



Veterans Canteen Service

# Supplier Standards Manual

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## Document Control

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## **About VCS**

VCS is nationally recognized for its many innovative food and retail concepts. The canteen is considered by most customers as the VA Company Store, benefiting the veteran patients and their families, as well as VA caregivers.

VCS operates as a self-sustaining business, at no cost to America's taxpayers. Salaries and operating expenses are paid from VCS earnings. Every dollar of income generated by VCS is returned to medical centers to help improve the quality of life for veteran patients and to improve the quality of the workplace for VA employees. VCS is organizationally aligned under VHA (Veterans Health Administration).

Our Mission:

*"To provide America's Veterans, enrolled in VA's Health Care System, their families, caregivers, VA employees, volunteers, and visitors, reasonably priced merchandise and services essential to their comfort and well-being".*

As an integral part of the VA community, VCS is a customer-driven organization consistently delivering merchandise and services of exceptional quality and value to the Veteran by a knowledgeable, friendly, and enthusiastic team that takes pride in our mission.

VCS is made up of several buying divisions including **Retail Operations, Food Operations, and Vending Operations**. Support Departments include Engineering/ Equipment, Finance and Accounting.

## **INTRO**

Welcome to the VCS (Veterans Canteen Service) Supplier Standards Manual. This manual is your guide to doing business with VCS. The manual will provide you with information necessary to streamline the processes that bring your merchandise and services to our customers. To achieve that goal, we ask that you support VCS's goal of maximizing the use of industry-wide technologies including U.P.C. (Universal Product Code) and Electronic Data Interchange (EDI).

We strongly encourage Suppliers to review the entire Supplier Standards Manual and direct any questions regarding the content of this manual to the representative of the appropriate VCS business. A Guide for Conducting Business with VCS can also be found on our web site. For more information, log onto:

<http://www.vacanteen.va.gov/DoingBusinessWithVCS.php>

## **1. Getting Started**

Once a buyer/business lead has agreed to do business with your company, the next step is to read this manual and the associated information found on our web site listed above.

Once you've completed those steps and are sure that you can meet the requirements of doing business with VCS as outlined in this document. If you are requesting to become a

supplier for VCS, contact the appropriate buyer/VCS business lead to present your product/service. Once you are approved, you will be asked to complete and submit a Trading Partner Agreement form. Form can be found at:

<http://www.vacanteen.va.gov/DoingBusinessWithVCS.php>.

## **2. Technology**

VCS is committed to following industry standards to maximize the utilization of our technology investment to ensure that we provide the best possible customer service. We expect that our Suppliers maintain sufficient technological capabilities. This includes the ability to process EDI transactions (see section 5 below).

The following technology resources may be of assistance:

- Voluntary Inter-Industry Commerce Standards at <http://www.vics.org/>
- GS1 at <http://www.uc-council.org/>
- National Retail Federation at <http://www.nrf.com/>

## **3. Supplier Number**

VCS will assign a Supplier number to all companies doing business with VCS. This number will be required on all documentation/communications with VCS. This includes invoices, orders, billing and payment information, etc.

## **4. UPC/EAN/GTIN Requirements**

VCS's scanning, ticketing and POS systems are equipped to utilize U.P.C. and EAN codes. We require that all retail products that are sold in our retail stores are identified with a scannable bar code attached to the product. Please contact GS1 at <http://www.uc-council.org/> for any questions related to getting started in barcoding product.

All of our EDI transmissions are traded at the U.P.C. (Universal Product Code) level; therefore, you must be 100% U.P.C. marked.

## **5. EDI**

VCS utilizes Electronic Data Interchange (EDI) to trade business documents electronically. EDI is the automated application-to-application exchange of business data such as purchase orders, invoices, shipping notices and PO Changes. VCS is committed to strengthening Supplier partnerships through the application of industry standard technology. VCS requires the transactions listed below to be transmitted and/or received in an EDI formatted transaction. The requirement may vary depending on the Line of Business you support within VCS. Our EDI specifications are posted at:

<http://www.vacanteen.va.gov/DoingBusinessWithVCS.php>.

