

Overwaitea Food Group

Inbound Freight Standards and Procedures

Updated: February 2016

Overwaitea Food Group Supplier & Distribution Compliance Manual

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Introduction

Born out of a small single store operation a century ago, the Overwaitea Food Group (OFG) has grown to become Canada's largest western-based food store chain.

Our solid reputation for service excellence and innovation can be traced back to the early days. In March of 1915, the first OFG store opened on Columbia Street in New Westminster, BC. The competitive concept was simple: give customers more for their money.

A winning combination of local value, personalized service and inventive merchandising techniques delighted customers with value-added extras like receiving 18 ounces of tea for the price of 16, a practice that earned the store its name, the "Over-Weight-Tea" store.

A century later we stay true to our roots by keeping close to customers and community, leading the way in the West with innovation and local value - that's the OFG tradition.

Today, OFG operates stores under the Save-On-Foods, Overwaitea Foods, Urban Fare, Cooper's Foods, PriceSmart Foods and Bulkley Valley Wholesale banners – proudly local stores designed to match the communities they serve. And Kidd's enthusiasm flourishes amongst OFG team members, each of whom are committed to delivering a world-class shopping experience.

The same standards of service, innovation and value apply to Overwaitea's Supply Chain in its goal to rationalize its transportation network, reduce inventory and optimize operational efficiencies through cooperation and partnership within its Supplier and Distribution network.

OFG's Inbound Freight Standards and Procedures guide provides the foundation upon which these relationships are built. It applies to all Suppliers/Vendors and Carriers that do business with OFG and/or pickup and deliver product to OFG Distribution Centers (DCs) or Stores.

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Inbound Freight Standards & Procedures

The Overwaitea Food Group's (OFG's) Inbound Freight Standards & Procedures applies to all suppliers or carriers delivering product to OFG Distribution Centers (DCs).

Distribution Centers & Appointment Scheduling

EV – GLOUCESTER (Ambient)

5111 - 272 Street, Langley, BC V4W 3Z2

NON PERISHABLE

Receiving Hours: SUN pm to SAT am (6 days) 7:00 pm to 5:30 am

Appointment Booking:

24 hr. Online booking method at the OFG Partner Portal website: <https://partners.ofg.ca/>

EV LOGISTICS (Perishable/Frozen)

5016 - 272 Street, Langley, BC V4W 1S3

MEAT / DAIRY/ FLORAL / PRODUCE / ICE CREAM / FROZEN BAKERY / FROZEN MEAT / FROZEN FOOD

Receiving Hours: SUN pm to SUN am (7 days) 8:00 pm to 5:00 am

Appointment Booking:

24 hr. Online booking method at the OFG Partner Portal website: <https://partners.ofg.ca/>

TCL Supply Chain Inc. – Ambient/Perishable/Frozen

#24, 26308 Township Road 525A, Acheson, AB T7X 5A6

NON PERISHABLE / MEAT / DAIRY/ FLORAL / PRODUCE / ICE CREAM / FROZEN BAKERY / FROZEN MEAT / FROZEN FOOD

Receiving Hours: Ambient SUN pm to **FRI** am (5 days) 9:30 pm to 6:00 am

Receiving Hours: Per./Frozen SUN pm to SUN am (7 days) 9:30 pm to 6:00 am

Appointment Booking:

24 hr. Online booking method at the OFG Partner Portal website: <https://partners.ofg.ca/>

Delivery Appointments at a OFG Facility

Suppliers/Carriers are required to use the appropriate appointment procedure for each DC. Appointment requests must be made a minimum of 48 hours prior to the Purchase Order due date.

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General Carrier Requirements for All Purchase Order Deliveries:

All POs must have an appointment booked a minimum of 48 hours prior to PO Due Date. It is advisable to book the appointment as soon as possible in order to eliminate late charges.

- Carriers must deliver on the Due Date specified on the OFG PO, unless prior approval is obtained from the OFG buyer. Since all OFG DC's have nighttime receiving, special care must be taken when making an appointment in order to avoid late charges.
 - Example: A PO with a Due Date of the 10th must have a booked appointment to arrive and be completed the night of the 9th or the morning of the 10th. A PO with an appointment for the night of the 10th will be one (1) day late and a late charge will be applied.
- Delivery appointments are required for each OFG PO.
 - Perishable only: for Produce, Dairy and fresh Meat, appointments are to be made no less than one (1) business day in advance of the Due Date of the OFG PO.
- **Carriers should arrive one-half (1/2) hour prior to their scheduled appointment time to allow time to ingate into the facility and check-in. Carriers should NOT arrive any earlier than 1 hour prior to their scheduled appointment time.**
- **Carriers must check in to the receiving office immediately after ingating in order to submit their paperwork and have their arrival time confirmed for their appointment.**
- **The PO Appointment Time is the time the carrier is expected to be backed into a dock by.**
- **Carriers who do not check in promptly and on time run the risk of being fined for a late delivery.**
- Each item must be segregated onto separate pallets prior to delivery OR sufficient labour must be provided at time of delivery to maintain a two (2) hour turnaround time. If supplier or carrier cannot provide this labour then OFG may provide this service for a fee. If sufficient labour is not provided, then OFG may, at its discretion, refuse delivery and any associated late charges or fees may be applied.
- Drivers are to remain with their unit at all times unless exceptions have been negotiated by the supplier or carrier with the OFG Distribution Contractors. Delivery person is to sign proof of delivery, indicating any variances.
- Carriers must comply with the DC's safety and security policies. All distribution sites require safety hard-toed footwear and high visibility vests to be worn at all times while at the site. (See Appendix B for Safety Vest Requirements)
- No Dangerous Goods or Hazardous Materials are to accompany OFG PO deliveries.

