



# **Temperature Controlled Distribution Centre**

**Hornby**

**Christchurch**

## **Merchandise & Operational Standards & Procedure Guidelines**

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**A. Store orders on DC**

Method & Responsibility Individual store orders are accumulated in the PDE (Portable data entry) scanner and forwarded to the warehouse or via SAP replenishment for those stores.

Responsibility for compiling orders rests with the store staff, but the vendors Territory Manager or Rep/Merchandiser may also be involved in this process one or more times a week.

Territory Managers should work closely with store department staff so that they are kept informed of upcoming promotional lines, new products and range deletions on a timely basis. Foodstuffs South Island Ltd (FSSI) do formally advise forthcoming promotions by way of advertising schedules.

Care should be taken in ensuring the correct unit of measure (e.g. bulk V's repack) is specified for each product.

Timings & Frequency Orders must be transmitted by the agreed PDE/SAP order schedule time.



**C. Vendor Order Picking & Despatch**

Timing The purchase orders are picked by the vendor and despatched in order to meet the agreed scheduled delivery day/time.

Documentation Requirements The consignment is to be accompanied by a packing slip that must quote the FSSI purchase order number.

An advanced shipping notice (ASN) is to be sent prior to all purchase orders being received.

The invoice quoting the FSSI order number is to be forwarded to;

**Foodstuffs South Island Limited.  
Private Bag 4705  
Christchurch.  
Attn: Accounts Payable Department.**

Pallet configurations Each product is to be placed on a separate pallet. If there are two or more dates for the same SKU then they must also be separated on their own pallet.

A separate licence plate receipt label will need to be generated on receipt at the Hornby DC where there is more than one best by date supplied for a product.

Single SKU pallets are to be a maximum height of 1.20m (including the pallet) and shall not exceed one tonne in weight.

Labelling No special requirements for pallets.

Cartons are to be coded with GS1 128 barcode for articles with less than 90 day life giving product number and best by date. Refer to GS1 guidelines for barcoding.

Product dates Short shelf life products will be delivered into the Hornby DC so as to have a minimum of 21 days remaining shelf life at the time of receipt. There may be exceptions to this that will be by arrangement/agreement.

## D. Receipting into the Hornby DC

**Timings & bookings** Deliveries can be made 5 days per week, Monday to Friday and scheduled booking slots will be confirmed. There may be opportunity for Saturday deliveries by special arrangements.

If the transport company anticipates a late arrival then the vehicle driver is required to contact the inwards good office, to advise them of the delay and anticipated new arrival time.

Contact: Inward Goods Supervisor.  
Phone No (03)372 2939 6am – 5.30pm

The booking slot covers only 1 truck. Therefore if the order is being carried on more than 1 vehicle then it will be necessary to advise the Hornby DC the previous afternoon.

**Unloading** Expected unloading time is 30 minutes per vehicle. The consignment note will be signed only for the number of pallets received and will be signed STC (subject to check).

**Pallet Management** All Chep pallets received by the Hornby DC are managed on a transfer system. Foodstuffs Hornby transfer the Chep pallets onto their account from a vendor or carrier's account daily via an electronic batch to Chep.

**Damages discrepancies** & The Hornby DC receiving staff are responsible for checking the pallets on arrival. Any damages or omissions are to be noted where possible, on the driver's copy of the consignment note and clearly signed by both parties. FSSI will advise the vendor with relevant details of the product damage or count discrepancy within a 24-hour period.

The vendor should provide contact details to the Inward Goods Supervisor & Buyer for delivery discrepancy advice.

**Receipting Product** **Dated** Product is scanned into the warehouse under the Warehouse Management System. The GS1 128 barcodes will allow for the management of dated product.

Warehouse exception reports will provide information to the buyer and warehouse team on product dates.

## E. Demand Management & Promotions

Promotional calendar	<p>Promotional submissions shall be done in line with the banner group procedures.</p> <p>Reconfirmation of promotions by FSSI promotion manager shall include the timing, promotion type and deal. For promotions where an abnormally high lift in sales volume can be expected as a result of a low RSP (retail selling price) should be clearly communicated to both the vendor and the buyer.</p> <p>The vendor and FSSI should jointly agree on estimated volume lifts to assist with timely ordering into the Hornby DC.</p>
Co-management	<p>Vendor's Account Managers should meet regularly with Banner Group Promotional Managers to review future market activity and promotional lifts.</p>
Promotion Stocks	<p>Should be time managed to allow for store draw-off in the latter part of the week prior to the arranged promotion (buy-in week).</p>
Promotion Pricing and Claims	<p>Promotions pricing can be managed through "Warehouse Withdrawals". FSSI will claim the arranged deal amount back from the vendor through weekly claims.</p> <p>Details of WWP's can be sourced from the Banner Group Promotion Managers.</p>
Instore Promotions	<p>Where a vendor's representative is to arrange special deals involving volumes at store level, the FSSI buyer must be advised prior with estimates to ensure stock will be available unless a VMI arrangement is operating.</p>
Dual Supply	<p><b>All</b> products listed for warehousing shall only be supplied through the Hornby DC. No vendor or distributor is to supply a listed product line to a FSSI member/customer under any circumstance, without prior authority from the Wholesale Merchandise Manager.</p>

**F. Retail Support**

Merchandising

FSSI retail banner groups will not expect to see any reduction in current support to the stores. The delivery of stock to stores will have strict schedules that will allow the call-cycle for vendor's merchandisers to be arranged. Delivery schedules can be made available on request through our Distribution Centre Manager or Buyer.

