

7.0 Vendor Performance/Compliance

- The Distribution Centers' receiving departments will be monitoring and reporting performance issues for all vendors on all shipments.
- Vendors will be charged back for violations of the specifications contained herein. The minimum charge is \$250 per occurrence.
- A detailed Receiving Discrepancy Checklist Form is shown in figure 7.1. The checklist shows areas for potential charge backs.
- It is not Houghton Mifflin Harcourt's intent to operate receiving as a profit center. We do, however, expect compliance to these specifications.
- Vendor notification will be sent on non-compliance items for informational use and correction on future shipments.
- Monthly performance ratings and copies of all charge backs will be sent to HMH Procurement Department.

- **Notice to Vendors**

We reserve the right to refuse any shipment not stacked, wrapped, bound, identified, documented, or shipped in accordance with the instructions, forms and charts contained in this Distribution Standards Guide.

In such cases, transportation charges back to the vendor and subsequent transportation charges on reshipment are to be paid by the supplier. In the event that you are to deviate from these specifications, it is the **vendor's** responsibility to give such information to the warehouse receiving department in advance of the shipment.

We reserve the right to audit compliance and charge back if instructions are not followed and/or variances granted.

Figure 7.1

Receiving Discrepancy Checklist

VENDOR : _____ SHIPPED VIA : _____
 DATE SHIPPED: _____ DATE RECEIVED: _____
 PO NUMBER: _____ BILL OF LADING #: _____
 TITLE NUMBER: _____ DESCRIPTION: _____
 QUANTITY: _____ RECEIVED BY: _____
 (initials only)

CLAIM AGAINST: VENDOR CARRIER

PROBLEMS (CHECK ALL THAT APPLY)

1. PAPERWORK

____ No Packing Slip ____ No CH Robinson HM # ____ Total Weight Missing ____ Partial Cartons not Listed
 ____ No Purchase Order # ____ No Carton Quantity ____ No Print Date / Current printing ____ No / Incorrect ISBN
 ____ No Title # / Incorrect title # ____ No / Incorrect Total Quantity ____ No Quantity Breakdown/ Per Title ____ Illegible Packing Slip
 ____ Appointment "T" # not on Packing Slip
 ____ OTHER (EXPLAIN) _____

2. CARTON LABELING/ SPECIFICATIONS

____ No Label on Carton ____ Barcode will not Scan ____ No Orange labels UPS/FEDEX ____ Incorrect Label Size
 ____ No / Incorrect Title # on Carton ____ No Author (If Applicable) ____ No Price on Non-Educational ____ Incorrect Label Placement
 ____ No / Incorrect ISBN on Carton ____ No / Incorrect PO # ____ No / Incorrect Title Description ____ Incorrect Barcode
 Spacing
 Printing ____ No Web Address on Labels ____ No / Incorrect Carton Weight ____ Partial/Mixed Carton not marked
 on Carton ____ No / Incorrect Barcode/Human Readable Information
 ____ OTHER (EXPLAIN) _____

3. CARTONS

____ Incorrect Carton Size Used ____ Incorrect Carton Sealer Used ____ Books Not in Cartons ____ Unapproved Case Pack Change
 ____ Incorrect Carton Strength Used ____ Incorrect Packing Materials ____ Cartons Over weight ____ No Cardboard Between Carton &
 Product
 ____ OTHER (EXPLAIN) _____

4. UNITS

____ Units Damaged ____ No / Incorrect Title # on Shrink Wrapped Unit ____ No / Incorrect Bookland EAN on Shrink Wrapped Unit
 ____ Incorrect ISBN ____ F & G's Not Packaged in Groups of "50" ____ Thin Items Not Shrink Wrapped (Less Than 1/4 in. Thick)
 ____ Incorrect Bookland EAN ____ F & G's Jackets Not Packaged in Groups of "50"
 ____ OTHER (EXPLAIN) _____

5. SHIPMENT INTEGRITY

____ Pallet Height Over Maximum ____ Pallets Double-Stacked ____ Mixed Titles Not Marked
 ____ Pallet Height Not Maximized ____ Incorrect Pallets Used ____ Packing List Not Placed on Last Pallet in Trailer
 ____ Pallet Dimensions Exceed Maximum ____ Cartons/Books Damaged ____ Pallets Received Broken/Needed Restacking
 ____ Poor / No Stretch wrapping ____ Glide Packs Used Only ____ Cartons Not Interlocked on Pallet
 ____ Partial Pallet Not Placed Last ____ Banding/Corner Braces Used ____ Titles Scattered/Not Kept Together
 ____ OTHER (EXPLAIN) _____

**** There is a minimum charge back of \$250.00 per occurrence to vendors for discrepancies ****

Discrepancy to be Resolved By: Receiving Department Vendor
 Assembly Department Other: _____

(Office Use Only) - _____ Hrs. @ \$50.00/hour = \$ _____ Material charge = \$ _____

(\$250.00 Minimum Charge)

Total charge back to vendor = \$ _____

Top 10 Vendor Discrepancies and How to Prevent Them

No ASN or Packing List: The Distribution Center did not receive an ASN and/or the packing list was not attached to the last pallet placed on the truck.

Fix: Even if the ASN is e-mailed/faxed to the Distribution Center prior to shipping, a packing list must be printed out and attached to the last pallet placed on the truck.

Wrong ASN / Packing list Information: The ASN or packing list did not have the correct ISBN information for the shipment. The ASN did not have the correct carton, pallet, or unit count.

Fix: Verify that the ASN / packing list matches the product on the shipment before sending it with the shipment.

Mixed Pallet/Partial Carton ASN Information: The ASN / packing list is not marked with mixed pallet or the line item does not indicate a partial carton.

Fix: If you are shipping a mixed pallet, be sure to indicate this on the ASN / packing list. You may use the next line and the Title/Description field to write "Mixed Pallet." Also include a Mixed Pallet tag. If you are shipping a partial carton, be sure to use the next line to indicate the partial unit count in the carton.

No PC# in Small Parcel Reference Field: The UPS or FedEx Bill is received, and there is no PC number in any of the two reference sections. (For locations indicating PC number, found in section two next to warehouse)

Fix: In the first three spaces of the first reference field of all UPS and FedEx shipments, the PC# must be entered. The PC# is taken direct from the PO from the Business Unit. (For locations indicating PC number, found in section two next to warehouse)

No ISBN on the Book: The ISBN-10/ISBN-13 is not printed on the book and the book must be re-stickered prior to shipment.

Fix: Verify that ISBNs appears on each book/item that is shipped.

Incorrect ISBN on the Book: The ISBN numbers are transposed or more commonly – there is a single book ISBN and a separate pack ISBN.

Fix: If you are shipping a multi-book pack (ex-5 pack, 6 pack) make sure to verify the ISBN for the pack is on the outside of the shrink-wrap and not the single book ISBN.

Incorrect Carton Label Info: The ISBN is most likely missing a digit or has a number transposed or both ISBN-10 and ISBN-13 are not printed on the carton. Houghton Mifflin Harcourt must re-label all cartons prior to shipment.

Fix: Verify that all label information is included and correct

Missing/No Label Carton Label Info: The carton is missing the required labels or does not have all required label information.

Fix: Verify that all label information is included and correct

Wrong Size/Overweight Carton: The carton is too big for the product or is overweight according to standards.

Fix: Review the carton specs and adhere to the packaging and weight requirements.

Pallets Stacked too High/Low: The pallet does not meet the height requirements according to standards.

Fix: Review the pallet height specs. If you can not stack the pallet any higher because it will exceed weight requirements, please indicate on the ASN.