VCS requires all Suppliers to test with us through Direct EDI, Inc. If as a supplier you do not have EDI capabilities, Direct EDI will provide options that will still allow for transmission of EDI transactions to and from VCS in a format understandable to both parties. Contact can be made by logging onto their web site and establishing a user ID and password:

<http://www.directedi.com/vcs>

Note: Suppliers who deliver an invoice along with the product to VCS locations without an advanced order on file - Direct Store Delivery (DSD) – are not required to submit an invoice or receive an order through EDI. (Examples – Coke, Pepsi, Frito Lay, etc.).

### **5.1. Current EDI Document Requirements**

The following are EDI transactions that will be utilized by VCS. These transactions will be implemented over the next 12 months. Not all transactions are required of all suppliers. Use the timelines on the table accordingly.

<b>850</b>	Purchase Order	Required for all suppliers currently receiving manual orders from VCS through faxed or emailed purchase orders.
<b>810</b>	Electronic Invoicing	Required for all VCS suppliers
<b>997</b>	Inbound/Outbound Functional Acknowledgement	Required for all VCS suppliers
<b>856</b>	Advanced Shipping Notice (ASN) including UCC-128 Bar Code label	Required for selected suppliers identified by VCS – January 2011
<b>812</b>	Electronic Credit/Debit	Required for all VCS suppliers – Spring 2011
<b>855</b>	Purchase Order Acknowledgement – change notification	Required for all Retail suppliers - Spring 2011
<b>860</b>	Purchase Order change – initiated by the buyer	Required for all Retail suppliers – Spring 2011
<b>888</b>	Item Maintenance	Required for all Retail suppliers – Spring 2011
<b>832</b>	Price/Sales Catalog from Supplier	Required for all Retail suppliers – TBD

### **5.2. VCS’s EDI Testing Methodology**

#### **Why we test with every trading partner regardless of translator or EDI service provider**

The purpose of conducting EDI testing is to confirm our trading partners ability to exchange EDI data in compliance with EDI Standards, our EDI guideline requirements, and to provide confirmation that the turnaround details from one business transaction to another is correct and that the partner is able to accept in inbound documents such as the EDI 850 PO and EDI 860 PO Changes and send outbound documents such as the EDI 810 invoice, EDI 856 ASN and a scan-able shipping label in the correct format.

This involves testing the connection with the suppliers, EDI standards syntax validation, VCS's EDI guideline segment / element requirements, and additional business rules such as specific conditions based on order model (direct ship to store) .

VCS has made the decision to require supplier level testing versus product level testing. This means that each trading partner will be required to test with our current testing partner Direct EDI, Inc. The reasons for this decision are as follows:

- Validate the VAN connection per supplier. Although the trading partner may be trading with other retailers and/or we are currently trading EDI transactions through the 3<sup>rd</sup> Party EDI Service the trading partner utilizes, there is still a setup process per supplier that needs to be completed. The confirmation of connectivity test is represented by processing an EDI 997 document.
- Even if we are currently trading EDI transactions through the 3<sup>rd</sup> Part EDI Service the trading partner utilizes, we still need to test to validate:
  - Business Rules based on Order Model to include invoicing method
  - UCC-128 Labels are scan-able
  - Business validation rules around case versus each ordering
  - Data synchronization of items
- EDI Service Providers often have more than one product including an integration service, which moves data in and out of the supplier's backend systems. This setup is identical to an EDI Supplier that hosts its own EDI service and requires testing.
- Once testing is complete, VCS wants to reap the benefits of EDI immediately. If we did not perform this type of detailed testing with each trading partner, then we will be forced to "test" the transactions in production, which would slow down our realized benefits.
  - Additionally, the EDI 856 ASN/UCC-128 is a high profile transaction and the quality of the data and barcode scan will make or break the efficiencies gained.

### **5.3. EDI 856 Advanced Shipping Notice (ASN) – Selected Suppliers Defined by VCS (*Future Enhancement*)**

#### **5.3.1. EDI 856 (ASN):**

VCS requires a VICS EDI 856 ASN with carton level information for every shipment to a VCS store. Merchandise shipped by small package carriers requires one EDI 856 per carton. In order to send an EDI 856 ASN:

1. Complete testing for EDI 850, EDI 810 and EDI 856/ UCC-128 label through Direct EDI, Inc. prior to trading the 850, 810 and 856 documents with VCS.
2. If you install a new EDI 856 ASN system or make any changes to the current program contact our EDI Team at VCS and Direct EDI, Inc.
3. Suppliers must use correct, valid PO numbers in the EDI 856.
4. The EDI 856 must be 100% accurate and include all mandatory segments and must match the shipment. We recommend a "scan and pack" method of EDI 856 ASN creation.



