



LOGISTICS DEDUCTION DISPUTE INSTRUCTIONS



NOTE – CVS Routing Guide & Supplier Compliance Instructions including complete Freight Handling Deduction details.

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A. REQUIREMENTS:

- ✚ **The following pages contain detailed instructions for submitting deduction disputes**
 - Prior to submitting disputes review all backup and details carefully to ensure validity of dispute
 - Provide all required information as instructed on the following pages
 - Attach all applicable supporting documentation
 - Offer as much detail as possible
- ✚ **Disputes will automatically be dismissed if:**
 - Not submitted using the designated format
 - The deduction invoice as shown on the check remittance is missing or incomplete
 - Required supporting documents are missing

B. DISPUTE GUIDELINES:

- ❖ Dispute submissions must be sent to the email addresses noted in each section
- ❖ Submissions are handled in the order in which they are received
 - One email per deduction dispute containing all required information
 - **Subject line of email should contain the word “dispute” as noted in the below instructions**
- ❖ Deduction invoices posted to checks **dating back 6 months or further are NOT ELIGIBLE for review/reversal**
- ❖ If following up on a previously submitted dispute, write **“dispute 2nd request”** in the subject line

NOTE:

- ❖ Dispute research is conducted on an individual basis
- ❖ CVS reserves the right to deny/dismiss reversal requests based on the information provided by all parties
- ❖ Approved reversals; allow a minimum of 4-6 weeks for the reversal process to be completed and applied to the next available check.

Questions/concerns please contact:

Sue Lussier / Suzanne.lussier@cvshealth.com 401-770-3084

Michael Tavares / michael.tavares@cvshealth.com 401-770-7879

C. DISPUTE PROCESS:

DISPUTES for INVOICES ENDING WITH PL or BL - associated with missing, incomplete, or incorrect Packing List and/or Bill of Lading

Examples:

CHEM 17 12345 1234567 PL (packing list)

CHEM 17 12345 1234567 BL (bill of lading)

PRIOR TO SUBMITTING A DISPUTE:

Please confirm that your shipping dept is doing the following to ensure your paperwork arrives with your freight:

1. A copy of the BOL and Packing List is given to the driver
2. A copy of the BOL and Packing List is placed within a shipping envelope and secured directly to one of the cartons on the pallet
 - a. Do Not secure envelopes or paperwork directly to the shrink wrap

INSTRUCTIONS FOR SUBMITTING PL/BL DISPUTES:

1. Address the subject of your email with “**DISPUTE PL/BL**”
 - a. Provide the deduction invoice as referenced in the above examples
2. Provide your supplier name and 5 digit CVS supplier number
3. Attach copies of the paperwork obtained from the CVS Distribution Center
4. Attach supporting documents if applicable
5. Describe reason for dispute
6. Submit dispute to logisticsdeductions@cvscaremark.com

DISPUTES for INVOICES BEGINNING WITH “ON-TIME – penalties associated with carrier’s inability to honor approved appointment date/time.

Example as seen on check remittance:

ON-TIME JULY 2016 12345 (last 5 digits represent your CVS pay vendor #)

PRIOR TO SUBMITTING AN ON TIME DISPUTE:

- ✓ Review the appointment details obtained from the CVS Compliance Portal. You will need to submit a copy of the details as part of the required documents.
- ✓ Contact Sue Lussier if you do not have an account: Suzanne.lussier@cvshealth.com

○ **Helpful hints when reviewing the appt details:**

- Each line represents an event; the Transaction Date/Time column and the Saved By column provides information as to when and who initiated the event (submitted, approved, arrived, etc)
- Reason column- offers information as to why the penalty occurred (RESCHEDULED, NO SHOW, LATE, etc)
 - Penalties for RESCHEDULED/CANCELED – note the Appointment Date/Time vs the Transaction Date/Time. Appointments rescheduled or canceled less than 24 hours prior are subject to penalties.
 - No Show – note whether the carrier rescheduled AFTER the appt date/time or if the carrier submitted a second appointment request for your PO leaving the first appointment open and unused
- Gate Arrival – date/time trailer arrived at CVS facility (not available at all DCs)
- Drop Date – date/time trailer was dropped (used to determine On-Time compliance for drops)
- Check-In Time – date/time driver arrived at the Receiving Window to hand over shipping documents (used to determine On-Time compliance for live unloads)
 - Drop trailers – the Check-In Time represents when offloading began (not when trailer was dropped). Compliance is based on the Drop Date/Time.

IMPORTANT NOTES:

- Note 1: PO cancellations on behalf of CVS; if you have arranged for pickup and your carrier has secured an appointment with our distribution center it is the shipper's responsibility to ensure the appointment is canceled (24hrs or more prior to the appt date/time)
- Note 2: Suppliers and Carriers are responsible for penalties due to traffic delays, mechanical breakdowns, late rail issues, capacity issues, carrier rescheduling mix-ups, or similar occurrences. CVS understands these events may be out of the carriers' control; however MISSED penalties due to such occurrences are not subject to deduction reversal. Please understand such occurrences cause hardships for CVS DCs with respect to receiving inefficiencies and increased costs; it is important to notify the DC as soon as possible if situations of this nature occur.
- Note 3: Exemptions for shipping with a CVS Preferred Carrier are valid only if the correct carrier name appears in the CVS Scheduling System.
- Note 4: A copy of Arrival/Departure Times is available to the carrier at time of delivery. Instruct your carrier to request a printout prior to departing and keep for future reference.

