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Dear Valued Deb E-commerce Partner:

Deb E-Commerce is committed to giving our customers the freshest fashions at the best possible price. In order to meet this commitment we need our partners to assist us by adhering to our standards for delivery of merchandise to our fulfillment centers

To facilitate management of these standards, we have developed a vendor compliance program. The components of the program are based on industry-standard requirements and parameters established by our E-commerce partner, GSI Commerce, Inc. Details of the program can be found on our web site at [www.debshops.com](http://www.debshops.com), within the section titled "Vendor Information" or by pasting the following link into your web browser <http://www.debshops.com/helpdesk/index.jsp>. A copy also follows this letter.

To monitor adherence with our program, we have established a vendor compliance department. Our team of professionals in this area is available to act as a source of information for you and to answer any question you have on packing requirements, preticketing and invoicing.

Our objective is to assist you in ensuring that all shipments from you fully comply with the terms of our program. To the extent that merchandise receipts do not comply with these requirements, we will deduct the cost of non-compliance from the related invoices. The deductions will be equal to the amount we are charged by GSI Commerce, Inc. in their capacity as our E-commerce fulfillment center.

We are confident that, with your cooperation and support, we will achieve our goal of total compliance and realize a faster flow-through within the supply chain.

If you have any questions regarding this program, please call (215) 676-6000 ext 371 or email us at [vendorcompliance@debshops.com](mailto:vendorcompliance@debshops.com).

Thank you and we look forward to a mutually beneficial partnership.  
**Deb E-Commerce Distribution Group**

**VENDOR  
COMPLIANCE  
MANUAL**

# **VENDOR COMPLIANCE MANUAL**

Dear Vendors:

GSI Commerce has been chosen to provide fulfillment services and as a means to better service our client, we have developed a vendor compliance manual that allows for GSI Commerce and the vendor to provide a partnership that guarantees successful processing of merchandise. The Vendor Compliance Manual identifies guidelines that are designed to enable GSI Commerce to process inbound shipments in the most efficient manner. The manual outlines:

- How to prepare pallet shipments
- How to prepare carton shipments
- How to ship articles of clothing
- What information the packing slip should contain
- Which carrier should deliver your shipment

In the event manual guidelines are not followed, chargebacks will be billed according to which guideline(s) were not met.

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# INTRODUCTION TO GSI COMMERCE VENDOR COMPLIANCE MANUAL

### *GSI COMMERCE Operational Goal*

To handle every customer transaction timely, accurately and with the highest customer service level possible.

### *GSI COMMERCE Receiving Department*

The Receiving Department is responsible for unloading and inspecting all merchandise delivered to GSI Commerce. Our receiving processors carefully inspect each shipment to ensure that only high quality merchandise is passed on to your customers. The vendor compliance guidelines will speed the unloading and inspection process performed by this department.

### *Problem Shipments*

Problem Merchandise is a growing problem that consumes valuable receiving space and holds up the shipment of customer orders. Most all shipments can easily be received in a timely manner when vendors comply with the guidelines outlined in this manual. The problem is that often these guidelines are not met, which creates problem merchandise. Problem merchandise is merchandise that cannot be received due to a variety of reasons. Below is a list of some of the common reasons as to why some shipments are categorized as problem merchandise.

- ASN not received 48 hours prior to delivery
- Wrong merchandise delivered to GSI Commerce
- Merchandise of shipment does not match catalog picture and/or specifications
- Shipment contains no packing slip
- Purchase order information is unavailable
- Damaged portion of shipment
- Shipment is lacking components needed to perform a kitting process

Once a shipment or portion of a shipment is classified as problem merchandise, it is located in a staging area for problems. The client will be informed of all additions to the problem merchandise category on a daily basis via the Problem PO Log with adequate details for them to resolve the problem. Processing of the merchandise cannot begin until a resolution has been received by GSI Commerce.

### *Advance Ship Notice*

GSI Commerce requires an ASN a minimum of 48 hours prior to receipt of product. Failure to provide this will result in the vendor being out of compliance. This may result in a charge back to the vendor.

### **Pallet Requirements**

Receiving merchandise that is not palletized, or palletized incorrectly, is a slow and costly process. To reduce this process, GSI Commerce requests that vendors ship their merchandise according to the following guidelines. The purpose of these guidelines is not only to make receiving merchandise more efficient but also to protect merchandise during shipping and handling.

#### ***Pallet Size***

All pallet locations at GSI Commerce are adjusted to hold pallets with the maximum dimensions of 48" long x 40" wide x 55" high. By shipping merchandise palletized to these dimensions, it will eliminate the need for re-stacking or down stacking of merchandise and the need for a chargeback for the additional handling.

How a pallet is stacked is extremely important to maintaining the integrity of your merchandise. Each pallet should be properly stacked and shrink wrapped to prevent damage during shipping and handling. When stacking a shipment on a pallet, always stack the heaviest merchandise on the bottom, spreading the weight evenly across the pallet. We do not recommend double stacking pallets. Additionally, stack merchandise in a manner in which it does not hang over the edges of the skid. Also, never ship merchandise on pallets that are broken or contaminated (i.e., rotten, insects, etc.).