**G. DPA (Damaged product allowance)**

DPA criteria FSSI will provide the members/customers with DPA at the bottom of each warehouse invoice for all chilled & frozen products.

DPA is intended to cover the following incidentals;

- All damaged product, or those with minor manufacturing faults affecting less than one carton, or bulk equivalent lot.

DPA is not expected to cover the following incidents;

- Incorrectly priced or short or over supplied goods for which claims for credits/charge should continue to be made in the normal manor.

Any banner group member who believes their goods have been damaged in transit because of faulty equipment and/or incorrect handling procedures would be requested to direct this information to the attention of the Hornby Distribution Centre Manager.

DPA Where vendors have not provided Ullage to FSSI, the member has the right to claim for any credit directly against the vendor.

## H. Product Recalls

### Procedures

In the event of a product needing to be recalled from the market the vendor will follow the procedures as can be found on the FSSI website

[www.foodstuffs-si.co.nz](http://www.foodstuffs-si.co.nz)

The screenshot shows the Foodstuffs South Island Limited website. The left navigation menu includes: HOME (START HERE), ABOUT US (COMPANY PROFILE), BRAND INFORMATION (ABOUT OUR BRANDS), and VENDOR DETAILS (HOW WE DO BUSINESS). Under VENDOR DETAILS, there is a sub-menu for TRADING WITH FOODSTUFFS, which includes: The Vendor Account, Charge Through Facility, Payment Terms, Terms of Trade, Pricing, Invoicing, Claims Resolution, Ranging, B2B eCommerce, Space Management, Product Recall, and Business Review. The main content area features the Foodstuffs logo, a photo of a store aisle, and a 'Brand details' sidebar with logos for NEW WORLD, PAKnSAVE, FOUR SQUARE SUPERMARKET, henrys, and Trents. The main text on the page is titled 'Product Recall Procedure' and states: 'You are here: home | vendor details | how we do business | trading with foodstuffs | product recall'. Below this, it says: 'We wish to remind you that our group members and Foodstuffs South Island Limited have an obligation to comply with the New Zealand Food Amendment Act 1996, the Food Standards Code Australia New Zealand, and the New Zealand Health and Safety in Employment Act 1992. In order to do so we have to be assured that product(s) supplied either direct to our members, or via our warehouses comply with this legislation. In the event of a food and health safety issue resulting in either a public product recall or trade product recall, we request that the following communication lines to Foodstuffs South Island Limited be followed.'

### Credit requirements

It is not intended that any product will be brought back to the Hornby DC as a result of a product recall. Therefore a process will need to be implemented where the Hornby DC can pass a credit to the store and in turn the vendor will credit the Hornby DC. Stock in the stores will be the responsibility of the vendor to collect, or sight and dispose.

**I. Performance Measures**

Service levels into Hornby DC: Should be monitored by the vendor and reports for variances provided to the buyer.

FSSI has developed a reporting system to monitor the vendor's performance into wholesale operations.

Service levels from the Hornby DC Measured weekly by FSSI reporting system.

Product performance exception reports Product is monitored regularly to ensure it meets volume expectations.

Product reports on stock and sales performance is available to a vendor on request and under the VMI program.

## **J. New Product Introductions & Deletions**

Introductions Refer to the FSSI website for details.

[www.foodstuffs-si.co.nz](http://www.foodstuffs-si.co.nz)

Deletions The vendor shall notify the FSSI Buyer of any product line that is to be deleted.

Product identified as not meeting certain performance criteria will be deleted from the warehouse range. The vendor will be advised of this in writing along with the amount of remaining stock on hand that will need to be cleared from the Hornby DC. One month will be given from the date of the letter to action this request. Failure to respond to the request will result in a Pro forma credit claim being raised against the vendor for the remaining stock.

**K. Management of Short Dated Lines**

Monitoring	<p>The Buyer will receive daily Pre-expiry exception reports for stock that is coming due to expire past its "use-by" date.</p> <p>The vendor will be notified of all dated inventory in order to take necessary action as appropriate to sell stock through to retail before expiry dates apply.</p>
Sell down	<p>The Buyer and vendor should liaise to allow for sell through of short/expiry dated product to retail. An agreement on price reductions for sell through can be made in conjunction with the buyer and a warehouse withdrawal account will be sent to the vendor for the agreed amount based on the FSSI nett cost.</p>

**L. Foodstuffs (South Island) Ltd Approved Supplier Standards Programme**

All vendors and distributors of chilled and frozen product to FSSI and its members are required to meet the above programme.

