

SHOPKO[®]

Vendor Partnership Manual

**Section 11 – Reverse Logistics
& Product Recall**

What's New

Please review the following areas within this chapter. Changes have occurred since our last update in July 2017

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1. Merchandise Returns

1.1 Customer Merchandise Returns

Shopko Reverse Logistics, located in the DePere Distribution Center, and Recall Processing (located in each of our Distribution Centers/Stores), is the consolidation point to handle the vast majority of their Vendors merchandise returns. There, Shopko Reverse Logistics and its Vendors can analyze and efficiently process the vast majority of those customer merchandise returns.

Product Return Policy

It is the responsibility of the Shopko Merchandise Buyers to negotiate merchandise return policies with the Vendors they deal with. Shopko reserves the right to return goods at current order cost or Shopko's average cost. The policies are consistent with the Terms and Conditions of the Purchase Order. The policies available are:

- **Defective Allowance:** Shopko reserves the right to retroactively recover any defective shortfalls.
- **Return to Vendor (RTV):** Recovery of full cost value + a 10% consolidation fee + in/outbound freight.
 1. Automatic RTV: (Preferred Method). The return of merchandise automatically to the Vendor without a written authorization each time we need to return merchandise.
 2. Request RTV: The request of a return authorization each time we need to return merchandise. RA's are requested by email via Retek. See example in the exhibit section of this chapter. If a Return Authorization is not given within 14 days from request, we will offset merchandise cost and charges against funds currently owed to the Vendor. If insufficient funds, Vendor to remit check within 30 days of notification to lockbox:

Shopko Stores Operating Co., LLC
PO Box 8787
Carol Stream, IL 60197-8787
- **Credit and Destroy (C&D):** Reverse Logistics requests a Return Authorization (RA) on each merchandise return. They would recover full cost value + a 10% consolidation fee (plus inbound freight); reduced to 5% consolidation fee (plus inbound freight) if allowed by the Vendor to salvage.
- **Any changes in pricing to pre-authorized returns must be included with the Return Authorization (RA).** Chargebacks will not be allowed.

1.2 Product Recall Return Policy

Recall merchandise is product recalled for a merchandise vendor, consumer protection, or a government mandated process. Shopko will consolidate "recalled" merchandise for vendors in each of the Shopko Distribution Centers (unless directed to handle at store level).

- **Recall Returns:** Recovery of full cost value + a \$1.20 per carton fee + in/outbound freight (inbound freight only if merchandise is shipped collect from the Shopko Distribution Center).
- **Credit and Destroy:** Recovery of full cost value + 10% handling fee + inbound freight (no inbound freight charge if destroyed at store level) according to ship out notice.

2. Exhibits

Return to Vendor RTV Invoice (example)

Run-date: 09-16-2015	RETURN TO VENDOR PACKING LIST	Report ID: RK0715
Run-time: 10:03:42 AM	RTV INVOICE 14526693	Page.....: 1
JOB NAME: RK0715	SHOPKO STORES OPERATING CO., LLC	

SHIP FROM LOC :	0989 REVERSE LOGISTICS 1717 LAWRENCE DRIVE DEPERE, WI 54115-9129	SHIP TO LOC:	FLOWERS BY !!!! 100 MAIN STREET ANYWHERE, USA 12345
DEA CODE :		EMAIL:	MFLOWERS@FLOWERS BY.COM
VENDOR NAME:	FLOWERS BY !!!!!!!!!!!	RETURN POLICY:	REQUEST RA
VENDOR #:	90000000001	RETURN FREIGHT POLICY:	NO FRT
VENDOR PHONE #:	920-999-0000	RTV AUTH ID:	D033716
VENDOR FAX #:	920-999-9999	RTV TYPE:	RTV
CONTACT NAME:	MAY FLOWERS	REASON FOR RETURN:	DEFECTIVE MERCHANDISE
CARTON COUNT:	2	QUANTITY:	370
CARRIER:	UPS (UNITEDPARCELSERV) 3 RD PRTY	MERCH \$ COST:	1845.00
BILL OF LADING:	1Z58X400	CONSOLIDATION AMT:	184.50
WEIGHT:	88.00	FREIGHT IN:	0.00
CREATED ON:	09/03/15 BY: TDCSAK1	FREIGHT OUT:	0.00
MODIFIED ON :	08/06/15 BY: TDCSSG2	HANDLING CHARGE:	0.00
SHIPPED ON:	08/06/15 BY: TDCSSG2	TOTAL \$ AMOUNT:	2029.50

COMMENTS: RETURN FREIGHT PAID BY SHOPKO / RA NEEDS TO BE POSTED ON RETURN CARTON/S. ONLY WITH RA# IS SHOPKO ALLOWED TO RETURN PRODUCT. 02-19-15 NO FRT BER BUYER, FRANK WOODS UPS 1Z58X40003499999999 1Z58X400034988888888

DEPT	COLOR	ITEM #	QTY	SIZE	EA COST	EXTENDED COST	MANUFACTURER #	DESCRIPTION
200		123456	9	7"	37.00	333.00	DPA123D-1234PUP	DOUBLE PETUNIAS BASKET
200	RED	234567	10	15"	54.00	540.00	NB15K-543BEG	BEGONIA BASKET
200	WHITE	345678	6	15"	54.00	324.00	IMP15-621IMP	IMPATIENCE BASKET
200	PINK	54321	9	15"	54.00	486.00	GER543-2311GER	GERANIUM BASKET
200	ASST	98762	3		54.00	162.00	HRN256-987222	HORN OF PLENTY BASKET

END OF REPORT