#### ***Pallet Paperwork***

Processing pallets containing mixed purchase orders is a time consuming task. If at all possible, we ask that no pallets be shipped to GSI Commerce containing mixed purchase orders or mixed SKU's. However, if shipping mixed purchase orders or SKU's on a pallet is necessary, please mark pallet "Contains Mixed Purchase Order and or Mixed SKU's". In addition, mark the outside of each carton with the purchase order(s) linked to merchandise within box.

The packing slip for each palletized shipment must be attached to an outside carton. If the packing slip is enclosed, the carton containing the packing list should be clearly identified.

## ***Deadstacked Shipments***

GSI Commerce requests all shipments be palletized if possible. But with large shipments, deadstacking a load may be more practical to maximize trailer space. A deadstacked load is when merchandise is tightly stacked inside the trailer from floor to ceiling. Deadstacked merchandise is very time consuming to unload. Commonly, it requires several associates to complete the off-load. In order to receive deadstacked merchandise, GSI Commerce must stack merchandise on a pallet and pull it from a truck to a staging area. When scheduling a delivery that is deadstacked, the vendor freight line must communicate that the shipment is a deadstacked load. This will ensure that we have the manpower on hand to unload the shipment. Failure to notify us that the load is deadstacked will result in the vendor being out of compliance. Due to the additional labor required to expedite the shipment and maintain our service agreement with our client, a charge back may occur to the vendor if we are not notified in advance.

Below is a pallet requirement quick checklist that outlines all pallet compliance guidelines.

### ***Pallet Requirements Quick Checklist***

1. Is pallet under the maximum size at 48" x 40" x 55"?
2. Is pallet properly stacked and shrink-wrapped?
3. Are pallets stacked so that no cartons are hanging over the edges?
4. Is the pallet in good condition and free of contamination?
5. If pallet contains mixed purchase orders or sku's, are they clearly marked?
6. Is packing slip clearly identified and/or visible?
7. If trailer is deadstacked, was the receiving department notified at time of scheduling?

## Chapter 3

### Carton Requirements

#### *Carton Packing*

Through the course of its travels, a carton can be stacked and re-stacked, loaded and reloaded countless times before it reaches its destination. Because of this abuse, it is imperative that merchandise be packed securely in a carton that will protect it during transportation. Cartons should always be properly sealed to ensure no merchandise could fall out. If at all possible, no cartons should be shipped containing mixed SKU's. If, because of low volume, SKU's have to be mixed, the cartons and packing slip are required to be marked "SKU's Mixed in Carton". If the cartons are mixed and not properly identified the vendor will be considered to be out of compliance. In this instance a charge back may occur.

#### *Multi-Carton Shipments*

Often multi-carton shipments, that are less than a pallet, are sent through package carriers (example: UPS, US Mail, etc.). Due to the fact these carriers deal in such large volumes of cartons to one location, partial shipments are common. We ask that all multi-carton shipments be numbered (example: 1 of 3, 2 of 3, and 3 of 3). In addition to numbering the cartons, the first box should always contain the packing slip, and should be identified as such.

#### *Shipments of Cartons Containing Articles of Clothing*

Cartons containing clothing should have the SKU number, Style number, Color, and size marked on the outside of the carton to allow shipments to be quickly separated and received. When packing articles of clothing, make sure carton is sealed completely to prevent any contaminants from entering the carton. In addition, all clothing should be shipped in protective plastic, not only to protect clothes during shipping and handling, but also during warehouse storage. All folded clothing must be clear bagged and folded in a manner in which the size tag and color can be seen without opening the bag. Locate the STICKY Tag on upper right hand corner of the plastic bag. Garments on hangers should also be shipped in protective plastic so that size and color can easily be verified. We prefer that all clothing be bagged with an identifying label that contains the SKU number, Style number size and color information. A charge back may occur for shipments that require GSI Commerce associates to bag or re-bag articles of clothing.

### ***Mixing of SKU's in Cartons***

Due to the time and labor involved in separating SKU's mixed in cartons, as well as supply costs, we ask that all cartons contain only one SKU each. A charge back may occur for shipments that require GSI Commerce associates to separate SKU's mixed in cartons.

### ***Carton Requirements Quick Checklist***

Below is a carton requirements quick checklist that outlines all carton compliance guidelines.

1. Is the carton packed and sealed properly?
2. Is each piece of clothing in a protective plastic bag?
3. Is the size and color tag visible through plastic bag?
4. Is an identifying label on the bag indicating SKU number, Style number, Color, and size on upper right hand corner of the plastic bag?
5. Are multi-carton shipments numbered?
6. Does the first carton contain the packing slip and is it so identified?
7. Is there only one SKU per carton?

