

SHOPKO®

Vendor Partnership Manual

Section 1 – Introduction

What's New

*No changes have occurred in this chapter
since our last update in
July 2017*

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1. Purpose of the Vendor Partnership Manual

The purpose of the Vendor Partnership Manual is to keep you, our valued vendor partner, better informed. We recognize that by developing a comprehensive manual such as this, the benefits can only be fully realized when both parties are committed to their side of the two-way street.

This manual is intended to communicate Shopko's requirements. Departments within Shopko will continue to send out their requirements to the appropriate departments within your company.

It is imperative that you review the manual and implement whatever changes are necessary to meet our business requirements. Failure to meet these requirements can result in: delays in getting your product to our customers, data integrity issues with our on-hand inventory, or delays in issuing payment to you for your products. To offset any costs or lost sales we may incur, and to emphasize the importance of compliance, we have implemented non-compliance penalties. These penalties are clearly discussed within each section of the manual.

2. Vendor Philosophy

The philosophy of Shopko is to form a long lasting relationship with vendor partners to optimally manage the merchandise supply pipeline. This will allow us to respond, in the most cost effective and efficient manner possible, to consumer and market need, by providing the customer with the right merchandise at the right time, place and price.

3. C-TPAT Compliance

Shopko Stores Operating Co., LLC is an active participant in U.S. Customs C-TPAT partnership program. C-TPAT is a voluntary joint government-business partnership to enhance supply chain and border security.

In participating, Shopko recognizes that Customs can ensure the highest level of security only through close cooperation with the ultimate owners of the supply chain – importers, carriers, brokers, warehouse operators and manufacturers.

Shopko is committed to assessing and improving our supply chain security. Vendors are expected to cooperate with Shopko in these efforts. It is our intent to work with our business partners as a team to improve our supply chain security practices.

4. Consumer Product Safety Improvement Act of 2008 (CPSIA)

Shopko is committed to providing customers with products that are safe. Consistent with this commitment, it is mandatory that all products supplied to Shopko by our vendors comply with all applicable federal, state, and local laws and regulations regarding product safety, including without limitation, the Consumer Product Safety Improvement Act of 2008 (CPSIA). This includes, but is not limited to, the following:

- Furnishing Shopko with general conformity certification that products comply with the rules, bans, standards, or regulations enforced by CPSC.
- Complying with all CPSC standards regarding lead and lead paint, phthalates, small parts, and toy safety standards.
- Complying with all CPSC standards pertaining to a Children's Product Testing Program and Reasonable Testing Program.
- Testing products by accredited third-party testing laboratories, when required.
- Use of tracking labels, when required, and compliance with other labeling requirements.

These are mandatory standards. All Shopko vendors must ensure the products being sold to Shopko comply with the CPSIA.

For more information, please feel free to contact the Manager of Product Regulatory and Quality at 920-429-7496.

5. CONEG/Heavy Metals in Packaging

It is mandatory that all Shopko Vendors comply with all CONEG/Heavy Metals in Packaging laws, regulations, and standards.

6. Washington Children's Safe Product Act

It is mandatory that all Shopko vendors comply with the Washington Children's Safe Product Act. This includes but is not limited to the following:

- Insuring the chemicals identified by the act are not present in the product or below the levels detailed within the act.
- Vendors must insure proper reporting with the State of Washington when applicable.
- Furnishing of supporting compliance documentation to Shopko when requested.

All applicable products sold to Shopko must comply with the Washington Children's Safe Product Act.

For more information please call Shopko's Manager of Regulatory and Quality at 920-429-7496.

7. Shopko Private Label, Direct Import Vendor – Product Regulatory & Quality Requirements

7.1 Product Testing

All vendors supplying Shopko with private label, direct import or toy merchandise must have the product tested through a Shopko approved laboratory. This applies to all categories of product sold in our stores. For more details, please refer to Chapter 8; Product Regulatory & Quality, of this manual or call Shopko's Manager of Product Regulatory & Quality at 920-429-7496. Additionally, Shopko has a separate Product Regulatory & Quality Manual detailing the Product Testing Program.

7.2 Product Inspections

All vendors/factories supplying Shopko with private label merchandise must adhere to the Final Random Inspection Program. For more information concerning this program, please refer to Section 8 of this manual for a general overview. Shopko has a separate Product Regulatory & Quality Manual detailing the Product Inspection Program. Please contact a member of Shopko's Product Regulatory & Quality team for a copy. Contact information is available in Chapter 8 of this manual.

7.3 Factory Approval / Social Accountability

All factories producing Shopko private label merchandise must be approved by Shopko's Manager of Product Regulatory & Quality prior to production being placed at a specific location. All factories must comply with Shopko's Factory Social Compliance program.

Shopko has a separate Product Regulatory & Quality Manual detailing the Factory Approval / Social Compliance Program. Please contact a member of Shopko's Product Regulatory & Quality team for a copy. Contact information is available in Chapter 8 of this manual.

7.4 Non-Compliance Chargebacks

Failure to follow Shopko's Compliance requirements may result in a chargeback. Please see Shopko's Product Regulatory & Quality Manual for details. Contact information is available in Chapter 8 of this manual.

8. Utah Licensing

Utah law requires that every manufacturer, supply dealer, wholesaler (including importers) of bedding, upholstered furniture, quilted clothing and products which can be used in the making or repairing of these articles, whose products are offered for sale within the State of Utah, obtain annually a license issued by the Department of Agriculture and Food for their particular type of business. This license must be purchased prior to the time such merchandise enters the State of Utah or before engaging in repairing or reupholstering furniture or bedding, and before manufacturing regulated products within the State.

All Vendors providing Shopko with bedding and/or upholstered items must have their manufacturers obtain this license from the state of Utah prior to the goods being shipped to Shopko.

9. Registrations and Licensing

9.1 Product Registrations, Labeling and Packaging Registrations, Licensing and Facility Licensing

Federal licensing and registration along with, any and all, applicable State licensing and registration is a requirement of various products. It is the responsibility of the Vendor to be familiar and aware of all product and facility licensing/registration regulations and requirements at both the Federal and State levels. It is the vendor's responsibility to insure all licensing and registration is completed on an annual basis so there is no lapse of license or registration. Vendors will be asked to submit proof of license and registration.

10. Green Claims

Vendors/Agents/Manufacturers must ensure any claims of “green”, “eco-friendly”, “degradable”, “compostable”, “ozone safe”, “ozone friendly”, “recyclable”, “free-of”, “non-toxic”, “made with renewable materials”, “made with renewable energy”, etc. on all product and packaging, complies with all guidelines as outlined by the FTC.

11. Benefits

The benefits include:

- Maximize customer service
- Monitor and react to customer demand
- Optimize inventory positions
- Shorten time frames within the supply chain
- Remove non-value added costs and efforts
- Achieve increased sales and profits