Requirements

Refer to the FSSI website for further information.

[www.foodstuffs-si.co.nz](http://www.foodstuffs-si.co.nz)

**Appendix 1: Key Contact Details**

Foodstuffs South Island

Hornby Distribution Centre Manager – Scott Fairweather  
Connaught Drive  
P.O.Box 2778  
Hornby  
Christchurch  
Ph: (03)372 2931  
e-mail: [scott.fairweather@foodstuffs-si.co.nz](mailto:scott.fairweather@foodstuffs-si.co.nz)

Inward Goods Supervisor  
Connaught Drive  
P.O.Box 2778  
Hornby  
Christchurch  
Ph: (03)372 2936

Central Buyer – Tony Condon  
Main North Road  
Priv. Bag 4705  
Papanui  
Christchurch  
Ph: DDI (03)353 8960  
e-mail: [tony.condon@foodstuffs-si.co.nz](mailto:tony.condon@foodstuffs-si.co.nz)

Central Buyer – Brent Hodson  
Main North Road  
Priv. Bag 4705  
Papanui  
Christchurch  
Ph: DDI (03)353 8642  
e-mail: [brent.hodson@foodstuffs-si.co.nz](mailto:brent.hodson@foodstuffs-si.co.nz)

## **Appendix 2: GS1 barcoding requirements**

The FSSI System (WMS) has been designed to scan and read GS1 128 Barcodes. The date coding formula is outlined in the GS1 New Zealand "Why & How" manual and we bring your attention to our date formats as listed below:

### **1. AI 11 - Production Date**

- a. Format – n6 as yymmdd

### **2. AI 13 – Packaging Date**

- a. Format – n6 as yymmdd
- b. The packaging date is the date on which the base product contained in the package has been packed.
- c. The production date is the date on which the product was made.

### **3. AI 15 Maximum Durability Date**

- a. Format – n6 as yymmdd
- b. The maximum durability date indicates the limit of consumption or use of a product. It is a statement about public safety.
- c. It is often referred to as "Use-by-date" or "Expiry date".

### **4. AI 17 – Maximum Durability Date (Expiry date)**

- a. Format – n6 as yymmdd
- b. The maximum durability date indicates the limit of consumption or use of a product. It is a statement about public safety.
- c. It is often referred to as "Use-by-date" or "Expiry date".

FSSI Limited will require GS1 128 barcode information to be supplied in the above format.

### **3. Random Weight Products**

In order to handle variable weight products in the Hornby DC the following Application Identifiers (AI) are required. Other AI's can also be within the GS1 128 but the following are ***Mandatory***:

- (01) GS1 barcode
- (21) Serial number an incremental number to uniquely track the carton.
- (310n) Net Kilo weight - where 'n' indicates the number of decimal places in the following detail.

Additionally, there must be an indication of either packaging or production date for boxed meat, or for all other articles, the best before or expiry date.

- (11) Production Date OR (13) Packaging Date
- (15) Best before date OR (17) Expiry date/Use by.
- (37) Quantity within the carton. This is not mandatory for WMS

In the case that random weights are sold in repack the unit must have the (310?) kilo weight on it as well as any other Retail Barcode if applicable. The repack random weight barcode must comprise ONLY of the weight of the individual repack unit and have the same serial number as the carton in which it comes from.

**Policy Statement****A) Usage of GS1 128****1. No Requirement for GS1 128**

There is no requirement to apply GS1N 128 to products in the following two categories:

1. Products that do not go through central distribution.
2. Products that do not have a best before or used by date on the retail unit.

(Please note: for these products existing GS1 barcodes are still required)

**2. Products with a shelf life greater than 90 day's**

For a product with a shelf life greater than 90 days, with a use by date on the retail unit, the industry would prefer the GS1 128 to be applied to each carton, but the minimum requirement is that an SSCC using GS1 128 technology must be applied to the pallet.

**3. Products with shelf life of less than 90 days**

For products with a shelf life of less than 90 days, the GS1 128 must be applied to each carton.

**B) Proposed Content of the GS1 128**

<b>Application Identifier</b>		
00	Serial Shipping Container Code.	Mandatory for pallets.
01	GS1-UCC Item Number/Shipping Container Code.	Mandatory.
13 15 17	Packing Date. Minimum Durability Date (best before date). Maximum Durability Date (use by Date).	1. At least one of these is mandatory. 2. 15 and/or 17 is mandatory if printed on the retail unit.
21	Serial Number.	This AI is optional but used by Foodstuffs (South Island) Limited to identify unique carton serial number for random weight products only.
310	Net Weight, kilograms.	This AI is mandatory for random weight products only.
37	Count of items contained in a logistics unit.	This AI is mandatory, but will be recommended to our suppliers to identify the number of cartons in a pallet

All other Application Identifiers are optional.

### Decision Tree When to use Barcode 128