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- Deliveries must comply with OFG’s Quality Assurance and Safety Standards and specifications for delivery. i.e., temperatures, Ti Hi, pallet policy, product identification, and sorted on to separate pallets.

Compliance & Fining

Failure to comply with OFG’s Inbound Freight Standards & Procedures may result in:

*FINES - to be debited from payment of the invoice. Access to detailed information regarding late fines can be found through the OFG Partner Portal website: <https://partners.ofg.ca/> .

[As a vendor, using the login screen in the upper right hand corner, login with your Username and Password. The information is located in *Reports – Portal Reports – Financial Reports – “Non-compliance charges_.... traffic”* .]

*REFUSAL OR CANCELLATION OF THE PURCHASE ORDER.

- FINES applicable to carriers hired & delivering directly for OFG Transportation will have these fines debited directly from their statement.

Purchase Order Late for Appointment Time

- Less Than or Equal to 30 Minutes Late - No Fine
- Beyond thirty (30) minutes - **\$500**
- If the PO is a ‘No Show’ for its appointment - **Min. \$500 Max. \$2000**
- Lates due to Breakdowns are considered finable

Purchase Order Late for Due Date

- If a PO is late for its designated Due Date - **\$500/day**
- Lates due to Breakdowns are considered finable

Booking appointments by phone

- **Booking appointments by phone** **\$50 per Purchase Order**
(unless prohibited by the system)

Vendor Fill Rate

- **OFG fill rate expectation is 98%.** It is the Supplier’s responsibility to inform the buyer of shortages prior to shipping. They must provide the reason for the shortage, AND the date when the product will be available to ship. OFG takes shortages very seriously and **at the Buyer’s discretion will fine for shortages a minimum charge of \$50 or 10% of the shorted value.**

Product Quality (EXCEPT Produce)

- If a Supplier ships product that does not meet the Overwaitea Food Group quality expectations, it will be up to the discretion of the buyer to refuse and/or fine the Supplier.
- **First offence: 10%** of the value of product on each PO that does not meet OFG quality expectations

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- **Second offence and thereafter**, fines will be increased on an **escalating scale** at the buyer's discretion.

Product Quality - PRODUCE ONLY

At Overwaita Food Group our focus is to provide quality product to our customers. Poor quality product will be subject to fines. In a six month period fines will be processed as follows:

- **First offense:** PO arriving with poor quality will be rejected and the supplier will be contacted for disposition.
 - Fine will be \$500.
- **Second offense:** PO arriving with poor quality will be rejected and the supplier will be contacted for disposition.
 - Fine will be \$1000
- **Third offense:** PO arriving with poor quality will be rejected and the supplier will be contacted for disposition.
 - Fine will be 10% of the value of the PO or if the value of the PO is less than \$50,000 the fine will be \$5000
 - The supplier will go under review for future consideration of doing business with Overwaita Food Group.

Working collaboratively to deliver quality product will be beneficial for both parties and we look forward in continued business with you. If you have any questions in regards to the fines, please contact the Produce Buyers at Produce_Buyers@owfg.com.

Bills of Lading

- Bills of Lading for all freight received by Overwaita must be marked PREPAID. If BOL's do not show PREPAID and the shipment is not an OFG Transportation managed (backhaul) shipment, the PO may be turned away and or subject to a **\$250 fine**.
- Bills of Lading must list Overwaita Food Group as the consignee, C/O (the DC name); as opposed to listing the DC as the consignee. Otherwise, the PO may be subject to a **\$250 fine**.

Advanced Shipping Notice (ASN)

- The lack of an ASN sent directly to the EV-Perishable warehouse for purchase orders that require weight gathered information - **\$250**
EVP_Enclosures@owfg.com P. 604-857-6809 FX. 604-857-6802

Vendor Returns

- If a vendor fails to show up on the appointment day, then OFG will dispose of the product, plus an **Administrative fee of \$250 plus the cost of disposal** will be assessed against the vendor.

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- No shows will be fined **\$250**

Pallets

- All Non CHEP or Non PECO pallets will be considered one-way disposable pallets and may be subject to a fine of **\$250.00** per PO.
- All pallets shipped must be sound, safe pallets, or supplier may be subject to a fine of **\$250.00** per PO for non-compliance of policy, or shipment may be refused.

Refused Tenders Applies to OFG Transportation contracted carriers

- If a **[OFG contracted]** carrier accepts a tender and then subsequently refuses the load within 24 hours of the pickup date showing on the tender, they will be subject to a **Min. \$250 fine, Max. \$750; per Carrier Move**
- Missed pickup(s) on loads will be subject to a fine of **\$250**.
- Late Loading of a PO will be subject to a fine of **\$250**.

Compliance & Fining Disputes

- Any fining disputes must be made within 90 days of receipt of the PO.
- Vendor disputes should be directed to the buyer.
- Carrier disputes from carriers hired & delivering directly for OFG Transportation should be directed to the loadplanner.

