



Receiving Guidelines

Effective Date: 1/1/19

In logistics, receiving provides the setup for all other warehouse activities, so problems related to receiving affect the entire operation. In order to provide the best experience for you, Materialogic utilizes a methodical, repeatable, and scalable receiving process. We believe in continuous improvement throughout our organization and that philosophy applies to our Receiving Guidelines as well. This allows the inbound operation to make better use of resources and move inventory as efficiently as possible.

By following the guidelines, you will help Materialogic provide expedited service levels for your receiving needs, be able to ship to customers quicker and will avoid unnecessary charges, errors and delays.

Before you ship: Checklist



Your checklist

- Create a purchase order (ASN)
- Ensure receiving will arrive with packing list and Bill of Lading
- Properly label and package pallets, cases and units
- Product and product counts in receiving must match those listed on the ASN
- Receiving arrives at warehouse at the pre-scheduled appointment date/time (if more than 5 pallets)

Warehouse Location and Appointment Information:

Materialogic Location:

3100 Corporate Exchange Court
Bridgeton, MO 63044
(314) 770-9200

Hours of Operation:

- Receiving at the warehouse is scheduled between
 - 8:00am and 4:00pm CST – Monday through Friday
- Any special arrangements for deliveries during off-hours must be coordinated directly through the Warehouse Manager.



Holidays Observed by Materialogic: (Exact dates of closing will be published each year)

- New Year's Day (1/1/19)
- Good Friday (4/19/19)
- Memorial Day (5/27/19)
- 4th of July (7/4/19)
- Labor Day (9/2/19)
- Thanksgiving (Thursday and Friday) (11/21/19-11/22/19)
- Christmas Eve (12/24/19)
- Christmas Day (12/25/19)

Delivery Appointment Information:

Delivery appointments are required for all containers and/or shipments with 5 or more skids.

- If all required information is not available at the time of scheduling an appointment, a delivery appointment will not be scheduled.

Materialogic requires the following information via telephone call to schedule a receiving appointment:

- Carrier name
- Pallet count and carton count
- Purchase Order number
- Shipper's Name
- Trailer number, Tracking number, container number and/or Pro number
- Person's name and telephone number who is requesting appointment

Appointment scheduling timing:

- Containers – must be made 5 business days in advance
- LTL/Truck – must be made 24 hours in advance

Container Deliveries:

- If your driver misses the delivery window, they should follow the same steps as scheduling. Materialogic will need at least 1-2 business days' notice, and there must be an available time slot in our dock schedule. We cannot make exceptions to this process. If your driver attempts delivery outside the scheduled delivery window, they will be turned away. You are responsible for all fees incurred by your carrier resulting from a missed delivery window.
- Most delivery carriers will allow a standard 2-hour unloading time. If the inbound shipment is floor loaded and not palletized, unloading may take longer. Please expect either drop or hook fees where the trucker will drop the container and pick up the empty the next day, or wait fees from the trucking company. Materialogic is not responsible for these fees.



Receiving Policy

The following section defines the guidelines required to be followed for all shipments to be received into a Materialogic facility.

Inbound Advance Shipment Notification Requirements

All inbound shipments must have an ASN (purchase order) in Materialogic's Infoplus system **PRIOR** to the arrival of the inbound receipt. This is a requirement for every shipment, regardless if an appointment is required or not.

Entry of the ASN into Infoplus can be done via manual entry, bulk loading of multiple purchase orders or EDI.

Mandatory data requirements in the ASN include:

- PO #
- Vendor Name
- Customer Name
- SKU
- Quantity per SKU
- SKU cost (Value)

Value Added Service Available for Exception Handling (No ASN)

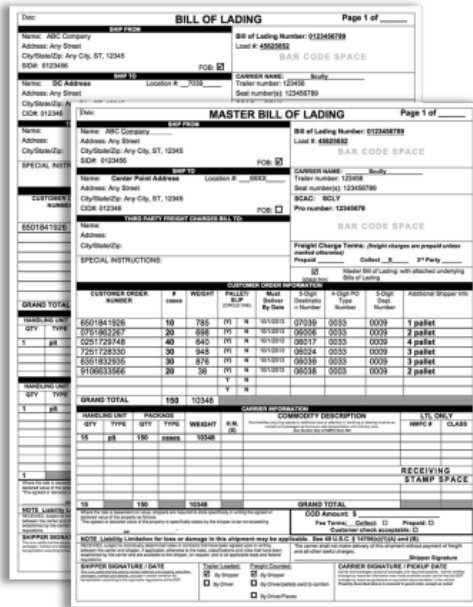
Materialogic recognizes that there could be occurrences that a shipment is received at our facility that our clients were unable to provide a purchase order in advance or do not know the SKUs being received due to lack of knowledge of the shipment from their supplier. In order to continue to manage our receiving dock and sustain our service level agreements for all clients, the following value added service is available to our clients.

