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To Our Valued Trading Partners:

At Unified Grocers, we continually search our supply chain for areas to increase efficiency and reduce cost. The practice of pallet exchange has long been identified as a large expense item for both Unified and our trading partners. Therefore, effective December 6, 2008 Unified Grocers will eliminate pallet exchange at all of our facilities.

As of December 6, all product delivered to Unified will need to be shipped on rental pallets (e.g. CHEP, PECO, iGPS, etc.), or one-way pallets. Should your organization choose to utilize one-way pallets, please be certain that they are fully functional, with no missing or broken boards. Product delivered to Unified on a substandard pallet will be re-stacked onto an acceptable pallet, and you will be issued a re-palletizing charge.

Unified Grocers does not expect an increase in the cost of goods, nor will Unified pay for pallets that are invoiced with goods, as your organization too will receive the benefit of eliminating the associated costs of pallet exchange. In turn, Unified will not find it necessary to pass back to you, or on to our customers, the handling costs that are incurred in managing a pallet exchange program.

If you have any questions or concerns about this policy, please contact Mark Allison, Executive Director, Logistics at 323-264-5200, ext. 4481.

Thank you for your assistance and support in making our supply chain more efficient.

A handwritten signature in black ink that reads 'Philip S. Smith'.

Philip S. Smith  
Executive Vice President

A handwritten signature in black ink that reads 'Rodney L. Van Bebber'.

Rodney L. Van Bebber  
Senior Vice President - Operations

A handwritten signature in black ink that reads 'Dan Murphy'.

Chief Marketing & Procurement Officer  
Daniel J. Murphy  
Senior Vice President  
Perishables and Retail Support Services

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Rev. 12-19-2011

# Operating Procedures and Routine Guide

## Inbound to Unified Freight “Prepaid and Collect”

December 15, 2011

Unified Grocers, Inc. (hereinafter called Unified) operating procedures stated herein have been established to increase efficiency, reduce unnecessary costs of transacting business and allow Unified to operate with each vendor in a consistent manner. Vendor must comply with these procedures that become effective immediately, and govern business transacted by current divisional purchasing departments. It is imperative, and without exception that a vendor makes certain that **all** carriers **do not** haul chemicals, hazardous products or hazardous substances along with products for human consumption that are sold and shipped to Unified vendor shall inspect carrier trailers for cleanliness, and to make certain trailers are free from any odor or contamination before loading carrier trailers.

Whenever a vendor negotiates freight rates or discounts with their carrier(s), it is important that The vendor do so based on Unified’s delivery instructions as named herein, and with the understanding that the vendor is responsible for **all** freight costs and OS&D claims relating to these instructions, including, but not limited to: line-haul and accessorial charges whenever the vendor pays the line-haul freight charges. If a vendor would like to relinquish their responsibility for freight charges, they could provide Unified with an appropriate pick-up allowance, and Unified will consider picking up the product.

vendor shall at all times indemnify, defend and hold Unified, Unified's agents, Unified's members, Unified's customers, and Unified's employees against and from **any** and **all** settlements, losses, damages, costs, counsel fees and all other expenses relating to or arising from **any** and **all** claims of every nature or character (including, but without limitations, claims for personal injury, death and damage to property, Unified's packaging or loading, clean-up costs from commodity spills and damage to the environment) asserted against Unified (a) by any of vendors agent, employee, vendor’s selected common carrier, broker, drayman or (b) by any other person.

Any “operating procedures” not named herein shall be that which is done at Unified current business process.

Business diversity—Unified is committed to providing meaningful opportunities for minority-owned businesses and women-owned companies to be our business partners.

Failure to comply with these procedures could jeopardize our business relationship. Repeated violations of procedures will result in assessments, deductions and/or a reduction or termination of business activity.

Unified reserves the right to change or amend these procedures at any time.

## Pallets

### ***For Both Freight “Prepaid and Collect” Shipments***

Unified encourages the utilization of the CHEP Pallet Program. If CHEP pallets are not used, all other pallets must be quality 4-way #1 GMA (48”x40”) hardwood pallets as shown herein. All deductions (see last page) as named herein will be based on Unified inspection at a Unified warehouse, and not at vendor’s location. As stated herein, Unified shall not exchange pallets nor pay for pallets with carriers or vendors.