REQUIRED SUPPORTING DOCUMENTS:

- ✓ Completed ON TIME Dispute Template (found at <http://www.cvssuppliers.com/logistics>)
- ✓ Copy of Monthly On-Time Report
- ✓ Copy of the appointment details for each disputed PO (where applicable)
- ✓ Written correspondence from responsible parties (where applicable)

- ✓ Copies of shipping documents for each disputed PO (where applicable)
 - BOL
 - Signed POD
 - Freight tracking information

INSTRUCTIONS FOR SUBMITTING MONTHLY ON-TIME DISPUTES:

1. Address the subject of your email with “DISPUTE – ON TIME MONTH YEAR (5 digit vendor #) as referenced on the check remittance
2. Attach the completed ON TIME Dispute Template
3. Attach copies of required supporting documents (listed above)
4. Submit dispute to logisticsdeductions@cvscaremark.com

DISPUTES for INVOICES BEGINNING WITH “STA” – penalties associated with monthly Ship to Arrive (STA) Compliance

Example as seen on check remittance:

STA NOVEMBER 2016 12345 (last 5 digits represent your CVS pay vendor #)

Important Prepaid LTL Notes:

- Regardless of whether you are using a CVS preferred &/or approved LTL carrier or not, as a prepaid shipper you are responsible for ensuring your carrier is moving your freight in a timely manner. Carrier issues need to be addressed directly with your carrier. DO NOT submit disputes for carrier issues. Refer to the [CVS Carrier-Supplier Prepaid LTL Expectations](#) document found on <http://www.cvssuppliers.com/logistics>
- Only Preferred and Approved LTL drop carriers are exempt from the 48hr rule for appointment submit vs request date. Approved LTL drop carriers are DC specific. A list of carriers can be found on <http://www.cvssuppliers.com/logistics>.

Important Collect Supplier Notes:

In order for a Collect PO to be compliant, both the System Entry Date and Available for Pickup Date must fall within the below guidelines. If this criteria is not met, the carrier’s requested delivery date must be on or four days before the STA date in order to be compliant. Failure to adhere to this standard will result in a financial penalty.

The person handling CVS shipments for your company has access to the CVS Transportation Portal and can obtain the below dates.

Guidelines for Collect STA Compliance

1. System Entry Date – the relevant shipping info must be entered into the Transportation Management System at least 3 business days prior the Available Pickup Date (exclude weekends, holidays and the Available Date from the calculation).

2. Available for Pickup Date - the available date must be at least 4 business days prior to the PO STA date (exclude weekends, holidays and the STA date from the calculation).
 - a. **Effective 1/1/2017** – The Available Pickup Date must be in accordance with the Transit Matrix found in the CVS Routing Guide and Supplier Compliance Instructions <http://www.evssuppliers.com/logistics>

PRIOR TO SUBMITTING A STA DISPUTE:

- ✓ Collect Suppliers – review the portal entry date and available pickup date
- ✓ Prepaid Suppliers – review the appointment details obtained from the CVS Compliance Portal. If applicable you will need to submit a copy of the details as part of the required documents.
Contact Sue Lussier if you do not have an account: Suzanne.lussier@cvshealth.com
 - **Helpful hints when reviewing the appt details:**
 - If shipping prepaid LTL freight, while reviewing the appt details refer to the CVS Carrier-Supplier Prepaid LTL Expectations document
 - Compliance is based on the first requested delivery date. Refer to the “Requested Time” column.
 - If the first line of the report contains “NEW POs ADDED” in the Reason column this means your PO was added to an existing appointment request which may skew compliance. If the pickup date was compliant based on transit and consolidation time this is a disputable PO.

IMPORTANT NOTES:

- Note 1: Preferred carrier exemptions do not apply to the STA Compliance Program
- Note 2: Compliance is in no way based on the Appointment Date/Time, Drop Date/Time or physical receipt.
- Note 3: In addition to a compliant request date, live unload carriers and non-preferred/nonapproved drop carriers are subject to the 48hr rule of appt submit date vs request date
- Note 4: The STA Compliance Program is in no way related to On Time penalties.
- Note 5: In reference to Back Orders and STA Date Changes; please be aware that approval to ship back ordered items or to change PO STA dates is not an automatic exemption for non-compliant purchase orders within the STA Compliance program. Exemptions are granted for extraordinary circumstances outside of the suppliers’ control. True exemptions must be submitted in writing from the CVS DC Planner (the person who creates the orders) or the CVS Category Manager (the buyer). Please ensure that the written exemption identifies the CVS item numbers(s) and corresponding purchase orders.