1. Client will be notified of the receipt and provided as much detailed information as possible regarding the product, including pictures.
2. The receipt will be placed at the end of the queue for the Receiving department work and the 48 hour time to process a receipt for the Materialogic service level agreement will begin once all information is provided to Materialogic.
3. Client will have 24 hours to provide and input a purchase order into Infoplus.
4. After 24 hours with no information, Materialogic will putaway the product into a location under a generic PO and generic SKU to clear our receiving dock and keep visibility of the product for our clients
5. Upon entering the appropriate PO information, our Client Services team will enter a requisition to pull the generic SKU out of inventory and have it delivered back to Receiving to follow the proper receiving process.
6. Charges will be incurred for the initial receipt/putaway, the req/line charge and the second receipt/putaway.

Inbound Shipment Documentation Requirements:

The following 2 items are required to accompany each shipment:

- Packing Slip – a packing slip must be attached to the outside of the lead carton. The packing slip must be facing outward on the pallet or box in clear view of the unloader. The packing slip must contain:
 - Customer Name
 - Purchase Order Number
 - Trailer number (if known)
 - Packing slip / shipper reference number
 - Carrier name
 - Supplier item number (SKU)
 - SKU description
 - Number of units (based on defined unit of wrap)
 - Number of cartons
 - Quantities per carton of each item shipped
- Bill of Lading – a bill of lading should be provided by the carrier at time of delivery

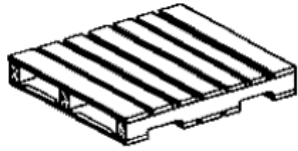


The image shows two overlapping forms. The top form is a standard 'BILL OF LADING' and the bottom form is a 'MASTER BILL OF LADING'. Both forms include fields for shipper and consignee information, carrier details, and a table for cargo items.

QUANTITY	TYPE	WEIGHT	CLASS	DESCRIPTION	UNIT OF MEASURE	DATE		
10	785	IV	N	10/10/10	07030	0035	0009	1 pallet
20	698	IV	N	10/10/10	08026	0035	0009	2 pallet
40	642	IV	N	10/10/10	02017	0035	0009	4 pallet
30	948	IV	N	10/10/10	08024	0035	0009	3 pallet
30	878	IV	N	10/10/10	08030	0035	0009	3 pallet
20	38	IV	N	10/10/10	08038	0035	0009	2 pallet
GRAND TOTAL		100	10348					

Pallet and Carton Specifications:

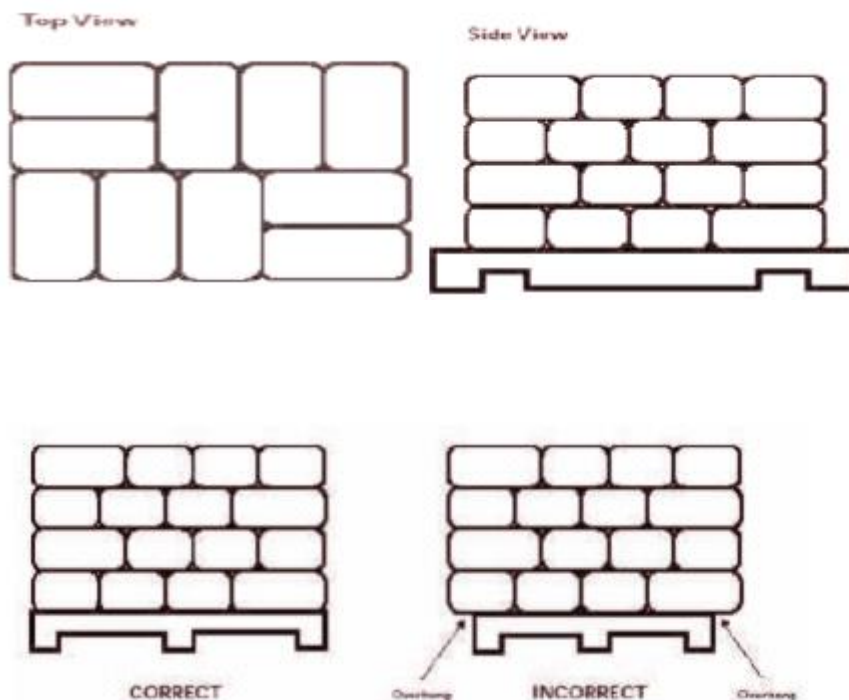
- All product delivered must be palletized:
 - 48" x 40" pallet – Maximum pallet load dimensions (including pallet)
 - 4-way entry pallet