#### **To clarify what Unified considers as a “good” pallet:**

- Pallets must be 48”x 40” hardwood.
- Pallets must have 4-way entry.
- Pallets must have seven top and five bottom boards.
- Top and bottom boards must be ½” to 15/16” in thickness.
- Pallets must not have double or partial stringers.
- Pallets must not have any broken boards.
- Softwood lumber may not be used for repair.
- Pallets must have chamfered bottom lead boards.
- Metal patch plates are approved for 2x4.

#### **To clarify what Unified as “good shrink wrap”:**

- Shrink-wrap is to cover the entire product, no “parachuting”, and “bulls eyes” on end of cases must cover the entire product.

#### **Common Carrier Delivery Instructions Freight “Prepaid” and “Collect”**

- Unless otherwise specified herein, sorting and segregating could be required.
- Unless otherwise specified herein, unloading and (re-palletizing product) could be required whenever vendor uses (broken, non GMA #1 or non CHEP pallets, or when packaging is damaged).
- All carriers are required to make delivery appointments.
- Carriers shall not haul chemicals, hazardous products, or hazardous substances along with products for human consumption.
- Carriers are required to make certain that their trailers are clean and free from any odor or contamination before loading their trailers.
- Pallet exchange: Unified shall not participate in a pallet exchange program, nor pay for pallets.

## Prepaid and Collect Inbound Scheduling Procedures (Except Seattle):

Unified Grocers, is continually searching our supply chain for areas to increase efficiency and reduce cost. The practice of scheduling inbound loads has long been identified as a large expense item for both Unified and our trading partners.

Unified Grocers is currently advising all carriers that are making appointments to deliver product into Unified that they are now able to schedule via the Retalix web-site *retalixtraffic.com* for Commerce only, in place of calling for inbound appointments, (other Unified warehouses will follow. Date to later be announced).

### **To set your company up as a web scheduler, please do the following:**

1. Go into Internet explorer.
2. Type *retalixtraffic.com*. Case type does not matter.
3. See enclosed instructions. If there is any questions please contact Larry Kaplan via-e-mail at: [lkaplan@unifiedgrocers.com](mailto:lkaplan@unifiedgrocers.com)

Thank you for your assistance and support in making our supply chain more efficient.

## FAQ's - Unified Grocers and [Retalixtraffic.com](http://Retalixtraffic.com)

### **How do I...**

- Register on *retalixtraffic.com*?
- Request Authority to schedule for Unified Grocers (Commerce)
- Schedule an appointment?
- Schedule an appointment with multiple PO's?
- Change an existing appointment?

### **What if...**


- I try to schedule and it won't give me an appointment?
- I can't make the due date because of a vendor delay, truck malfunction delay, etc.?
- I want to have more than one scheduler authorized?
- I have more than one office wanting to schedule?
- I have an agreement with Unified to drop the trailer at Unified for future unloading (drop program)?
- I want to add a PO to an existing appointment?

### **How do I register on *Retalixtraffic.com*?**

- Ctrl+Click [here](#) to go to *retalixtraffic.com*
- Click on the  icon


- Fill in the following info  
\* Denotes Required Field

### Account Registration

First Name *	<input type="text"/>
Last Name *	<input type="text"/>
Company Name *	<input type="text"/>
Address 1 *	<input type="text"/>
Address 2	<input type="text"/>
City *	<input type="text"/>
State/Province *	<input type="text" value="v"/>
Zip/Postal Code *	<input type="text"/>
Telephone	<input type="text"/> xxx-xxx-xxx ext xx
Email/Login *	<input type="text"/> yourname@company.com 
Password *	<input type="password"/>

- When completed, click the  button.
- This completes the registration and you should receive an email from *retalixtraffic.com* as confirmation.

## Request Authority to schedule for Unified Grocers (Commerce)?

- Once you have [registered](#) at *retalixtraffic.com*, you then need to request Authority from Unified Grocers to schedule your delivery appointments.
- On the *retalixtraffic.com* [home](#) page you will click on:
  - [Web Scheduling](#)
- Select Unified Grocers (Commerce) from the drop-down list.
- When completed, click the  button.
- The message:

```
Authorization Requests Sent:
Unified Grocers (request submitted 3:10 PM on Wednesday 9/16/2009)
```

will indicate to which *retalixtraffic.com* customer (Unified Grocers) you submitted your request, and the date and time.