5. Do not include U.P.C. codes for any quantities not shipped, including merchandise that is back-ordered.
6. Never transmit the same UCC-128 number on more than one EDI 856 ASN. We cannot accept corrections on a systematic basis. If you need to correct the ASN, contact the EDI Business Team at VCS prior to transmitting the corrected ASN.
7. Every EDI 856 ASN must accurately provide “ship to” numeric code in the N104 segment that matches the “ship to” numeric code in the N104 of the EDI 850 Purchase Order.
9. Charges could be assessed if:
  - Removed from program due to continued inaccurate ASNs
  - ASN is inaccurate
  - No ASN is sent or it is sent later than the time of receipt

**5.3.2. VCS UCC-128 Label Requirements:**

1. All Shipments to VCS locations require UCC-128 (SSCC-18) Shipping Container labels.
2. Your UCC-128 data must be included in your EDI 856 ASN ship notice transmission.
3. You should have an ongoing UCC-128 bar code quality control program in place that ensures ANSI A or B print quality when scanning with a 10-mil aperture. Be sure to use “smudge-proof” labeling / ink and high quality paper products. For best results, the correct combination of paper, ink / ribbon and printer type should be chosen based on your method of shipping so that your labels arrive at our distribution centers in a scannable condition. Do not use colored paper for UCC-128 labels, use non-reflective label stock and ink.
4. Create your UCC-128 Shipping Container label based on the UCC specifications. If you use the 4” by 6” label format, your UCC-128 bar code should be 3.02” in length, 1.25” in height, with a .25” quiet zone on each side. Only use UCC / EAN-128, subset C bar code symbology with the nominal X dimension of 20 mil.
5. Every UCC-128 number you generate must be unique (across shipments, across divisions, across distribution centers, across departments, over time). NEVER REPEAT CARTON NUMBERS. Although industry standards state UCC-128 should not be re-used for 1 year, VCS strongly recommends that you never re-use UCC-128 numbers, and that you disable the ability to generate duplicate labels in your system. If you send us cartons with duplicate UCC-128 numbers you may not be paid on time.
6. Labels should be placed on top of the carton, parallel to, but not overlapping the seam. Do not place labels over product ID numbers, UPC barcodes, retail price, or other consumer information. Be sure the label is placed so that the bar code is scannable, i.e. not on a seam or the corner of the carton, no closer than 1.25” from any edge.
7. Do not affix a UCC-128 Shipping Container Label to your carton until you are providing pack level detail to your ASN transmission.
8. DO NOT COVER PRODUCT INFORMATION WITH THE UCC-128 label where the shipping carton is also the display (selling unit) carton on the selling floor (examples: toaster ovens, glassware sets, cookware sets, etc.). Use removable UCC-128 labels, shrink-wrap each carton before applying the UCC-128 labels, or

design your packaging to provide a space for the UCC-128 that does not interfere with selling floor display.

9. Do not cover your UCC-128 label with any tape. Covering the label with clear tape creates “reflection” which causes your label to be unreadable.
10. VCS transmits the Department number in the REF segment of the 850 Purchase Order document. Please refer to the 850 EDI Mapping Guides for additional information.

### **5.3.3. All shipping labels (UCC-128 or manual) require the following information:**

1. Ship from (Company name & address) (Zone A)
2. Ship to name and address. This information is obtained at time of routing and could be different than what is on the purchase order. (Zone B)
3. Postal Code – (Zone C)
4. Bill of Lading number, carrier information - Conditional Field (Zone D)
5. Purchase order number, VCS Department number and promotional verbiage from the SAC 15 segment of our EDI 850 PO. (Use a minimum 20 point bold font). (Zone E)
6. Identify number of smallest shipping unit, whether cartons or pallets shipped against each purchase order (i.e. 1 of 3, 2 of 3, 3 of 3). (Zone F)
7. Specific “Mark For” information will be transmitted within the purchase order; VCS Store number (minimum 30 pt. bold font, no abbreviations). (Zone H)
8. Standard for Shipping Container Codes (SSCC) -128 bar code symbology with quiet zone of .25”, minimum length of 3.02” and minimum height of 1.25”, 20 digits Human Readable in. (Zone I)

### **5.3.4. Example of a UCC-128 Label**

*(Future Enhancement)*

## **5.4. UPC Catalogue – Retail Suppliers (*Future Enhancement*)**

VCS will begin using UPC Catalogs with the implementation of the Oracle Retail Management system. This will take place at a future date.