The Overwaitea Food Group reserves the right to add, modify or waive compliance penalties at its discretion.

Purchase Order Delivery Requirements:

OFG expectations for On Time to appointment and On Time to Due Date is 98% respectively.

Must have a separate bill of lading or carrier pro bill for each OFG PO with the PO# referenced

Must have a separate packing slip for each OFG PO attached to the carrier's bill of lading at the time of delivery

Must include the following on the packing slip: PO number, due date, delivery address, product description sorted by product case number sequence, master case and retail unit count, repack case count and case count from the bill of lading

Must have description and case codes on the product and packing slip, which match those on the OFG PO

Deliver product that meets the "Best Before" dating commitments

Must be delivered to the Ti Hi as stated on the OFG PO, unless difference is authorized by the OFG buyer or labour is provided at time of delivery to meet this requirement

Perishable Only:

- Perishable POs that require weight gathered information must email or fax an ASN of weight totals, by item, to the DC a minimum of 12 hours prior to delivery. The weight totals **MUST** be displayed in **KGs**. **Back orders will not be accepted by OFG.**

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- The supplier must notify the Buyer of any shorts and/or overages on the OFG PO prior to shipping

OFG Quality Assurance & Safety Standards

OFG will only accept products that have been protected from contamination during transit. OFG WILL NOT accept product from trucks/trailers that are dirty or show signs of contamination from non-food items, agricultural chemicals or live animals of any kind nor from trucks/trailers unable to maintain proper temperature standards

OFG reserves the right to identify/mark products that are not in compliance with any of these standards

OFG will refuse product that does not meet the agreed upon shelf life requirements unless Buyer gives prior approval

Under no circumstances are any perishable product categories to be received at a temperature higher than 4°C or 39.2°F. Frozen Product maximum temperature is -18°C or 0°F; Eggs maximum temperature is 7°C or 44.6°F; Produce temperatures as per PMA guidelines. These standards are temperatures of the actual product, not trailer temperatures

Swamping/Lumping of Product - Extra Labour Costs

If labour is required for swamping or palletizing of product that is not delivered as per OFG's Inbound Freight Standards & Procedures, there will be a fee passed on to the supplier for this service.

Swamping fees charged back will be at the rate of **\$28.50 per hour on regular receiving days;** and **\$37.75 per hour on statutory holidays.** Fees are subject to change at the discretion of OFG.

If a swamping service is approved but the delivery is late, the supplier will be liable for total swamping hours, i.e. waiting hours plus actual swamping hours.

XDock (Enclosure) Deliveries

XDock (Enclosure) deliveries should typically be delivered to the DC that normally services stores in a particular region.

If there are extenuating circumstances that cause a vendor to be unable to comply with this requirement then they should address this directly with the Purchasing Manager for review.

Vendors:

Must have prior approval from the appropriate Customer Product Manager, and be formally set up as an approved Overwaitea Enclosure Vendor with the appropriate Enclosure Vendor Number. This number must be indicated on the Enclosure Notifications to the DC and the Invoices arriving with the product.

Must have a delivery appointment or prior arrangement made with the DC.

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Must have information emailed to the DC on an “Enclosure Notification Form” provided by OFG, no less than 24 hours prior to the delivery, identifying for each destination the:

- Invoice number
- PO number
- Product description
- Pieces
- Pallets
- Weight (KG’s)
- Cubic Feet

E-mail addresses for the distribution centers are:

EV Gloucester: evg-outbound@owfg.com PH: 604-857-6768 FX: 604-857-6759

Email must say “**enclosure**” in the subject line and must be delivered between 6 and 9 am the morning of the departure.

EV Perishable/Frozen: evp_enclosures@owfg.com PH: 604-857-6809 FX: 604-857-6802

Email must say “**enclosure**” in the subject line and must be delivered between 6 and 8 am the morning of the departure.

TCL Per/Frzn/Amb: tcl_enclosures@owfg.com PH: 780-948-7432 FX: 780-948-7409

Email must say “**enclosure**” in the subject line and must be delivered between 6 and 8 am the morning of the departure.

All Enclosure Deliveries:

Must arrive with two (2) copies of the invoice for each point of destination:

- one (1) attached to the product, and
- one (1) to be presented at time of delivery with the carrier's bill of lading.

The final destination of product must be included visibly on the invoice.

Must have product identified with the final destination, including store name and number (if each store is getting the same item they do not need to be individually marked)

Must adhere to OFG’s Inbound Freight Standards & Procedures including Quality Assurance and Safety Standards

(See Appendix C for Enclosure Handling Fees)

Load Quality

To eliminate product damage in transit, all loads must be secured and stabilized.

Stretch wrap must cover the entire product and extend halfway down the CHEP pallet, securing all cases to the CHEP pallet.

Corner boards may be incorporated to eliminate crushing product when stacking pallets.

Multiple stacked pallets may be stretch wrapped together to reduce load shifting.

Glue or tape cannot be used to stabilize cases since it interferes with Overwaitea Food Group’s de-palletizing equipment.

Lighter products should be placed on top of heavier products, if necessary, due to order mix.

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Cases (lids and flaps) must be clean and properly secured (damage rules apply).