- This places your request in a queue on Unified's traffic managers desktop, and he will then associate your email with the correct carrier in our system.
- You will receive a confirmation email when this is complete, indicating that you are ready to schedule.

## Schedule an appointment? Schedule an appointment with multiple PO's?

- Once you have [registered](#) with *retalixtraffic.com* and Unified has granted you [authority to schedule](#) with Unified Grocers, you are all set to web schedule. You will schedule each delivery appointment separately, but ***each delivery appointment may be for one or multiple PO's.***
- To schedule an appointment for a single PO delivery, you will have to login to *retalixtraffic.com* and click on [Web Scheduling](#)
- If you have been previously authorized to schedule for other carriers besides Unified Grocers, you will have to select Unified Grocers (Commerce) from the drop-down list

Customer	<input type="text" value="Unified Grocers - Commerce (Commerce, CA)"/>										
PO #	<input type="text"/> <input type="button" value="Add"/>										
Orders On This Load:	<table border="1"><thead><tr><th>PO #</th><th>Order Date</th><th>Due Date</th><th>Cases</th><th>We</th></tr></thead><tbody><tr><td colspan="5" style="text-align: center;"><input type="button" value="Add"/></td></tr></tbody></table>	PO #	Order Date	Due Date	Cases	We	<input type="button" value="Add"/>				
PO #	Order Date	Due Date	Cases	We							
<input type="button" value="Add"/>											

- Enter a PO number. and click

**Please note, PO's for Unified Grocers are 8-digits with no dash, example: 12345601.**

- Repeat for each additional PO on that trailer.
- Once you have entered each PO on that trailer (at least one PO), click on  .
- The *retalixtraffic.com* server now polls the Unified Grocers RDS (Retalix Dock Scheduling) server for available appointments on the PO due date. It will return up to three available appointments for you to choose from and they will be an early appointment, a late appointment, and one in-between, for your convenience.
- If no appointments are available on the due date, RDS will try to find three available appointments on the day AFTER the due date.
- Select the appointment you prefer and click on
- Your confirmation information will appear.
- It is recommended that you print that page for your records.

**How do I change an existing appointment? What if I try to schedule and it won't give me an appointment?**

**Please select an appointment.**

**Make an appointment now**

Available Appointment Date: Wednesday 1/6/2010

12:00 AM

Note: Available appointments are time sensitive. Avoiding delays once you have reached this step will ensure the best chance of reservation of your preferred appointment.

- OR -

**Submit a request for review**

Requested Delivery Date: 1/6/2010

Requested Delivery Time: Anytime



Note: Your request will be placed in an appointment queue. Once your appointment has been scheduled, you will be notified by email of the appointment time.

Enter any additional comments about your preferences here

**Submit a Request for Review for most everything out of the ordinary, including:**

- Scheduling an appointment past the due date.
- Scheduling an appointment when no appointments are available.
- Changing an appointment.
- Explaining a delay (vendor not ready, truck broke down, Sasquatch attack, etc.).
- Adding / deleting a PO to / from an existing appointment.

**To use Request for Review:**

1. Login to *retalixtraffic.com*.
2. select Unified Grocers (Commerce), and
3. enter the PO(s) as usual, clicking on  after each PO
4. when all PO's *for that load* are added, click on 
  - Please remember, you are scheduling for each load, and you should only add multiple PO's if they are being delivered on *the same trailer at the same time*. For single-PO loads, add the single PO and go directly to NEXT.
5. The system will offer you up to 3 available appointments a) on the due date or b) on the day AFTER the due date if the due date has no available appointments.
6. The "Submit a Request for Review" box should now be visible on the bottom right of the web page.
7. You must specify the Requested Delivery Date, the best time for you, and a brief explanation of *why you are requesting delivery on other than the due date*. This is important as our buyers need to know why a PO is scheduled for delivery on other than the due date.
  - Note: If there were no appointments available, no reason is necessary in the comments box.
8. This same procedure is used to change an appointment, to cancel an appointment, or to add or remove an appointment from a multiple-PO appointment.
9. Click on request appointment.
10. Your request now appears in a queue on the Unified traffic scheduler's desktop who will schedule the requests in the order they were received.
11. Upon completion of the scheduling, you will receive an email appointment confirmation listing the date and time of your appointment and the PO's expected on that load.
12. You must specify the requested delivery date, the best time for you, and a brief explanation of *why you are requesting delivery on other than the due date*. This is important as our buyers need to know why a PO is scheduled for delivery on other than the due date.
  - Note: If there were no appointments available, no reason is necessary in the comments box.

