – Prepaid Freight Routing Instructions)
- Refer to the Reason column to identify the issue (received late, rescheduling/cancelation issues, No Show)
- If determined that it was a scheduling error on behalf of CVS submit a dispute to [logisticsdeductions@cvscaremark.com](mailto:logisticsdeductions@cvscaremark.com) (refer to the Logistics section of this link for dispute instructions <http://cvssuppliers.com/logistics> )