REQUIRED DOCUMENTS:

Collect Suppliers

- ✓ Copy of monthly STA report
- ✓ Completed STA Dispute Template (note tabs for prepaid/collect) found at <http://www.evssuppliers.com/logistics>

Prepaid Suppliers

- ✓ Copy of the monthly STA Report
- ✓ Completed STA Dispute Template
- ✓ Copy of the appointment details (where applicable)
- ✓ Written correspondence from responsible parties (where applicable)

INSTRUCTIONS FOR SUBMITTING MONTHLY STA DISPUTES:

1. Address the subject of your email with DISPUTE STA MONTH YEAR (5 digit vendor #) as referenced on the check remittance
2. Attach the completed STA Dispute Template
3. Attach copies of required supporting documents (listed above)
4. Submit dispute to logisticsdeductions@cvscaremark.com

DISPUTES for INVOICES BEGINNING WITH “LOG” – chargebacks for excessive shipping costs on behalf of the shipper

Our Transportation Team looks for the most cost efficient way to move your freight based on the information you provide. Incorrect or incomplete information will affect carrier invoicing. Any cost outside of the anticipated route will generate financial penalties (plus an admin fee). The amount of the chargeback is not solely based on the difference of the discrepancy (ie. portal wght v actual wght). It is based on the anticipated cost of the entire route (per portal information) vs the final invoice. The financial penalty equals the difference in freight charges or 30% of total invoice (whichever is greater).

INSTRUCTIONS FOR SUBMITTING DISPUTES per DEDUCTION CODE (indicated on LOG report or spreadsheet)

SUBMIT THE BELOW DISPUTES TO CVSORDERS@CVSCAREMARK.COM

Refer to instructions outlined below

XTRA – Any cost outside of the anticipated route. Supplier is responsible for all extra costs

DET – Carrier detention charge at time of pickup if supplier does not successfully challenge within 48hrs of receiving notification. Supplier is responsible for detention charge

TONU – Truck ordered not used. Supplier is responsible for extra carrier charge

RECON – Additional pickup, redelivery and/or storage charges due to incorrect address provided in the portal or BOL. Supplier is responsible for all extra costs

3PLBOL – Did not use the designated BOL assigned by the third party carrier or the information provided on the BOL was incorrect/incomplete resulting in extra freight handling costs. Supplier is responsible for all extra costs

BO – Backorder shipment entered into portal for routing (suppliers are responsible for BO freight costs). Supplier is responsible for entire invoice

DPO – Duplicate PO entry into portal resulting in duplicate shipment. Supplier is responsible for entire invoice

NAP – Freight was not available for pickup according to available date provided in portal. Supplier is responsible for penalty charge

SUBMIT THE BELOW DISPUTES TO CVSFP@CVSCAREMARK.COM

Refer to instructions outlined below

IWP – Shipping information entered into the portal did not match final invoice due to discrepancies between BOL and/or actual freight. Supplier is responsible for 30% of invoice or all extra cost

CB – New or corrected BOL required due to discrepancy on behalf of supplier. Supplier is responsible for all extra cost

IC – Did not tender with designated carrier per shipping instructions. Supplier responsible for difference in freight costs compared to anticipated routing cost

MLN – Supplier did not provide CVS Load Number on BOL as instructed. Supplier is responsible for difference in freight costs compared to anticipated routing costs.

NT – Did not submit the order through CVS web portal for routing. Supplier is responsible for difference in freight costs compared to what cost would have been if routed through CVS

PPV – Prepaid supplier's BOL indicated incorrect freight payment information (did not indicate payment terms, indicated Collect and/or provided CVS Bill-To information). Supplier is responsible for 100% of invoice

UTC – Invoice included time critical costs due to some type of indication on BOL (deliver by date, unauthorized time critical sticker, etc). Supplier is responsible for all extra cost

PRIOR TO SUBMITTING DISPUTE:

- Obtain the information needed to review the deduction (instructions for obtaining information was provided with deduction backup)
- Compare the information on all freight documents (BOL, POD, inspection certificates, etc) with the information entered into the CVS portal by your company
- Review any email correspondence provided with your backup (if applicable)
- Address questions about discrepancies and extra costs directly with the carrier (contact info provided with backup)

REQUIRED DOCUMENTS TO SUBMIT A DISPUTE:

- Copy of your portal information (View Details screen)
- Copy of all carrier freight documents (BOL, POD, inspection certification, etc)
- Copy of email correspondence (if applicable)
- Any additional documents to support your dispute

INSTRUCTIONS FOR SUBMITTING DISPUTE:

- Address the subject of your email as follows: DISPUTE LOG (5 digit #) (IWP, XTRA, DET, MLN, UTC, etc)
- Attach all required documents
- Provide detailed explanation for dispute
- **Forward to the email address designated above**

DISPUTE for INVOICES INCLUDING “ASN” penalties associated with ASN submissions (on boarded ASN receipt suppliers only)

INSTRUCTIONS FOR SUBMITTING ASN DISPUTES:

Forward ASN deduction disputes to michael.grenon@cvshealth.com

- The subject line should note **“Dispute ASN”**
- The body of the email **must contain a detailed explanation for the dispute**
- The email **must contain the weekly detailed report distributed by CVS**