### **I want to have more than one scheduler authorized?**

- Each must register at *retalixtraffic.com*.
- Each will be added to the email confirmation listing, however, while there is virtually no limit to how many persons may register, there is a 100-character limit to the email confirmation list.




- The 100-character limit is usually only a problem when we have more than 3 authorized logins for any carrier.
- If you require more than 3 authorized logins, we recommend having your email administrator setup a “central” email for Unified to reply to with automated confirmations. This would require you, the carrier, to set up an email address that either:
  - All your schedulers can access for their individual confirmations (Good, but all your schedulers would need to share access) or
  - Auto-forwards all email to each of your schedulers (better, access restricted to authorized person at your company).

### **I have an agreement with Unified to Drop the trailer at Unified for future unloading (Drop program)?**

- There are a limited number of vendors authorized to “drop” their trailers at Unified Grocers lot for unloading by contract lumpers in a specified time span. At present, *retalixtraffic.com* has minimal software to handle “Drop” trailers, and Unified Grocers has elected NOT to use it until its functionality is improved.
- Unified Grocers is expecting an upgrade from Retalix in the near future that will allow our drop-vendors to utilize the *retalixtraffic.com* web-scheduling program.
- In the meantime, ‘drop’ vendors must continue to schedule as before.

### **I want to ADD a PO to an existing Appointment?**

Many of our Carriers consolidate to deliver small PO’s (2-5 pallets) to us in multiples on one trailer. Often, they schedule an appointment for 2 PO’s on Monday, and then a new PO comes in that they wish to add to that existing appointment. Here’s the easy way to add PO(s) to an existing appointment:

1. Login to RetalixTraffic.com, and select Web Scheduling
2. Enter any PO *from the existing appointment* and Click 
3. Now, enter the first PO you wish to add to the existing appointment and Click 
4. Repeat for each additional PO.
5. When you are done adding PO’s you should see a list of PO’s including the original “already-scheduled” PO and the PO(s) you are adding to it.
6. Click 
7. RetalixTraffic.com will now “think” momentarily while it asks Unified’s server about this appointment request, and will then return a message like this:

**Order '12345678' is already scheduled as below:**

**Appointment Start Time:** Wednesday 1/6/2010 12:00 AM

**Duration Time:** 60 minutes

**Confirmation Number:** 18207

Where 12345678 is the PO you have already scheduled.

8. Verify that is the correct Appointment
9. Scroll down to the bottom of the web page and type “add to existing appointment” or “Add On” in the comments box so the Unified Traffic Scheduler knows what change you are requesting.
10. Click
11. We review these throughout the day and when we update it you will receive a revised confirmation to the original appointment showing all the PO's

## Inbound Freight “Prepaid”

### 1. Bills of Lading and Packing Slips

A bill of lading and a packing slip must accompany all shipments. All purchase order numbers must appear on each bill of lading and packing slip. In the event of an incorrect bill of lading, the vendor will supply Unified with a corrected bill of lading upon request. Section “7” of the bill of lading must not be signed.

The vendor is to place on their bills of lading and shall notify their carriers, that “vendor shall pay for ALL accessorial charges”

### 2. Carrier Insurance

All carriers selected by vendor must provide general, cargo, and bodily injury liability insurance totaling a minimum of:

- a. \$1 Million for bodily injury
- b. \$500,000 for property damage
- c. \$100,000 for cargo

Unified Grocers, Inc., must be named as an additional holder of insurance certificate. An original insurance certificate must be sent to Unified Traffic Department.

