

## CVS Preferred LTL Carrier Program Modifications

*Note: This letter supersedes any previous CVS correspondence regarding the CVS LTL Preferred and Approved Carrier Programs*

August 15, 2017

Dear Valued CVS Prepaid Supplier:

As the nation's leading Retail Pharmacy, CVS is dedicated to continuously improving our supply chain through innovation. Operating at our highest potential efficiency enables us to avoid unnecessary expenses and allows us to continue to provide our mutual customers with the best prices and service.

CVS is proud of the success of our Preferred LTL Carrier Program. The program has allowed us to reward carriers with recognition for providing best-in-class service while assisting prepaid suppliers in selecting a reliable carrier. This letter is to serve as an announcement of important changes to the Preferred Carrier Program for carriers shipping 'less than truckload' (LTL) to our distribution center (DC) network. We believe these changes will further improve mutual supply chain efficiency for both CVS and our suppliers.

### **CHANGES:**

- *ABF Freight, Fed Ex Freight, YRC and The CH Robinson Consolidation Program* will service the entire CVS DC network as national preferred LTL carriers;
- *Tony's Express, SAIA and New England Motor Freight* will service specific regions within the CVS DC network as regional preferred LTL carriers. The details of which regions each carrier will service can be found in Appendix A of this correspondence; and
- Eliminated the Approved Drop Carrier Program.

### **BENEFITS FOR UTILIZING A PREFERRED LTL CARRIER:**

As part of the CVS Preferred Carrier Program, CVS will continue to provide additional benefits to suppliers utilizing a Preferred Carrier:

- Suppliers utilizing a preferred carrier will be exempt from OnTime Compliance charges (On-Time to appointment); and
- Preferred Carriers are also partially exempt from Ship-to-Arrive (STA) compliance as they do not need to provide at least 48 hours between the submitted and requested appointment dates. Note however, all carriers must adhere to the *requested appointment requirement (STA – 4 business days)*.

*More information regarding Freight Handling Charges and Vendor Compliance can be found in the CVS Routing Guide located on [www.cvssuppliers.com](http://www.cvssuppliers.com).*

## TIMELINE:

The following bullets are important to understand our transition timeline:

- Effective the date of this letter:
  - All current and new preferred carriers will be granted the privilege to schedule drop appointments and utilize the drop trailer yards throughout the CVS DC network;
  - All suppliers utilizing the preferred carriers outlined herein will be exempt from OnTime Compliance charges (On-Time to appointment); and
  - All suppliers utilizing the preferred carriers outlined here will be exempt from the 48 hour rule discussed in the **BENEFITS** section.
- Effective November 5, 2017
  - Suppliers utilizing previously approved drop carriers will be subject to OnTime Compliance charges and must provide 48 hours between the *submitted* and *requested* delivery date for STA compliance; and
  - Carriers not included in the new Preferred LTL Carrier Program will no longer have approval to utilize the trailer yards located throughout the CVS DC network. This includes any previously approved drop carriers.
    - *Please note loss of drop trailer privileges for previously approved drop carriers may occur prior to November 5, 2017 based carrier volume, trailer yard capacity and any other factors deemed appropriate by the DC.*

## CH. 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 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.

CVS is proud of our relationship with our carrier partners. They have worked to develop an understanding of our supply chain and operations of the DCs. As expected, we have seen excellent service.

We are confident your selection will result in mutual benefits between our businesses. Please contact Michael Tavares (401-770-7879 or [Michael.Tavares@CVSHealth.com](mailto:Michael.Tavares@CVSHealth.com)) or Suzanne Lussier (401-770-3084 or [Suzanne.Lussier@CVSHealth.com](mailto:Suzanne.Lussier@CVSHealth.com)) with any questions.