### Packing Slip Requirements

#### *Addressing Your Shipment*

GSI Commerce receives numerous shipments every day from a variety of vendors. To quickly separate shipments from our different vendors, we ask that all packages, packing slips, and freight bills should be addressed in the following manner:

Deb Ecommerce  
C/O GSI Commerce  
307 Hollie Drive  
Martinsville, VA 24112

#### *Packing Slip*

The packing slip is the most critical document utilized when processing inbound receipts. Without a packing slip containing all pertinent information, the receiving process can become lengthy. The packing slip should always contain the purchase order number and the total quantity of each item ordered and shipped. When a vendor does not ship the total quantity ordered, the quantity on backorder should be included. Each item listed on the packing slip should identify its SKU number, Style number, size, color, and description.

Below is an example of a packing slip that contains all needed information.

FROM:	VENDOR NAME ADDRESS						
TO:	Deb ECommerce C/O GSI COMMERCE 307 HOLLIE DRIVE MARTINSVILLE, VA 24112						
DATE: _____				NUMBER OF CARTONS: _____			
				P.O. NUMBER: <u>12345</u>			
SKU#	STYLE#	DESCRIPTION	COLOR	SIZE	QTY ORDERD	QTY SHIPPED	B/O QTY
1234567	251	Dress	Red	Med	10	10	0
1234567	252	Dress	Black	Large	10	7	3

Below is a packing slip requirement quick checklist that outlines all packing slip compliance guidelines.

***Packing Slip Requirements Quick Checklist***

1. Is the freight bill addressed correctly?
2. Is a packing slip provided?
3. Is the total quantity ordered and shipped provided?
4. Is the quantity of items on backorder provided?
5. Are SKU number, Style number, Description, Color & Size provided?
6. Is the purchase order number provided?
7. Is the shipment properly addressed?

## Chapter 5

### Scheduling Deliveries

GSI Commerce maintains a daily log of all scheduled deliveries. By maintaining this log, we can schedule the appropriate resources to ensure that we can unload all shipments in a timely manner. All deliveries should be scheduled at least 24 hours in advance with the receiving department. Appointments may be scheduled Monday through Friday between the hours of 8:00 a.m. and 12:00 Noon at (276) 670-6145.

Shipments that arrive via truck line must be prepared to be off-loaded immediately. All GSI Commerce merchandise should be the first merchandise to be off-loaded. GSI Commerce will not be responsible for time or labor applied to the movement of merchandise other than GSI Commerce, in order to unload the truck.

#### *Scheduling Delivery Requirements Quick Checklist*

1. Was the delivery scheduled at least 24 hours in advance?
2. Was the shipment ready to be off-loaded immediately?
3. Was the delivery schedule made during GSI Commerce receiving hours (8:00 a.m. to 12:00 Noon)?

# Vendor Compliance Quick Checklist

## *Pallet Requirements*

1. Is the pallet within the maximum size of 48”long x 40”wide x 55”high?
2. Is the pallet properly stacked and shrink-wrapped?
3. Are the pallets stacked so that no cartons are hanging over the edges?
4. Is the pallet in good condition and free of contamination?
5. If the pallet contains mixed purchase orders, are they clearly marked?
6. Is the packing slip clearly identified and/or visible?
7. If the trailer is dead-stacked, was the receiving department notified at the time of scheduling?

## *Carton Requirements*

1. Is the carton packed and sealed properly?
2. Is each piece of clothing in a protective plastic bag?
3. Is the SKU number, Style number, Description, color & size tag visible through the plastic bag?
4. Is an identifying label on the bag indicating the SKU number, Style number, Description, color & Size?
5. Are multi-carton shipments numbered?
6. Does the first carton contain packing slip and is it so identified?
7. Is there only one SKU packed per carton?

## *Packing Slip Requirements*

1. Is the freight bill addressed correctly?
2. Is the packing slip provided?
3. Is the total quantity ordered and shipped provided?
4. Is the quantity of items on backorder provided?
5. Is the SKU number, Style number, Description, Color & Size provided?
6. Is the purchase order number provided?
7. Is the shipment properly addressed?

## *Scheduling Delivery Requirements*

1. Was an Advance Ship Notice sent?
2. Was the delivery scheduled 24 hours in advance?
3. Was the shipment ready to be unloaded?
4. Was the delivery schedule made during GSI Commerce receiving hours (8:00 a.m. to 12:00 Noon)?

The goal of the Vendor Compliance Quick Checklist is to give vendors a way to check shipments quickly to see if they are within compliance. Once all questions are answered with a “yes”, your shipment should be within compliance.

### ***Penalties for Non-Compliance***

Since vendor compliance is so crucial to our day-to-day operations, monetary charges will be billed for each non-compliance occurrence which takes us out of our normal operating procedure.

### ***Ticketing Requirements for Merchandise***

All tickets must be ordered by the vendor through <http://www.finlinetech.com>

When tickets are sent, you will be notified via e-mail, with the po(s) sent and tracking number of the package.

If you are not being notified please email

[khagman@debshops.com](mailto:khagman@debshops.com) or

[jconnor@debshops.com](mailto:jconnor@debshops.com) with contact name to set up this program.