### 3. OS& D Product Problems: Shipments into a Unified Facility

Adjustments for product problems, observed at the time of receipt at a Unified facility will be documented to the vendor.

All orders shall be deemed to be “SL&C” whereby vendor shall be liable for any OS&D claims and vendor shall file claims with their selected carrier.

Unified shall notify vendor of any product problems including, but not limited to: Product out of code, wrong product, OS&D and shall pay vendor only for the product accepted in inventory.

The freight terms for all vendor returns shall be deemed to be “FOB Origin, Freight Prepaid”, vendor shall pay any transportation and carrier warehousing charges, unless otherwise stated on Bills of Lading.

#### **4. Sorting and Segregating**

The supplier should tender **all** freight to carrier in a sorted and segregated manner according to size, brands and other distinguishing characteristics. Any failure on the part of a supplier to tender freight in a sorted and segregated manner to a carrier could result in a charge-back of sorting and segregating charges and any detention charges, plus and administrative charge.

#### **5. Product Quality and Quantity**

All merchandise furnished to Unified is subject to inspection and approval as part of the receiving process at a Unified facility. Product may be rejected by Unified in its sole discretion in whole, or in part, if inferior quality, dirty packaging, damaged packaging, wrong product, wrong number of cases shipped or un-saleable product. Unless otherwise stated, vendor will be responsible for the cost of each return.

#### **6. Delivery Requirements**

- All carriers selected by vendor must be notified of Unified delivery requirements as shown herein. The main requirements are:
- A delivery appointment is required by the vendor selected carrier.
- Carriers must state the PO number and name of carrier when making appointments.
- Any delivery date changes must be approved by Unified purchasing department (not the scheduling department).

#### **7. Freight Terms**

The vendor must adhere to the legal freight terms as designated by Unified as stated below, and the terms, in their entirety as shown below must be shown on each bill of lading or vendor invoice depending upon whoever is the payer of the line-haul freight charges.

**F.O.B Destination, Freight Prepaid:** for shipments into a Unified facility, whenever Unified pays the freight charges.

**F.O.B Origin, Freight Prepaid:** for shipments from a Unified Facility, whenever vendor pays the freight charges.

#### **8. Late Deliveries and No Shows**

All carriers that are selected by vendor are required to deliver Unified purchases no later than a half hour from their scheduled appointment time. A late charge may be deducted for late shipments.

Vendors are required to deliver freight on the Unified due date. Orders are confirmed by our scheduling department and each PO will be designated in Unified computer by a "C" which means that a carrier has called for an appointment.

Unified shall notify vendor of PO's that did not arrive on carriers appointment date and a \$250.00 deduction off a vendors invoice could be taken if situation persists. Vendors understand that a no show could cause stock-outs and that Unified purchasing department may deduct a greater amount that \$250.00.

## **9. Freight Charges**

Vendor is responsible for all freight and accessorial charges, including, but not limited to: line-haul, loading, unloading, notification, detention, sorting and segregating, lumper, re-palletizing, and re-delivery charges whenever vendor selects a carrier. *Vendor must advise their carrier that vendor is to pay all accessorial charges.*

## **10. Material Safety Data Sheets (MSDS)**

Vendor shall provide Unified Grocers, Inc. with a copy of Vendor's MSDS sheets for all products that could be considered a hazardous material, hazardous substance, or explosive.

## **11. Ties and Height (TI and HI)**

Vendor is to load trucks according to Unified's ties and height requirements, when receiving the TIHI from Unified.

## **12. Correct Name on Bills of Lading**

Shipper shall depict **Unified Grocers, Inc.** on their bills of lading; and not the sub-division of Unified.

## **13. Freight Classification**

Vendor is to make sure that their bills of lading reflects the correct freight product classifications as shown in the National Motor Freight Classification, and that bills of lading **does not** reflect "exception ratings" when carriers Are selected by Unified, and as specified by CFR 49 for Hazmat. The vendor shall be liable for any additional cost due to miss-classifying products on bills of lading.

## **14. Product Returns and Back-Orders**

Unless otherwise specified by Unified, the vendor is responsible for all freight charges and carrier warehousing charges for product returns and back-orders. In the event Unified delivers returns or picks up back-orders, a deduction for the full cost to Unified shall take place.