Sincerely,

CVS Transportation Department



One CVS Drive  
Woonsocket, RI 02895

**Appendix A - Preferred Carrier Service Locations**

The following LTL carriers are PREFERRED at the following DCs with a checkmark:

CVS DISTRIBUTION CENTER	ADDRESS	CH Robinson Consolidation	ABF FREIGHT	FED EX FREIGHT	YRC	TONY'S EXPRESS	SAIA	NEW ENGLAND MOTOR FREIGHT (NEMF)
<b>NORTHEAST</b>								
Chemung (Waverly), NY	1 CVS Dr. Waverly, NY 14892	✓	✓	✓	✓			✓
Lumberton, NJ	1 Berry Dr. Lumberton, NJ 08048	✓	✓	✓	✓			✓
Hainesport, NJ	8 Berry Dr. Hainesport, NJ 08036	✓	✓	✓	✓			✓
Woonsocket, RI	400 Founders Dr. Woonsocket, RI 02895	✓	✓	✓	✓			✓
North Smithfield, RI	150 Industrial Dr. – Warehouse # 1 N. Smithfield, RI 02896	✓	✓	✓	✓			✓
Somerset, PA	322 Revco Rd. Somerset, PA 15501	✓	✓	✓	✓			✓
Fredericksburg, VA	500 Lansdowne Rd. Fredericksburg, VA 22408	✓	✓	✓	✓			✓
Fredericksburg, VA (Bulk Building)	501 Lansdowne Rd. Fredericksburg, VA 22408	✓	✓	✓	✓			✓
<b>SOUTHEAST</b>								
Bessemer, AL	2600 Morgan Rd. Bessemer, AL 35023	✓	✓	✓	✓		✓	



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CVS DISTRIBUTION CENTER	ADDRESS	CH Robinson Consolidation	ABF FREIGHT	FED EX FREIGHT	YRC	TONY'S EXPRESS	SAIA	NEW ENGLAND MOTOR FREIGHT (NEMF)
North Augusta, GA	111 Revco Rd. Beech Island, SC 29842	✓	✓	✓	✓		✓	
Orlando, FL	8525 Exchange Dr. Orlando, FL 32809	✓	✓	✓	✓		✓	
Vero Beach, FL	2577 98 <sup>th</sup> Ave. Vero Beach, FL 32966	✓	✓	✓	✓		✓	
<b>MIDWEST</b>								
Indianapolis, IN	2800 Enterprise St. Indianapolis, IN 46219	✓	✓	✓	✓		✓	
Knoxville, TN	10008 Parkside Dr. Knoxville, TN 37922	✓	✓	✓	✓		✓	
Loudon, TN	3400 Huntington Park Dr. Loudon, TN 37774	✓	✓	✓	✓		✓	
Novi, MI	43800 Genmar Dr. Novi, MI 48375	✓	✓	✓	✓		✓	
<b>GULF COAST</b>								
Conroe, TX	100 South Trade Center Parkway Conroe, TX 77385	✓	✓	✓	✓		✓	
Houston, TX	19802 Imperial Valley Dr. 100 Houston, TX 77073	✓	✓	✓	✓		✓	
Ennis, TX	700 CVS Dr., Ennis, TX 75119	✓	✓	✓	✓		✓	



One CVS Drive  
Woonsocket, RI 02895

CVS DISTRIBUTION CENTER	ADDRESS	CH Robinson Consolidation	ABF FREIGHT	FED EX FREIGHT	YRC	TONY'S EXPRESS	SAIA	NEW ENGLAND MOTOR FREIGHT (NEMF)
<b>WEST COAST</b>								
La Habra, CA	777 South Harbor Blvd., La Habra, CA 90631	✓	✓	✓	✓	✓		
La Habra, CA	1111 South Harbor Blvd., La Habra, CA 90631	✓	✓	✓	✓	✓		
Patterson, CA	2400 Keystone Pacific Pkwy., Patterson, CA 95363	✓	✓	✓	✓	✓		



One CVS Drive  
Woonsocket, RI 02895

**Appendix B – Preferred Carrier Contact Information**

<i>Preferred Carrier</i>	<i>E-mail Address</i>
CH Robinson Consolidation Program	<a href="mailto:cv@chrobinson.com">cv@chrobinson.com</a>
ABF	<a href="mailto:retail@freight.abf.com">retail@freight.abf.com</a>
Fed Ex Freight	<a href="http://fedexfreight.fedex.com/locations.jsp">fedexfreight.fedex.com/locations.jsp</a>
YRC	<a href="mailto:customer.service@yrcfreight.com">customer.service@yrcfreight.com</a>
Tony's Express	<a href="mailto:TJACOB@TONY-EXPRESS.COM">TJACOB@TONY-EXPRESS.COM</a>
SAIA	<a href="mailto:naecustomerservice@saia.com">naecustomerservice@saia.com</a>
New England Motor Freight	<a href="mailto:corpcustserv@nemf.com">corpcustserv@nemf.com</a>