Pallet Specification

CHEP pallets or PECO pallets are required. These pallets possess the necessary qualities required for Transportation while simultaneously providing value throughout the supply chain. CHEP pallets are the preferred pallet type, while PECO pallets are also accepted on a 1-way basis.

It is the supplier's responsibility to ensure all CHEP or PECO pallets shipped into the OFG Network meets Overwaitea Food Group pallet quality standards. Poor quality or unauthorized pallets could be subject to potential chargebacks. OFG reserves the right to refuse products shipped on pallets that do not meet minimum standards.

Suppliers requesting to ship on a platform other than CHEP or PECO must go through an approval process prior to entry into the OFG Network. All Non-CHEP or Non-PECO pallets will be considered one-way disposable pallets and may be subject to a fine. (See Appendix D for Pallet Criteria)

Pallet Composition

All pallets will be built to agreed upon TI/HI specifications.
There should be no product overhang on the pallet.
Case labels should be facing out to be clearly visible whenever possible.

Distribution Requirements

Freight Terms

Overwaitea's policy is that, unless there is a specific contractual agreement to the contrary, Bills of Lading for all freight received by Overwaitea must be marked PREPAID.

For Prepaid shipments, the BOL should be signed "Shipper Load & Count"; or "Shipper Load, Count and Seal" by the driver.

For shipments picked up by Overwaitea Food Group, unless the driver is allowed to physically count the product onto the truck as it is being loaded, the BOL should be signed "Shipper Load & Count"; or "Shipper Load, Count and Seal" by the driver.

Shipper Load, Count, and Seal

Suppliers are responsible for:
Loading correct case quantity
Ensuring all loaded cases are in good condition.
Sufficient shelf life as agreed to by Overwaitea Food Group and the supplier

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Securing the load to minimize shifting and maintain case integrity

Noting seal information on the Bill of Lading

Ensuring that all refrigerated produce shipments are required to have a Temperature Tracking Recorder (TTR). A “**PakSense**” recorder is the preferred temperature recorder.

CARRIER OBLIGATIONS - Shipments Tendered by Overwaitea Transportation

Overwaitea Food Group tender loads (Carrier Moves) to carriers typically a **minimum** of 48 hours prior to the requested loading date. If a load cannot be accepted at this time, the carrier is expected to respond accordingly to the load planner within 6 hours.

- 1 Carrier proofs the load tender for pickup and delivery dates, rates, and FSC accuracy.
 - a) If anything is incorrect, the carrier will notify the Overwaitea load planner prior to loading. When Overwaitea makes substantial changes to a tender, the tender will automatically be re-tendered.
- 2 Loads dispatched within 24 hours of the scheduled pickup date are subject to a non-compliance penalty if they are refused 6 hours or more after they have been tendered to the carrier.
- 3 Carrier **MUST** pick up load on the scheduled pick up date as requested on load tender.
 - a) Load planners require confirmation on every pickup by PO#. All communication must be made in a timely fashion on all issues (i.e. loading delays, wait times, accidents, late deliveries, etc) including confirmation pick ups have been completed on a daily basis.
 - i. If there are issues at the loading facility (ie. making an appointment, or pick up is not ready 2-3 hours after scheduled appt time), immediately call the load planner before 2:30pm.
 - ii. After 2:30pm, call the after hours cell and follow up with an email notification Cell 604-328-0906).
 - iii. **Exception for Carriers hauling fresh Produce Loads: Call the Produce buyer directly at (604-857-2546) if product is not ready, product is shorted or there is missing paperwork at the Canada-US border (ie. COS, Phyto-sanitary Certificate, BOL's, etc).**
 - b) Accessorial charges will not be paid unless pre-approved by the Load Planner prior to receiving (ie. Wait time, empty miles). Once approved, the load tender will be re-issued with updated changes.
 - i. The goal is to have all changes submitted/approved/entered by Overwaitea by the time the goods are received so that the total cost is applied correctly.
 - c) Carriers are required to make PO delivery appointments online via the OFG Partner Portal website. The key reference information is the PO# and the due date.

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- i. If the carrier has difficulty scheduling the PO delivery appointment online, **contact the load planner.**
 - ii. If the load cannot be delivered on the requested due date, the carrier must immediately **notify the Overwaitea Load Planner** of any due date exceptions and reasons. The online booking portal will not allow a user to schedule an appointment after the PO due date has passed. To book/re-book an appointment after the PO due date, the carrier must **call the load planner.**
- 4 Appointments are expected to be made a minimum of 24 – 48 hours prior to the PO due date.
- a) EVG – Dry Grocery – a minimum 48 hours in advance
 - b) EVPF – Perishable – a minimum 24 hours in advance
 - c) **On-time to Appointment:** The carrier is expected to arrive and check-in at the DC no later than their scheduled PO Appointment Time. If while enroute the carrier is aware that they will be unable to arrive at their scheduled appointment time, they must reschedule the appointment through the portal as soon as they are aware of these circumstances.
 - d) **On-time to Due Date:** The expectation is loads are to be received the evening prior to, or the early morning of the PO due date, within the standard receiving hours, in order to be considered On-time to Due Date.