## **15. Unauthorized Back-Order**

Unless otherwise specified by Unified, a deduction of \$250.00 shall take place for back-orders that were not authorized.

## **16. Lumpers / Helpers**

Carriers that are selected by vendor will be solely responsible for any liability arising from injury to lumpers, drivers or helpers. A statement to this effect must be identified in vendor's contract with vendor selected carrier or transportation broker.

## **17. Transportation Brokers / Carriers**

Vendors shall be responsible for any transportation broker and carrier freight charges.

## **18. Vendor Claims**

Unless otherwise specified, **all** vendor claims or paybacks **must** be submitted to ***Unified no later than 9 months from the delivery date.*** Unified shall not honor any vendor claims or payback for claims that are presented to Unified dated greater than 9 months from the delivery date.

## **19. Carrier Collections**

In the event Unified is placed in collections from a vendor selected carrier, or Unified has been invoiced directly from a vendor selected carrier for any reason, including, but not limited to accessorial freight charges, and after Unified has advised vendor that their selected carrier is invoicing Unified and action was **not** taken by the vendor to relieve Unified from receiving phone calls or letters from a vendor carrier collection person and/or directly from vendor selected carriers demanding payment for various freight related charges whenever freight terms are **prepaid**, Unified at its discretion may:

- Deduct \$500.00 or the amount of freight charge, whichever is greater from vendor invoices without paying the freight charges, and without any additional notice to vendor, after an initial notice to vendor has been given that vendor selected carrier is invoicing Unified for freight related **prepaid** shipments.
- Place vendor on credit hold until claim is resolved.

### **Carriers that have been invoicing Unified for various "accessorial" charges:**

- UPS Freight
- Yellow Freight
- Roadway
- SAIA
- Central Transport
- USF Reddaway
- FedEx

**Unified highly recommends if a vendor uses these carriers that they are notified that vendor is to pay for all accessorial charges as specified in #11 herein.**

*As a side note: Unified does not use any of these carriers, not does Unified contract with them.*

## **20. Unauthorized Item**

Unless otherwise specified by Unified Grocers, Inc., a deduction of \$150.00 shall take place for an unauthorized item and/or unauthorized item substitute.

## Inbound Freight "Collect"

### **1. Bills of Lading and Packing List**

A bill of lading and a packaging slip must accompany all shipments. All purchase order numbers must appear on each bill of lading and packing slip. In the event of an incorrect bill of lading, vendor will supply Unified with a corrected bill of lading upon request.

### **2. Product Quality and Quantity**

All merchandise furnished to Unified is subject to inspection and approval as part of the receiving process at a Unified facility. Product may be rejected by Unified in its sole discretion in whole, or in part, if inferior quality, dirty packaging, damaged packaging, wrong product, wrong number of cases shipped or un-saleable product. Unless otherwise stated, vendor will be responsible for the cost of each return.

### **3. Freight Terms**

The vendor must adhere to the legal freight terms as designated by Unified as stated below, and the terms, in their entirety as shown below must be shown on each bill of lading or vendor invoice depending upon whoever is the payer of the line-haul freight charges.

**F.O.B Destination, Freight Collect:** for shipments into a Unified facility, whenever Unified pays the freight charges.

**F.O.B Origin, Freight Collect:** for shipments from a Unified Facility, whenever vendor pays the freight charges.

### **4. Routing Instructions**

Vendor shall depict on vendors bills of lading, the carrier or broker name that Unified designates, or depict "CPU" or "customer pickup". Vendor shall only ship product to Unified via Unified's selected carrier whenever Unified is the payee of the freight charges. Vendor is not to use the carriers named in the operating procedure for **inbound collect** shipments.

## 5. OS& D Product Problems: Shipments into a Unified Facility

Adjustments for product damages or shortages, observed at the time of receipt at a Unified facility, will be documented at that time and an OS&D deduction off vendors invoice could take place within nine months of delivery. Unified shall pay vendor for only the cases received at destination and accepted by Unified. If continuous shortages or damages occur, Unified shall investigate the instances and make suggestions to remedy the situation. Vendor understands that trucking companies are not legally bound to count cases and that Unified trucking companies shall do so only if it is convenient and timely to do so, except as stated below.