## **6. Replenishment**

### **6.1. Replenishment Overview**

The VCS buyer/business lead determines the best method of replenishment. There are currently 4 methods of replenishment of basic product:

1. **Auto Replenishment (A/R)** – VCS’s Oracle Retail system generates replenishment orders either directly to the store based on sales, inventory levels and established stock levels. The purchase orders are transmitted to the Supplier as an EDI 850 transmission.
2. **Store Order Replenishment** – VCS store associates determine order quantity using a handheld device based on the active, authorized assortment. The purchase orders are transmitted to the Supplier as an EDI 850 transmission and are usually expense items.

3. **Direct to Store Delivery** – DSD is utilized for daily/weekly store delivery type of merchandising for those Suppliers that are able to provide the billing invoice at the time of delivery. Examples of product that are appropriate for this program are Coke, Pepsi, Frito Lay, Various Food Suppliers, and other delivered product. The purchase order, receipt, and match will be created at time of receipt. Only authorized assortment items will be accepted. A purchase order number is NOT required on the invoice because the purchase order will be created at time of receipt at the store. In order to ensure accurate cost prices it is imperative that all cost changes be submitted to the VCS buyer/business lead no later than 30 days prior to the effective date of the cost change.
4. **Manual Orders CO** – Placed by the buyer/business lead based on special events, grand openings, etc. requirements to supplement replenishment with additional product or one time buys. These purchase orders are transmitted to the Supplier as an EDI 850 Transmission.
5. **Manual Orders Field** – Placed by a field manager either by phone or fax. Order will not be transmitted via EDI. Store receives the product upon delivery without a pending purchase order on file. An 810 EDI Invoice transaction is required for billing.

## **6.2. Supplier Requirements**

VCS requires a quick response to auto replenished product. To be considered for auto replenishment, suppliers must:

1. Have merchandise availability to achieve a 95% or greater fill rate.
2. Be able to ship complete within 48 hours with no substitutions.
3. All replenishment orders are “ship or cancel” (i.e., no back orders unless VCS has otherwise specified in writing).
4. Work with VCS buyer/business lead to set seasonal goals and objectives and work to maximize return on inventory.
5. Work with the VCS buyer/business lead to develop, validate, and maintain merchandise assortments.
6. Maintain shelf stock at the U.P.C. or EAN level, all in accordance with VCS needs.
7. Communicate price increases for replenishment items to appropriate VCS buyer/business lead in writing at least 30 days prior to the effective date of the change and confirm that increase is reflected in POs issued after effective date.

## **6.3. Purchase Order Information**

1. All VCS's divisions use EDI POs (where appropriate). Exceptions must be approved by VCS Merchandising Officer for Retail/Vending Operations, Chief of Engineering, or by the Director of Food Operations for the suppliers supporting each business.
2. Suppliers that have not yet made arrangements to receive an EDI PO must call the appropriate buyer/business lead or VCS EDI contact to make arrangements for connection.
3. Suppliers must verify the accuracy of every PO detail, including not before and not after dates, cost price, and payment terms.

4. Do not ship merchandise until all details are confirmed and the correction of any PO discrepancies are verified by VCS receipt of an EDI retransmission or a new printed copy of PO documenting EDI PO changes from the original transmitted order. In addition, in the event of an agreement to a change in the cost price, the Supplier must verify that such cost price changes have been completed by the buyer/business lead.
5. Suppliers that request a change to the PO (e.g., not before/not after dates, style substitutions) must receive an EDI retransmission or new printed PO confirming that such change was entered into the VCS system.
6. Do not ship merchandise before the “Not Before” date or after the “Not After” date without VCS prior written authorization. Even if VCS accepts such untimely merchandise, charges may be assessed.
7. Shipment of merchandise that does not comply with the applicable PO, whether as to style, color, size, or otherwise, may result in charges being assessed, even if VCS accepts the merchandise.
8. Suppliers must follow VCS distro as listed on the PO and must not over-ship for any store.
9. VCS reserves the right to reject unauthorized substitutions, invalid orders, canceled orders, early shipments, late “Not After” shipments, over shipments and duplicate shipments (“unordered merchandise”). VCS may reject unordered merchandise and return to the Supplier for disposition at the Suppliers expense. VCS reserves the right to assess charges in respect of unordered merchandise whether rejected or accepted.
10. For inbound POs, Suppliers must include collateral U.P.C. or EAN codes on all transmissions. Before re-transmitting an inbound EDI order, notify the appropriate VCS Business.