Contacts for OFG Planned Loads	Telephone	E-Mail
Perishable Load Planner	604-857-6854 604-328-0906 (Cell)	inboundlogistics@owfg.com
Grocery Load Planner Manager, Logistics Services - Rehana Bali	604-857-6858 604-857-6864 604-868-0089 (Cell)	Inbound_Loadplanning@owfg.com rehana_bali@owfg.com
PRODUCE BUYER	604-837-2546 (Cell)	

Carrier Appointment Requirements

Pick-up Appointments at Supplier's Facility

- Carriers will use Overwaitea Food Group purchase order numbers to make appointments for OFG loads, or supplier confirmation number to set up appointments.

Detention at Suppliers Dock

Overwaitea Food Group requires loading time not to exceed two (2) hours.

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The industry standard for detention charges, after the (2) hours allowable loading time, is \$60.00 per hour chargeable in 15 minute increments. In the event of a carrier arriving late for a scheduled appointment, all detention charges will be automatically waived.

Where feasible, for those Suppliers requiring additional loading time on a regular basis, a Drop Trailer program may be implemented. The Drop Trailer program is dependent on suppliers meeting established volume requirements and is approved through OFG Transportation Department.

Detention charges may apply for Drop Trailers in the event the carrier does not have access to pick up the trailer or if the trailer is not loaded at the designated appointment time. OFG reserves the right to deduct, set-off or withhold payments determined by OFG to be due and owing to the Supplier, whether determined by OFG in the course of any audit conducted on behalf of OFG or otherwise, if detention time at the Supplier's dock exceeds the standard. OFG will not be responsible for any late charges, penalties or assessments in connection with the assertion of its rights to deduct, set-off or withhold such amounts.

Intermodal Shipments

All intermodal units are to be inspected by the supplier's shipping facility prior to loading to insure they are clean with no holes and/or strong odors.

The supplier is responsible for loading and bracing intermodal units going to OFG.

All dunnage used to brace intermodal units going to OFG will be at the supplier's expense.

Intermodal Loading Guidelines

Damage free shipping starts with proper loading. It is important our suppliers take the necessary steps to ensure damage free products arrive at our various Overwaitea Food Group locations. A load should have the proper weight distribution and adequate blocking and bracing to prevent the shifting of goods. The following steps & principles must be followed by all Overwaitea Food Group suppliers to assure quality goods free of damage to our customers.

Selection and Preparation of Intermodal Units-

Personnel must inspect all units before loading to ensure that each and every unit is in suitable condition to safely transport a load to its destination.

Carrier should furnish a unit suitable for loading a customer's product. Shipper should inspect to determine if a unit meets his requirements (reject it or properly prepare it). If shipper does not reject a unit, then it becomes the responsibility of the shipper to properly prepare the unit for loading:

- Sweep floors
- Remove any exposed nails or protrusions and straps in wall anchors
- Make sure bulkhead doors are in good working order

Reasons to Reject-

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- Leaky roof or wall or floor problems (if light enters the cars, so can moisture, air and dust)
- End wall bowed 3+ inches
- Defective doors
- Any item that cannot be repaired by the carrier or their contractor

General Loading Principles-

Load must be secured in a manner to prevent it from shifting either crosswise or lengthwise during transport where it could affect safe weight distribution and cause damage to the loaded product. It is imperative that the load is uniformly distributed.

The most important principle is:

- Make sure the load is tight crosswise and lengthwise in the car
- Do not load damaged products
- Load cases together that combine well into a bonded pattern
- Load cases of similar characteristics together
- Use separators and dividers as necessary
- Loads shall be properly distributed, secured and blocked. It is not intended that closed trailers or containers be opened for interior inspection of loads unless the trailer or container has not been properly loaded.

When using shrink/stretch-wrapping-

- Load in a bonded block pattern when practical
- Maintain vertical alignment of shipping cases/containers
- Ensure all layers of the unit are wrapped
- Have wrap encircle the pallet base

Slip Sheeted Units-

- Match the slip sheet strength to the weight of the load
- Tape or secure slip sheets to prevent damage

Palletized Units-

Quantity of an item, packaged or unpackaged, which is arranged on a pallet in a specified manner and securely strapped, shrink wrapped or fastened so that the whole is handled as a unit. When using shrink wrap, make sure the pallet is wrapped around in full or at least 2" to prevent the cases from sliding and or walking off the pallet.

- Pallets (CHEP and/or equal standard) should be in good condition and of sufficient strength for handling products
- Pallets should be free of defects, exposed nails and/or broken or missing boards
- Have palletized units provide unit to unit contact
- The use of four-way pallets in doorways is recommended.

Bracing The Load-

It is expected that all vendors will properly brace the loads adequately to withstand over-the-road or intermodal transport to arrive intact and in good order.

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Bill Of Lading

A Bill of Lading (BOL) is required to accompany every shipment to Overwaitea Food Group. Unless there is a specific contractual agreement to the contrary, Bills of Lading for all freight received by Overwaitea must be marked PREPAID. If BOL's do not show PREPAID and the shipment is not a backhaul vendor the PO may be turned away and or subject to a fine. Also, Bills of Lading must list Overwaitea Food Group as the consignee, C/O (the DC name); as opposed to listing the DC as the consignee. Otherwise, the PO may be subject to a fine. See the Compliance & Fining Section for details.