4-Way Entry

- Maximum pallet load height (including pallet) is 50" for standard locations
- Maximum pallet load height (including pallet) is 45" for climate controlled location (55-65 degrees)
- Individual pallets are not to exceed 3,000 pounds.
- Cartons cannot overhang the dimensions of the pallet. If palletized as shown below in incorrect photo, cartons will be required to be restacked on additional pallets to eliminate the overhang and applicable charges will apply.

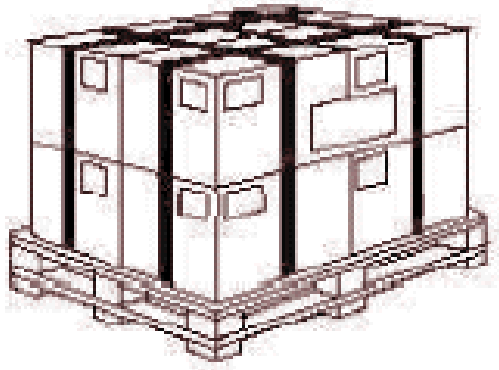
Proper Pallet Loading Pattern:



- All materials on a pallet must be secured to prevent shifting of cartons/materials through the use of shrink wrap (preferred), strapping, binding, and/or skid corners.

Labeling Guidelines and Shipping Label Placement:

Cartons on Pallets – The preferred method for labeling cartons is with a bar code label, that is also human readable.



Each carton must be individually labeled or have required the information stamped on the carton. All labels will be visible on the perimeter of the pallet whenever possible (see picture). Carton labels must include the following information:

- Supplier Item (SKU) Number – MUST BE SKU NUMBER USED FOR OUTBOUND ORDERS
- Supplier item (SKU) description
- Purchase Order Number (Materialogic ASN)
- Quantity in Carton
- Unit of Measure (unit of wrap) – this is how an item will eventually be shipped out (by pack, box, case, each, etc)
- Lot number or Serial number, if applicable
- Supplier name

Shipping labels should be located on the top of the pallet, away from any packing tape.

Bar Code Symbology and Specifications:

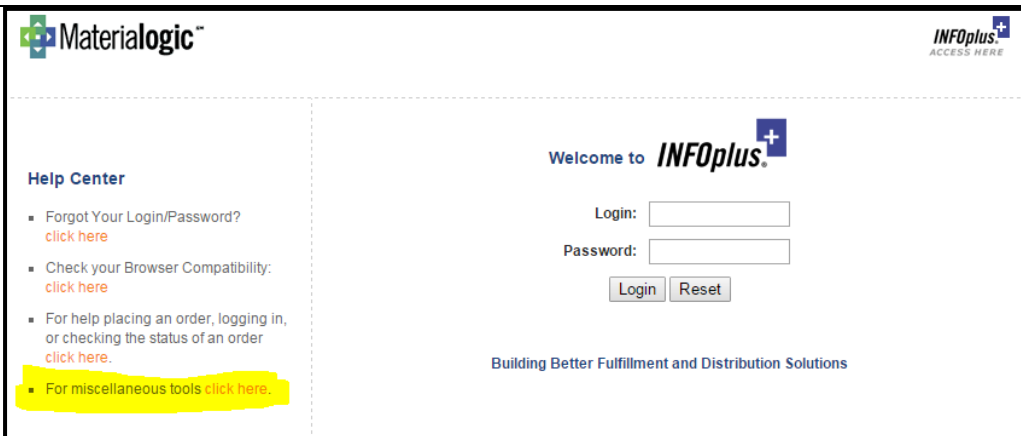
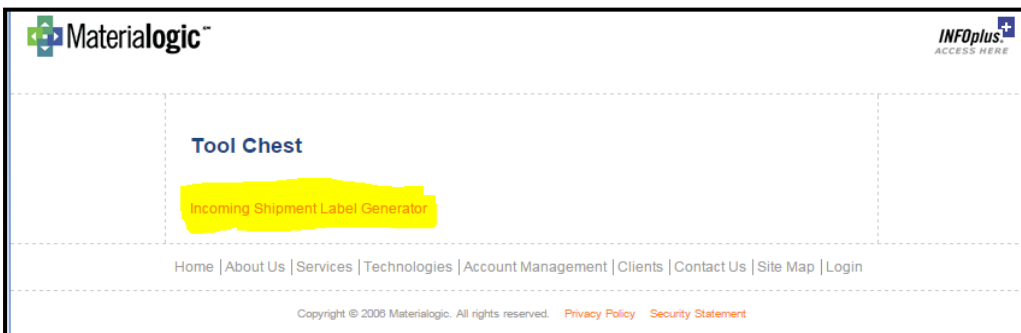
Preferred method for labeling is a human readable label that includes a bar code with the required data above the embedded in the code. This will be a future mandatory requirement for all cartons received by Materialogic.

