

## Supplier Pallet Control Procedures Communication

Effective 1st August 2011

### □ General Summary

This updated communication is to reinforce the procedure for movement of CHEP and Loscam Pallets into Coles Distribution Centre's. All updates are shown in blue font/italic. It is important that this document is read and understood by all key stakeholders (Site Managers / Supervisors and Equipment Controllers). *It is the suppliers responsibility for ensuring that their contractors comply with the pallet control procedures.*

With the exception of the following DCs (9288 Goulburn NSW, and 9711 Launceston - TAS), pallets received into a Coles Distribution Centres will be transferred onto the Coles account by use of CHEP or Loscam equipment documentation. *This includes 9525 Mercorella Burton in SA*, who now operate on Coles pallets accounts. Electronic printed dockets are the preferred docket type for Coles. Access to electronic pallet management systems is available from your pallet supplier as part of a standard service agreement. Please contact them for further support.

DCs (9288 Goulburn - NSW, 9711 and Launceston - TAS), are a one for one pallet exchange only.

### □ Receiver Declares Rule

Coles have in place a receiver declares rule. This means that Coles will advise CHEP and Loscam of any pallet transfers on / off retrospective DC accounts. Suppliers and Carriers cannot transfer pallets onto the Coles account.

### □ Delay Days

Coles applicable delayed days are 33 days for all Ambient, Chilled and Liquor DCs. *For Fresh Produce DCs (excluding QLD Carter & Spencer), delayed days are 7 days.* Suppliers/Carriers are to have the effective date and movement/shipment date as date of delivery *into DC*. If there are any questions regarding delay day effects on your invoice please contact CHEP or Loscam Customer Service. Note: Carter and Spencer applicable delayed days are 5 days.

### □ Receiving Documentation

Coles suppliers are required to provide 2 copies of a CHEP or Loscam equipment documentation when delivering stock into a DC. Electronic printed dockets are preferred to hand written, *with one docket per load per sending account (not multiple dockets for one load)*. Each docket must be correctly filled out with the dispatching and receiving account numbers. Both copies of the dockets will be stamped, signed and dated by the DC. Note: One copy will be retained by the DC for processing with CHEP or Loscam, the other will be returned to the driver. Drivers are to ensure that all paperwork is stamped before leaving the site. If a delivery is received without relevant equipment documentation or is incomplete then a Missing Docket (MD) will be issued.

### □ Missing Dockets

A Missing Docket (MD) is issued to a carrier / supplier when pallets are received at a DC with no or incomplete paperwork. A MD provides the details of the delivery for use to raise a new CHEP or Loscam equipment documentation - A newly raised docket together with the white copy of the MD must be returned to the DC *by hand or registered mail* within 60 days for the transfer to be honored. The new equipment documentation will be processed at the date of its return to the DC; it will not be backdated to the date of delivery.

### □ Product Quality - Rejected Stock

Rejected Stock - At Delivery

If products received into a DC are rejected at time of delivery the carrier delivering the stock must take the goods with them on departure. Equipment documentation will be adjusted to show the amended qty of pallets - if a credit claim is raised for the rejection - the credit claim number will be noted on the bottom of the equipment documentation.

The carrier must sign both the credit claim and the CHEP or Loscam equipment documentation to acknowledge that stock has been rejected.

Rejected Stock - After Delivery

If products) received into a DC is rejected after the carrier has already left the DC or if stock is being returned to a supplier a Coles DC Con Note will be raised. A copy of the DC Con Note will accompany the stock.

If a credit claim is raised for this rejection - the credit claim number will be noted on the bottom of the DC Con Note.

The carrier or supplier who picks up the stock must sign both the credit claim and the DC Con Note.

▫ **Coles Collect Carriers**

Coles Collect requires all pallets to be transferred to carriers' accounts. This will ensure that transfers to DCs become the responsibility of the Coles Collect carriers and streamlines the pallet process.

Pallets should have an effective transfer date of 33 days following the due delivery date *into DC* and not 33 days from pickup date.

All transfer dockets must be stapled to the top of pickup paperwork. Where a local carrier collects freight for line haul by a second carrier then transfer should be made to the local carrier.

▫ **Pallet Quality**

Due to pallets being damaged through normal use, it is necessary to perform a quality check on pallets for any potential OH&S risks before delivering pallets to Coles.

We request that you only deliver pallets to Coles which meets the quality standards of the pallet suppliers, with specific attention paid to the following criteria:

- No missing or loose boards
- No broken boards or boards with cracks more than 50% across the width of the board.
- No pallets with boards that have been excessively pushed back by forklift impact.
- No missing owner logo
- No protruding nails

We also encourage you to take steps to minimise the damage caused to pallets by poor handling practices in the supply chain. These include:

- Forklift attachments to transfer the impact point from the pallet boards to the bearer.
- Best practice pallet-handling training for your staff.

Please contact your pallet supplier for more information on the tools available for checking pallet quality, forklift attachments and best practice pallet handling posters and training courses.

Poorly presented pallets impact our ability to unload your vehicles in a timely manner. If a pallet is not up to standard it should not be used to deliver stock to Coles and should be dehiired back to the asset owner.

▫ **Queries**

Where it becomes necessary to query processing of equipment documentation with a DC; eg: Unprocessed docket, Quantity or Date corrections, it must be directed to the receiving Coles DC *within 90 days from the delivery date, however claims up to 6 months will be considered on a case by case basis*. If your pallet supplier invoice cycle is monthly, we recommend you request this to be changed to weekly or fortnightly. If not feasible we recommend you check the status of your dockets through the online management systems provided by your pallet supplier on a daily basis. Should you require any assistance, contact the customer service team of your pallet supplier. If the DC approves the documentation (copy of DC stamped equipment documentation) supporting your claim the transaction will be honored at the delivery date.

If a response is not received from the DC within 14 days - a follow-up with the DC must be performed and escalated by adding a cc to the Returnable Assets Mailbox, e-mail: [Returnable.Assets@coles.com.au](mailto:Returnable.Assets@coles.com.au).

Failure to follow this standard procedure may result in pallet claims not being honored.

▫ **Where can I get help / assistance?**

General Enquires for Coles Pallet Control should be directed to <mailto:Returnable.Assets@coles.com.au> by email or phone (see contact details below).

DC related queries should be directed to the Equipment Controller at each individual DC.

DC Pallet Account Numbers / Contact Details, and Returnable Assets Contact Details are available on the Coles Website at: <http://www.supplier.coles.com.au/contacts/default.aspx>, under "DC Pallet Control".