



SUPPLIER & CARRIER GUIDELINES for PREPAID/LTL SHIPMENTS

Collaboration between suppliers and their carriers is an integral part of ensuring our supply chain is operating at the highest level of effectiveness. The following guidelines have been outlined to assist Prepaid LTL Suppliers meet compliance requirements related to the On Time portion of OTIF compliance and all components of Appointment Integrity compliance.

For complete details about the Appointment Integrity and OTIF programs, refer to the CVS Supply Chain Performance Program Instructions <https://cvssuppliers.com/supply-chain-performance>

Choosing an LTL carrier:

Tendering freight with a CVS Preferred Carrier offers several benefits:

- They move a large volume of CVS freight therefore minimizing trailer consolidation time. They're also the only carriers allowed to drop trailers at CVS locations.
- They work closely with the Supply Chain Performance team and are familiar with requirements of compliance programs. Preferred carrier representatives will consult with suppliers to ensure timely deliveries
- Preferred carriers are exempt from Appointment Integrity charges
 - Preferred Carrier exemption DOES NOT apply to OTIF charges

A list of carriers and contact information can be found in the CVS Routing Guide <https://cvssuppliers.com/supply-chain-performance>

Shipping Documents:

- Put the PO ship to arrive date on your BOL
 - It must be noted as "PO STA 00/00/00"
 - Refer to the CVS Routing Guide for full Packing List and BOL requirements <https://cvssuppliers.com/supply-chain-performance>

Determining pickup dates for Prepaid LTL shipments:

- The key to on-time LTL deliveries is determining a pickup date that ensures your freight will reach the delivering terminal no later than 4 business days before the PO STA date. Utilize the following guidelines:
 - Obtain the transit time from your carrier(s) for each of the CVS locations
 - Add 4 business days to the transit time (this will take into account the trailer consolidation time)
 - Arrange for pickup according to the above formula (transit time plus four business days (exclude weekends and holidays))
 - Example - STA is Friday 1/17/20, transit time is 2 business days:
 1. Subtract 2 business days from STA = Wednesday 1/15
 2. Subtract 4 business days from the above date = Thursday 1/9
 3. Arrange for pickup on Thursday 1/9
 4. ETA at the carrier delivering terminal = Monday 1/13
 5. This leaves sufficient time for trailer consolidation and allows the carrier to request an appointment and delivery on or before the PO STA date
 - DO NOT include holiday closure dates in the above calculation
 - Check with your carrier about operating hours around holidays and omit these days from the calculation
 - Refer to the DC Holiday Closures calendar and omit these days from the calculation <https://cvssuppliers.com/supply-chain-performance>
 - OTIF exemptions are NOT granted for late deliveries due to holiday closures
 - Pay attention to the STA date range when consolidating multiple POs for the same pickup date

If concerned about insufficient lead time between PO create date and STA date, or to address possible late/incomplete deliveries outside your control, consult with the CVS Supply Planner. If you don't know who this is, forward the following information to supplychainperformance@cvshealth.com

- Supplier Name
- CVS 5 digit vendor number
- A CVS item number and/or PO number

Preferred Carrier expectations:

Working closely with our Preferred Carriers ensures they understand our compliance programs and our delivery expectations:

- Freight will be picked up on the same business day that arrangements are made (next business days for late afternoon arrangements)
- Once freight arrives at the delivering terminal it will immediately be placed on a consolidation trailer
- Carriers SHOULD NOT split POs from an individual pickup onto multiple trailers/appointments (all pallets should delivery on the same trailer)
 - POs shipped in full on a single pickup should be associated with one appointment only
- Carriers SHOULD NOT trap freight waiting for full trailers
 - A requested delivery date should be submitted no more than 48 business hrs after trailer consolidation begins
 - If volume is consistently low for certain CVS locations, CVS will accepts partial trailers HOWEVER carriers should utilize smaller trailers for these locations
 - The Request Date should be no more than 2 business days after the appointment is created
 - Carriers are allowed/encouraged to request next delivery.
 - Carriers should NOT request same day deliveries
- Carriers are required to enter all POs into the scheduling system
 - PO additions/deletions must be submitted with 24hr notice if approved appointments
 - CVS DCs have the right to refuse appointment requests and deliveries if PO numbers and case counts are not consistent with scheduling information

Addressing noncompliance

Whether shipping with a Preferred Carrier or not, Prepaid shippers are responsible for their carrier's performance:

- ✓ ALL shipments are subject to potential OTIF (On Time In Full) charges (includes preferred carriers)
- ✓ Suppliers shipping with a NON-preferred carrier are subject to potential noncompliance charges related to the Appointment Integrity program.

All carriers are required to utilize the CVS online scheduling system (eAppointment). Suppliers can obtain scheduling details for their POs using the eAppointment Portal. This is helpful to identify exactly where/when noncompliance occurred.

For access, forward the following information to supplychainperformance@cvshealth.com

- Supplier Name
- CVS 5 digit pay vendor number
- Full contact name
- Phone number
- Email address