- **Dropped trailer shipments:** In the case of a drop trailer program at a vendor where inspection is not feasible, undisclosed shortages or damages discovered during the Unified receiving process could result in an adjustment to the vendor billing.
- All PO's that are picked up as a dropped trailer shall be deemed to be "SL&C" regardless if driver places "SL&C" on bills of lading.

**Vendor Dock Load Ability:** In the case whereby Unified carrier is **not** allowed on vendor dock for security purposes in order to inspect and count the cases, undisclosed shortages or damages discovered during the Unified receiving process could result in an adjustment to vendor billing. All shipments in this category shall be deemed to be "SL&C" regardless if carrier places "SL&C" on bills of lading.

- Drivers will sign bills of lading **blind** without counting cases at origin whenever the time it takes to count the number of cases exceeds a half hour. Vendor shall be liable for any shortages when the time it takes to count cases exceeds a half hour.
- Unless otherwise indicated on Unified purchase order, title and risk of loss with respect to products will remain with vendor until products have been delivered and accepted by Unified. A packing slip and bill of lading must accompany **all** shipments. If no packing slip and bills of lading accompanies a shipment, the case count and weight reported by Unified will be final and binding upon vendor with respect to such shipment.
- Unified shall sign for **only** the number of cases accepted and shall make a notation on bill of lading of the number of case short or damaged.
- **Concealed Damages:** Unified shall notify vendor within 15 days of delivery.

## 6. Freight Classification

Vendor is to make sure that their bills of lading reflects the correct freight product classifications as shown in the National Motor Freight Classification, and that bills of lading does not reflect "exception rating" when carriers are selected by Unified, and as specified by CFR 49 for Hazmat. Vendor shall be liable for any additional cost due to Miss-classifying products on bills of lading.

## **7. Product Returns and Back-Orders**

Unless otherwise specified by Unified, vendor is responsible for all freight charges for product returns and back-orders. In the event Unified delivers returns or picks up back-orders, a deduction for the full cost to Unified shall take place. Regular orders (not back orders) that are picked up as a CPU, shall receive the full vendor freight allowance as though the entire order was ready and shipped. As an example, if an order is for 1,000 cases and the vendor only ships 900 cases; Unified shall take the allowance for the original 1,000 cases.

## **8. Unauthorized Back-Orders**

Unless otherwise specified by Unified, a deduction of \$250.00 shall take place for back-orders that were not authorized.

## **9. Unauthorized Item / Unauthorized Item Substitute**

Unless otherwise specified by Unified, a deduction of \$150.00 each shall take place for an unauthorized item and/or unauthorized item substitute.

## **10. Pick Up Allowances**

Unless otherwise specified by Unified, **all** vendor freight allowances shall be calculated by the total amount of unit of measure (cases, gross shipping weight, cube, cof, percent of list price, or pallets of Unified's order), and not what the vendor actually shipped.

**Example:** If Unified ordered a shipment calling for 40,000 pounds and the pickup allowance was \$0.50/cwt.= \$200.00 and the vendor only shipped 20,000 @ 0.50/cwt.= \$100.00 Unified shall take the higher of the two.

In the event a pickup allowance is based upon cwt. (hundredweight), the gross weight shall be applicable, **not** the net weight.

## **11. Pallet Exchange**

Unified shall not participate in a pallet exchange program, not pay for pallets.

# Unified Inbound Operating Procedures

## ***Vendor Deductions for Prepaid and Collect Shipments***

### **1. Bad Pallets / Shrink Wrap:**

A \$25.00 per pallet deduction (on collect shipments) and \$10.00 deduction (for prepaid shipments) for each pallet or shrink wrap that does not conform to the Specifications as specified by Unified.

### **2. Bills of Lading or Packing Slips:**

A deduction of \$300.00 could be deducted for any shipment not accompanied by a bill of lading or packing slip.

### **3. Misrouting:**

If vendor uses a carrier other than a Unified selected carrier whenever Unified is the payer. Vendor shall be liable for the difference between vendor's carrier freight charges and Unified contract rate via Unified carrier, plus \$250.00 admin fee.