The Bill of Lading is an all-important part of rail and truck transportation arrangements. It serves as the basic contract of carriage between the shipper and all connecting carriers, as a receipt for the goods, and as indication of ownership of the goods.

Additionally, the Bill of Lading is a necessary element of a claimant's prima facie case in a court action, although it does not necessarily prove the cargo's good condition at origin.

The following data is required to be included on the BOL:

- Supplier Name
- Supplier Address
- Consignee Name
- Consignee Address
- Special Instructions
- Freight Charge Type (Pre-Paid or Collect)
- Number of Packages
- Description of Articles, Packages, Markings, and/or Exceptions
- Weight
- Shipper Signature
- Time and Date Tendered
- Carrier Name
- Driver Name and Signature
- Country of Origin for Imported Products

OFG also requires the following information to be located on the BOL:

- Overwaitea Food Group Purchase Order Number
- Supplier Sales Order Number that relates to the Overwaitea Food Group Purchase Order Number
- Ship Date
- Due Date
- Bill of Lading Number
- Seal Number
- Quantity Shipped per Item and Total
- Pallet Count
- Load Temp (Maintain at)
- Load Number (Supplier's unique Load Number Identifier)

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Overages, Shortages and Damages

The following description of Overwaitea Food Group's OS&D procedure provides a brief overview of the procedure and what Suppliers or Carriers can expect when there is an Overage, Shortage, or Damage on a PO.

OFG Warehouse will receive product and note variances by adjusting the purchase order accordingly.

Shortages- OFG Warehouse will note the short on the P.O.D. and the system will short pay the invoice.

Damages- OFG Warehouse will note the damage on the P.O.D., adjust the PO accordingly, and the system will short pay the invoice.

Shipping Discrepancies: Invoice deductions will be taken for quantity variances caused by shipment/picking error, shortages, and damaged merchandise. Such deductions will be taken for shortages and damages discovered at time of warehouse receipt and for shortages or damages discovered later in the receiving process, as may occur in the event of backhauls and dropped trailer programs where inspection is not feasible or permitted at the time of receipt.

Disputes:

All Supplier/Carrier disputes are to be **identified** within ninety (90) days from delivery of the OFG PO, and must be supported by delivery documentation / proof of delivery. Any dispute older than ninety (90) days will not be addressed.

For OFG Managed (Backhaul) freight:

- **Overages-** OFG will inform the Supplier about the overage.
- **Damages-**
 1. OFG Warehouse will make an assessment to the cause of the damage, whether Carrier or Supplier related, complete the OS&D report, and send notification to the OFG Logistics Clerk.
 2. If the damage is **Carrier related**, the OFG Logistics Clerk will contact its backhaul carrier typically within 72 hours from delivery of the OFG PO, with a notification of a possible *intent to claim*.
 - a. If an actual claim is to be issued against OFG's Carrier, a debit note or invoice, including backup documentation, and/or pictures if available, will be sent to the carrier typically within five (5) business days from delivery of the OFG PO.
 - b. The OFG backhaul carrier should contact OFG at logistics_admin@owfg.com regarding the claim and advise regarding disposition of and damaged product.
 - c. The Carrier has up to ten (10) business days from delivery of the OFG PO to contact the facility for appointment date and time to pick up any damaged product.
(604) 857-6825 for EV-P Perishables

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(604) 857-6768 for EVG Ambient

(780) 948-7432 for TCL

- d. OFG will wait for Carrier's response on disposition of product. If no response is received after (10) business days from delivery of the OFG PO, and product is still at the warehouse, then then OFG will dispose of the product; and an Administrative fee plus the cost of disposal may be assessed against the Carrier.
 - e. If a Carrier makes an appointment but fails to show up on the appointment day & time, the "No show" may be fined; OFG will dispose of the product; and an Administrative fee plus the cost of disposal may be assessed against the Carrier.
 - f. Please note if the damaged product is deemed to cross-contaminate the warehouse, it will be refused at the door.
 - g. If the damage product is otherwise perishable and cannot be held, OFG will dispose of the product without Carrier notification.
3. If the damage is **Supplier related**, OFG Warehouse will note the damage on the P.O.D., adjust the PO accordingly, and the system will short pay the invoice.
- a. OFG will inform the Supplier of the damaged product.
 - b. The Supplier has up to ten (10) business days from delivery of the OFG PO to contact the facility for appointment date and time to pick up any damaged product.
(604) 857-6825 for EV-P Perishables
(604) 857-6768 for EVG Ambient
(780) 948-7432 for TCL
 - c. OFG will wait for Supplier's response on disposition of product. If no response is received after (10) business days from delivery of the OFG PO, and product is still at the warehouse, then OFG will dispose of the product; and an Administrative fee plus the cost of disposal may be assessed against the Supplier.
 - d. If a Supplier makes an appointment but fails to show up on the appointment day & time, the "No show" may be fined; OFG will dispose of the product; and an Administrative fee plus the cost of disposal may be assessed against the Supplier.
 - e. Please note if the damaged product is deemed to cross-contaminate the warehouse, it will be refused at the door.
 - f. If the damage product is otherwise perishable and cannot be held, OFG will dispose of the product without Carrier notification.

For Vendor Delivered freight:

- **Overages-** OFG will inform the Supplier about the overage.
- **Damages-** OFG Warehouse will note the damage on the P.O.D., adjust the PO accordingly, and the system will short pay the invoice.
 - a. The damaged product will be reloaded onto the carrier's trailer if the load is a live unload.