Materialogic recommends the use of Code 128 as the preferred barcode symbology. The sizing of the label should be 4X6". Required fields are highlighted noted with an asterisk.

	Field Description	Field Length
PO Number*	Client Purchase order number referencing the order placed with the supplier	15 Characters
SKU Number*	Also referred to as Control or Item number	18 Characters
Quantity*	Total amount of product in the unit of shipment	6 Digits
Unit of Wrap*	Description of the way an item is wrapped. I.e. Bundles, Sets, Shrink,	5 Characters
Quantity Per Wrap*	Number of individual products (each) in a unit of wrap	6 Digits
Activity tracking number	Used to capture Lot number, Sequence number range, or the Serial number range of an item	10 Characters
Country Of Origin*	Where an item is produced	4 Characters
Carrier Name	Name of transportation carrier. I.e. UPS, or ABF	12 Characters
PRO	The number on carrier's bill of lading	20 Characters
B/L	The number on carrier's bill of lading or carrier's tracking number	20 Characters
Unit number	The number of a carton or pallet from the total number of cartons or pallets shipped. I.e. 12 of 45	Field Title

A label generation program is available for anyone's use at www.materialogic.com.

- Select Login in the top right corner
- Select Miscellaneous tools (see highlight)
- Select Incoming Shipment Label Generator (see highlight)
- Complete the form to produce a label to print



FROM Name <input type="text"/> Address <input type="text"/> City State Zip <input type="text"/> <input type="text"/> <input type="text"/>	PRODUCT SKU/Control Number <input type="text"/> Description <input type="text"/>
TO Location -- select a location -- <input type="text"/> Name <input type="text"/> Address <input type="text"/> City State Zip <input type="text"/> <input type="text"/> <input type="text"/>	PO Number <input type="text"/> Production Lot <input type="text"/> Quantity Per Carton Quantity Per Wrap <input type="text"/> <input type="text"/> Type Of Wrap Country Of Origin <input type="text"/> <input type="text"/>
ACTIVITY TRACKING NUMBER Starting # Ending # <input type="text"/> <input type="text"/>	

A sample of the label is below:

SHIP FROM: Vendor Name Vendor Address City, State, Zip	SHIP TO: Materialogic Dist Center #06 3100 Corporate Exchange Ct Bridgeton, MO 63044
Purchase Order Number ABCD12345	CARRIER: Carrier Name PRO: 123456789 B/L: 123456789
Activity Tracking Number Starting # 123456789 Ending # 123456789	Quantity 1000 Unit Number ## of ## Unit Of Wrap Pack Qty Per Wrap 0100 Country Origin 1234
SKU/Control Number ABCD1234567890EFGH	

Carton/Pallet packing requirements:

Carton Packing:

- Cartons should contain a single SKU only.
 - One “runt” carton may have mixed SKUS in a carton, but the carton must be CLEARLY marked as MIXED SKUS.
- Quantity per carton of a single SKU must be consistent for all cartons on a PO.
 - One “runt” carton may have a different quantity, but must be clearly labeled with quantity.
- SKUS within the carton should be labeled with the identifying orderable SKU #

Definition and example of master cases / unit of wrap:

- If you purchase product in bulk, it is extremely important that you pay attention to how it is packaged for shipment to you from your supplier.
 - Materialogic cannot be held liable for incorrect quantities shipping for an order due to an incorrect assumption on the unit of wrap by our customers.
 - This is one of the most critical components of receiving and inventory management to set up correctly at the time an item master record is created.