### **4. Prepaid and Add Freight Charges:**

If it is determined by Unified that the vendor's freight charges to Unified were not competitive, Unified shall pay vendor the freight charges based upon Unified contracted freight rate with Unified selected carrier.

### **5. Incorrect Freight Terms:**

A deduction of \$500.00 will take place for incorrect freight terms on bills of lading. An incorrect freight term example is when a fills out their bill of lading as collect instead of as prepaid for an inbound to Unified shipment.

### **6. Detention:**

A vendor deduction of \$80.00 per hour could take place after two (two) hours free time whenever Unified picks up product at a vendor that resulted in driver delay at vendor.

### **7. Returns or Back Orders:**

A deduction of the actual Unified cost of transportation could be deducted whenever Unified ships.

### **8. Truck Ordered but Not Used:**

A deduction of \$300.00 or actual cost of freight off vendor invoice could take place whenever Unified makes an appointment with a vendor and no product is ready to pick up after driver has been dispatched and attempted to pick up a load.

**9. Late Deliveries:**

A \$25.00 per shipment deduction may take place whenever a carrier does not deliver on the carrier appointment date.

**10. Re-Stacking Product, (Bad Pallets):**

A deduction of the lumper cost to Unified by carrier may take place when a carrier invoices Unified for an additional lumper charge for re-stacking product due to bad pallets.

**11. Accessorial Charges:**

A \$500.00 deduction from vendors invoice could take place whenever a vendor's carrier charges Unified for accessorial charges including, but not limited to notification (making a inbound appointment), sorting and segregating and detention.

***Carrier Driver Prepaid and Collect Procedures***

1. Chock trailer after backing to the dock.
2. Give receiving documents to the checker and receive instructions as to where and how to unload trailer.
3. Unload trailer with electric pallet jack provided by Unified.
4. Two hours are allocated for the unloading of each trailer.
5. The receiving checker will instruct you how to operate the electric pallet jack.
6. Stage product as instructed by the receiving checker.
7. Remove plastic wrap as instructed by the receiving checker.
8. Remove any damage as instructed by the receiving checker.
9. Re-palletize any bad boards as instructed by the receiving checker.
10. Wait for the checker to sign gate pass before leaving.
11. Return to receiving office to sign out as instructed.
12. If driver does not understand these instructions, please have the checker call his supervisor. Driver is not to argue with the receiving checker.
13. Driver is responsible for the work of the contracted labor.
14. Driver must leave Unified immediately after checking out at Unified gate personnel.

**All Carriers Must Have:**

- Proof of Worker's Compensation insurance.
- Valid truck driver's license.
- Proof of general liability insurance.

**Co-Drivers:**

If a driver claims that a person with him is a co-driver, the co-driver must show the following to Unified receiver.

**Valid commercial license, or**

Driver's certification card with company name and/or a standard D.O.T. physical card.

**Commerce Distribution Center (MECH) #501**

5300 Sheila street  
Commerce, CA 90040  
323-254-5200

**Product Perrino Whse**

1625 Perrino Place  
Los Angeles, CA 90023  
323-264-5200

**Santa Fe Springs (frozen/deli & meat) -#104, 107**

15015 Valley View Ave  
Santa Fe Springs, CA 90670  
562-356-8800

**Stockton frozen foods & Deli #116, 117**

2030 Wilcox Rd  
Stockton, CA 95205  
209-931-7464

**Stockton Dry Grocery Whse #106**

1990 Piccoli Road  
Stockton, CA 95205  
209-931-1910

**Fresno Gen. Merchandise Whses #118; #119**

1888 South East Ave  
Fresno, CA 93721  
559-268-8454

**Dairy Products Div. Whse #114**

3626 Eleventh Ave  
Los Angeles, CA 90318  
323-731-8223

**Bakery #113**

457 E. Martin Luther King Blvd  
Los Angeles, CA 90311  
323-232-6124

**Portland, OR –**

13151 SE Pheasant Court  
Milwaukie, OR 97222  
6433 SE Lake Road  
503-833-1386

**Seattle, WA**

10430 E. Marginal Way S  
Seattle, WA 98118