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TO: Orchard Brands' Import Suppliers supporting: Appleseed's, Blair, Draper's & Damon's, Haband, Old Pueblo Traders

FROM: Bluestem Brands Vendor Compliance

SUBJECT: **On-Time Shipping Guidelines – Direct Imports**

DATE: Updated July 8, 2019

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#### **ON-TIME SHIPPING GUIDELINES UPDATE:**

Last year Bluestem Brands communicated a change to our On-Time Shipping guidelines for import purchase orders. This update is to provide further clarity to that guideline.

To provide more consistency, control and clarity around the measurement of On-Time Shipping, Bluestem has updated its guidelines to specifically focus on a vendor's compliance in meeting the **CUT-OFF** date as communicated by Global Transport. **In order to be considered On-Time, a shipment must meet the On-Time CUT-OFF date as communicated by Global Transport.** This updated measurement took effect for all PO's with "PO Req. Ship Date" and/or "ETD Origin Date" on or after August 1<sup>st</sup>, 2018.

The PO Req. Ship/ETD Origin date is the **latest** possible shipment date. The ON-TIME cut-off date that Global will communicate is the cutoff date for a vessel sailing **on or before** the PO Req. Ship Date/ETD Origin date.

#### *Example:*

*PO Req. Ship date is March 8, 2019 (Friday). Vessel sailings are on Saturday. The on-time vessel will depart Saturday, March 2<sup>nd</sup>. The On-time cut-off for the March 2<sup>nd</sup> vessel is Wednesday, February 27<sup>th</sup>. To be considered ON TIME, the cargo must be handed over to Global by Wednesday, February 27<sup>th</sup>.*

*If cargo is handed over to Global on Wednesday March 6<sup>th</sup>, the shipment is one week late. Even though March 6<sup>th</sup> hand-over/cut-off is within the 2-12 day window, it is **NOT** the **ON-TIME** cutoff date as the vessel will not depart until Saturday, March 9<sup>th</sup> which is after the PO Req. Ship Date.*

Upon your booking request, Global Transport will communicate the **ON-TIME CUT-OFF date** which will be within a window of 2 – 12 days prior to the “PO Req. Ship Date” and/or “ETD Origin Date”. Below are the operating guidelines:

- **FCL** - To avoid delays, vendors should be prepared to deliver containers to the carrier’s terminal between 2 – 12 days prior to the “PO Req. Ship Date” and/or “ETD Origin Date” in accordance with the required ON-TIME cut-off date as communicated by Global Transport.
- **CFS** - To avoid delays, vendors should be prepared to deliver the finished goods to the consolidator between 2 – 12 days prior to the “PO Req. Ship Date” and/or “ETD Origin Date” in accordance with the required ON-TIME cut-off date as communicated by Global Transport.

Failure to meet the ON-TIME CUT-OFF date will result in a Late Shipment penalty as follows:

### **DIRECT OCEAN SHIPMENTS**

- The penalty is 5% of the invoice value for each week (or portion thereof) the shipment is late.
- All charges quoted below are in U.S. dollars

**1. Shipment is 1-7 days late**

Penalty will be 5% of the invoice value.

**2. Shipment is 8-14 days late**

Penalty will be 10% of the invoice value. Bluestem reserves the right to require Vendor to air bin coverage sufficient to cover customer demand for the period of time (days) that shipment is late. If a minimum of 50% of the purchase order is shipped airt prepaid, then the penalty will be waived.

**3. Shipment is between 15-21 days late**

The shipment will be airt 100% prepaid. Late penalty will be waived.

**4. Shipment is more than 21 days late**

The shipment will be airt 100% prepaid. Applicable late penalties will be assessed based on the total number of weeks from the shipment date listed on the PO to the date the shipment actually occurred.

### **DIRECT AIR SHIPMENTS**

It is the vendor’s responsibility to ensure that the goods are available to ship **ON or BEFORE** the date listed on the Purchase Order. For air shipments only, “available to ship” is defined as the cargo and documents receipt date. Vendor should ensure that the forwarder states “cargo and documents received DATE” on the AWB. This applies to Purchase Orders placed as air as well as partial quantities requested to be air collect.

**1. If a shipment is 4 to 8 days late,**

The vendor will air the shipment 50% prepaid 50% collect with 1-week late penalty.

**2. If a shipment will be 9 or more days late,**

The vendor will air the shipment 100% prepaid. Plus, the number of weeks' late penalty will be taken.

**- For all late shipments, Bluestem reserves the right to cancel all or part of the order -**

We appreciate your time and effort in reading, understanding and communicating this information within your organization. These changes will also be reflected in our next Vendor Guide revisions.

If you have any questions, please send them to [VCompliance@bluestem.com](mailto:VCompliance@bluestem.com) and [vendor.compliance@bluestembrands.com](mailto:vendor.compliance@bluestembrands.com).