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- b. If the load is a drop trailer, or “Subject to Recount” load, OFG will inform the Supplier of the damaged product.
- c. The Supplier has up to ten (10) business days from delivery of the OFG PO to contact the facility for appointment date and time to pick up any damaged product.
 - (604) 857-6825 for EV-P Perishables
 - (604) 857-6768 for EVG Ambient
 - (780) 948-7432 for TCL
- d. OFG will wait for Supplier’s response on disposition of product. If no response is received after (10) business days from delivery of the OFG PO, and product is still at the warehouse, then OFG will dispose of the product; and an Administrative fee plus the cost of disposal may be assessed against the Supplier.
- e. If a Supplier makes an appointment but fails to show up on the appointment day & time, the “No show” may be fined; OFG will dispose of the product; and an Administrative fee plus the cost of disposal may be assessed against the Supplier.
- f. Please note if the damaged product is deemed to cross-contaminate the warehouse, it will be refused at the door.
- g. If the damage product is otherwise perishable and cannot be held, OFG will dispose of the product without Carrier notification.

Vendor Returns

Order exceptions refer to situations when the flow of the order is altered due to extenuating circumstances. Examples include contaminated or unsaleable product, return or recall of defective product, direct shipments to Stores. Vendors/Suppliers must comply with the following requirements:

Return Authorization Process

Buyer contacts vendor to make arrangements

Vendor / Carrier contacts facility for appointment date and time.

(604) 857-6825 for EV-P Perishables

(604) 857-6768 for EVG Ambient

(780) 948-7432 for TCL

- All product returns to be picked up within fourteen (14) days of notification from OFG
- Vendors are responsible to pick up and destroy all poor quality, damaged or recalled products.
- Vendor returns not picked up within fourteen (14) days of notification will be disposed of through OFG’s Reclamation Process and the cost will be charged back to the vendor.

If a vendor fails to show up on the appointment day, then OFG will dispose of the product, plus an Administrative fee plus the cost of disposal **may be assessed against the vendor.**

No shows **may be fined**

See the Compliance & Fining Section for details.

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Direct Shipments to Overwaitea Food Group Stores

Specified shipping date or shipping windows must be adhered to.

Shipments will have exact quantity ordered. Overwaitea Food Group will not accept backorders, overages, shortages, or substitutions.

(See Appendix E for DSD Invoicing Requirements)

OFG Contracted Carrier

Carrier Information Setup Requirements

Overwaitea manages some of its inbound freight on a Customer Pickup basis. For carriers interested in contracting directly with Overwaitea for a portion of this freight, they should contact the Manager, Transportation Services.

Carriers with whom Overwaitea contracts will be required to provide the following:

Supplier (Carrier) Setup form

[Available upon request from the Manager, Transportation Services]

A copy of the carrier's Letterhead

A copy of the carrier's Certificate of Insurance

A copy of the carrier's Operating Authority

A copy of the carrier's Rate Quotation(s)

The carrier's Contact Information

Forward to the Manager, Transportation Services.

OFG reserves the right to deduct, set-off or withhold payments determined by OFG to be due and owing to the Carrier, whether determined by OFG in the course of any audit conducted on behalf of OFG or otherwise. OFG will not be responsible for any late charges, penalties or assessments in connection with the assertion of its rights to deduct, set-off or withhold such amounts.

Appendices

Appendix A: Contacts

For questions regarding the requirements in the OFG Inbound Freight Standards and Procedures guide, please contact the Customer Product Manager, or OFG Supply Chain.

Distribution Centers

EV – GLOUCESTER (Ambient)

5111 - 272 Street, Langley, BC V4W 3Z2

NON PERISHABLE

Receiving Hours: SUN pm to SAT am (6 days) 7:00 pm to 5:30 am

Appointment Booking:

24 hr. Online booking method at the OFG Partner Portal website: <https://partners.ofg.ca/>

EV LOGISTICS (Perishable/Frozen)

5016 - 272 Street, Langley, BC V4W 1S3

MEAT / DAIRY/ FLORAL / PRODUCE / ICE CREAM / FROZEN BAKERY / FROZEN MEAT / FROZEN FOOD

Receiving Hours: SUN pm to SUN am (7 days) 8:00 pm to 5:00 am

Appointment Booking:

24 hr. Online booking method at the OFG Partner Portal website: <https://partners.ofg.ca/>

TCL Supply Chain Inc. – Ambient/Perishable/Frozen

#24, 26308 Township Road 525A, Acheson, AB T7X 5A6

NON PERISHABLE / MEAT / DAIRY/ FLORAL / PRODUCE / ICE CREAM / FROZEN BAKERY / FROZEN MEAT / FROZEN FOOD

Receiving Hours: Ambient SUN pm to **FRI** am (5 days) 9:30 pm to 6:00 am

Receiving Hours: Per./Frozen SUN pm to SUN am (7 days) 9:30 pm to 6:00 am

Appointment Booking:

24 hr. Online booking method at the OFG Partner Portal website: <https://partners.ofg.ca/>

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OFG Supply Chain

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Overwaitea Food Group Corporate Office


Box 7200, Vancouver BC V6B 4E4
19855 – 92A Avenue, Langley BC V1M 3B6
Main Number: 604-888-1213

Appendix B: Safety Vest Requirements

All drivers/ who enter our yards MUST provide their own and wear the required and regulated safety PPE (Personal Protective Equipment). Failure to comply may result in refusal of entry into our yard in the event a driver refuses and or does not have the required PPE.