- Definition of a master case:



- The unit of wrap for a SKU that you define on your order to your supplier MUST match how your inventory is stored at Materialogic and ultimately how you order the product from Materialogic.
- Once you have decided how your product will ship, by base product (Each), Inner Pack (Box, Bundle), or by Master Case, that’s how the product will be received into inventory.
 - In the example above, if your unit of wrap is determined to be the inner pack and we received 2 master cases, your inventory quantity for this SKU will be 4.
 - If we receive an order to ship out for this SKU for a quantity of 4, the recipient of the order will receive 2 master cases (16 eaches or 4 inner packs).
 - If we receive an order for this SKU for 1, your customer will receive 1 inner pack (4 eaches).



Pallet Stacking:

- Pallets should contain a single SKU only.
- The exception pallet which contains more than one SKU must be clearly marked as a MIXED PALLET. This should be limited to a maximum of one pallet per shipment.

Exception Handling (Inaccurate Packing, Labelling, Stacking)

Materialogic recognizes that there could be occurrences that a shipment is received at our facility that our client's suppliers were unable to meet all of our Receiving Guidelines related to carton/pallet packing and/or labeling. In order to continue to manage our receiving dock and sustain our service level agreements for all clients, the following value added service is being provided to our clients if they choose to have Materialogic correct the issues rather than returning the receipt to their supplier.

- Clients will be notified regarding any significant deviations of non-compliance. (For example, every carton in the shipment is mixed skus or has varying unit counts of the same sku.
 - Client will be provided a time and material quote to correct the shipment to meet our guidelines.
 - The shipment will be taken to our Special Projects Department for the work to be performed.
 - Once completed, the shipment will be returned to the Receiving Department to go through the standard receiving process.
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- Clients do have the option to return the shipment to their supplier for correction, or pass through the charges incurred at Materialogic to their supplier.

Non-Compliance Charges:

Charges will be invoiced monthly for any non-compliance in Materialogic's receiving process. Please refer to your agreement for specific charge amounts. Materialogic requirements are needed to process client's receipts efficiently and timely in order to meet our service level agreements. Deviations from these requirements results in delays and incremental labor. Clients need to provide all requirements to suppliers and if necessary pass along the non-compliance charges to suppliers to correct any deviations.

There are 2 new changes in regards to non-compliance to the Materialogic Receiving Guidelines

1. Materialogic has instituted a standard flat administrative fee for each type of violation that is in addition to the specific charge amounts defined in your master agreement.
 2. Materialogic is providing value added services to our clients to assist with the correction of violations to our Receiving Guidelines
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- Unfortunately, due to the significant impacts non-compliance to our receiving guidelines has on the entire distribution facility, Materialogic has been forced to implement the administrative flat fee for each type of violation. These are intended as punitive charges to deter the non-compliance behavior.



ADMINISTRATIVE FLAT FEE SCHEDULE

1. Failure to schedule appointment or missed appointment time	\$100.00
2. Misconfigured Pallets a. Incorrect Standard Pallet (non four-way pallet) b. Height over maximum 50" c. Overhang on pallet	\$150.00
3. Failure to provide PO number prior to date of receipt or PO number is inaccurate, if provided in advance	\$200.00
4. Missing or inaccurate carton labels / markings on entire shipment	\$100.00
5. Mixed cartons not properly labeled as "mixed"	\$100.00
6. Mixed pallets not properly labeled as "mixed" or excessive quantity of mixed pallets	\$100.00
7. Improper packing of cartons – multiple SKUS per carton in excess of the runt carton	\$200.00
8. Improper packing of cartons – mixed quantities of a sku / carton	\$100.00
9. Failure to provide packing slip and/or bill of lading at receipt	\$100.00
10. Inaccurate unit of wrap on carton label and/or packing slip compared to item master record unit of wrap	\$100.00
11. Request for a RUSH receipt	\$100.00

***NON-COMPLIANCE CHARGES ARE CUMULATIVE (Multiple charges per shipment may occur)**

Materialogic understands that due to the nature of Client's business, some inbound materials may not conform to the receiving specifications. Client agrees to coordinate with Materialogic on the receipt of such non-conforming items and with advance notice and Materialogic agreement, such items will be considered as conforming to our requirements. Materialogic also understands that the initial transfer inventory may not conform to the labeling requirements and will work with Client to manage the existing stock until Client can bring its vendors in to compliance on future receipts.