Stand out safely

If you work around vehicles moving faster than 30 km per hour, your high-visibility gear must meet strict safety standards. Here are four variations that fit that description.



Around vehicles moving faster than 30 km/h

WCB Standard Type 1 — vest, shirt, or similar garment


Vertical length of garment: 0.61 m/24 in. (minimum)

Background:

- 0.13 m²/200 in.² (minimum front or back)
- Fluorescent — lime-yellow, yellow, orange*

Visibility-enhancing (VE) trim (fluorescent portion):

- 0.05 m²/80 in.² (minimum front or back)
- Contrasting colour to background



WCB Standard Type 2 — jacket, coat, coveralls, or similar garment


Vertical length of garment: 0.61 m/24 in. (minimum)

Background:

- 0.26 m²/400 in.² (minimum front or back)
- Fluorescent — lime-yellow, yellow, orange*
- Bright — yellow, orange, red*

VE trim (fluorescent portion):

- 0.05 m²/80 in.² (minimum front or back)
- Contrasting colour to background



Types 1, 2, and 3

VE-trim requirements:

- A smooth, flat exterior finish, securely attached to the garment, and at least 50-mm (2 in.) wide
- Visible on the side of the garment
- One vertical stripe on either side of the front of the garment with an "X" pattern on the back
- Made either from combined performance or separate performance materials***
- The retro-reflective portion of the VE trim continues along the length of the trim, with a minimum coefficient of retro-reflection equal to 240 cd/tx-m²

*High-visibility background colours must meet chromaticity and luminance requirements of the WCB Standard.

***Combined performance consists of a single strip that is both fluorescent and retro-reflective; separate performance consists of two strips (one fluorescent and one retro-reflective).

For a detailed look at the requirements, you'll need to familiarize yourself with the WCB Standard: "PPE 2 High Visibility Garment — Personal Protective Equipment Standard 2," available under WCB Standards on worksafebc.com.

WORK SAFE BC

Appendix C: XDock (Enclosure) Handling Fees

Advanced Store Notice (ASN) Document

The ASN document that vendors are required to complete for XDock (enclosure) shipments is available from the Distribution Centre that the shipment is being delivered to. Please contact the DC for a copy of this document.

Handling Fees

Handling and processing fees will be assessed as per the schedules below:

Handling fees will be billed by debit weekly, and statements are available on the vendor portal.

Fees are subject to change at the discretion of OFG.

XDock (Enclosure) Handling Fee Schedule Per Store Shipment

All enclosures will be handled through our EV Gloucester (Ambient) or EV Logistics (Perishable) or TCL (Ambient and Perishable) DC's and will incur the following standard handling fee, per case.

\$0.75/case

Appendix D: 48x40 Block Pallet Inspection Criteria

Pallet Receiving Standards & Exchange Procedures

CHEP is the preferred pallet for OFG with preference for the four-way pallet. PECO pallets are also accepted.

All CHEP or PECO pallets are received on a one-way basis.

All Non CHEP or Non PECO pallets will be considered one-way disposable pallets and may be subject to a fine.

OFG will not pay for pallet charges on product invoices.

All pallets shipped must be sound, safe pallets, or supplier may be subject to a fine for non-compliance of policy, or shipment may be refused.

See the Compliance & Fining Section for details.

White wood specifications must meet the following minimum guidelines:

40" x 48" Grade A Hardwood GMA Pallet

63% Top Deck Coverage

47% Bottom Deck Coverage

2,194 lb. Payload

Partial 4-Way Entry

Appendix E: Direct to Store Delivery (DSD) Invoicing Requirements

The following requirements regarding the supplier's invoice must be adhered to:

Two (2) copies of the invoice (electronically printed) must be provided

Packing slips are not acceptable as invoices

Invoice and credits/returns must be on two (2) separate documents. Product returns must be accounted for via a separate credit invoice

Credits must reference any Overwaitea Food Group branch supplier claim referred to

Department – A separate invoice must be generated for each department

Type of goods – A separate invoice is required for inventory vs. supplies

Each invoice must include:

Vendor and remit-to name, address, telephone number, fax number

Ship To Customer Number (i.e., store number and address)

Purchase Order (PO) number / Department number

Invoice number

Date

Product item number / Product Look-up (PLU)

Product item description

Product ship Universal Product Code (UPC) (14 digit number)

Quantity / Units including pack size

Total number of units shipped or total weight

Unit price

Unit price extended total

Applicable deposit(s), ecology fees

Applicable discounts and/or allowances

Grand total

Applicable GST (identify taxable items if not all taxable)

Total GST Amount and GST Registration Number

Total amount

Payment terms

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Appendix F: Changelog

Previous document version: October 2015

Changes:

- XDock (Enclosure) Deliveries Pg. 10
- Contacts for OFG Planned Loads Pg. 14
- OFG Supply Chain – Contact List Pg. 24
- Appendix C: Enclosure Handling Fees Pg. 26