## **7. Logistics**

### **7.1. Shipping Instructions**

VCS has no national warehousing facilities; all shipments ordered by canteens are to be shipped directly from the supplier to the ordering canteen’s shipping address.

**The receiving location’s address may vary from the ordering location’s address – such as San Juan, Puerto Rico & Vancouver, WA.** Please refer to the VCS receiving location address listing located in the Transportation Guides found at:

<http://www.vacanteen.va.gov/DoingBusinessWithVCS.php>

1. VCS preferred shipper is Fed Ex Ground for packages not exceeding 150lbs. For packages over 150lbs., the VCS preferred shipper is Fed Ex National LTL.

**NOTE:** if Supplier agreement states that (you) the Supplier pays for shipping, then the Supplier may ship by best possible means.

2. When VCS pays for freight, all shipments ordered by VCS are to be shipped via FedEx Ground using the Bill Third Party option. The buyer/business lead will coordinate this with the supplier.
  - a. Shipping charges will be invoiced directly to VCS.
  - b. Costs associated with any other method of shipment falling outside of these guidelines will not be paid by VCS and will be the responsibility of the shipper.
  - c. Additional fees associated with your FedEx Ground® shipment including weekly pickup fees, (where applicable) will be invoiced to you.
  - d. A complete list of all fees can be found at fedex.com.

Note: Use of any other carrier, required buyer/business lead approval. If freight exceeds \$250 and the VCS FedEx freight account is not used, a copy of the freight bill must accompany the invoice. Freight will not be reimbursed until the freight bill is received. This is a requirement of the Department of Transportation.

3. Transportation Routing guides (with store shipping addresses) for both Origin and Destination can be found on the VCS web site under:

<http://www.vacanteen.va.gov/DoingBusinessWithVCS.php>

4. VCS definition on “Start Ship” (not before) and “Cancel Date” (not after):
  - a. **Start Ship:** The first day a bill of lading (BOL) can be assigned to a PO and the first day it leaves the supplier’s warehouse.
  - b. **Cancel Date:** The last day a bill of lading can be assigned that PO. The PO cannot be assigned a BOL after the Cancel date. The Supplier must get approval in writing from the buyer/business lead to extend the cancel date. **If no approval for an extension is given, then the order is cancelled.**
5. Submit a separate invoice for each shipment and purchase order.
6. Include a copy of the invoice and/or packing slip in the shipping case. Match each packing case with the PO number.
7. Time sensitive shipments (2<sup>nd</sup> day or overnight delivery) that requires a service other than FedEx Ground requires authorization from the VCS Buyer/Business Lead prior to shipping.

## **7.2. Special shipping instructions for Off-shore Stores:**

Shipping Ocean Freight Collect or Freight Collect will not be accepted. Failure to follow the shipping instructions for VCS Off-Shore Stores may relieve VCS from all short, damaged, and/or loss claims in shipment.

### **7.2.1. San Juan, PR Locations**

**#0672101(Retail), #0672102(Food), #0672104(Vending)**

All shipments for San Juan, PR canteen #672 originating from the mainland U.S. must be shipped to the consolidator in New Jersey for all weight packages including shipments over 150lbs. However, if Supplier agreement states that (you) the Supplier pays for shipping, then the Supplier may ship by best possible means. For San Juan only, please notate on the outside of each carton/package the following information along with the purchase order number:

Veterans Canteen Service #672 VA Medical Center  
10 Calle Casia Street  
San Juan, PR 00921-3201  
PO# XXXXXXXX  
Tel 787.641.7582 ext 10316/1031

**Shipping Address:**

**Veterans Canteen Service #672  
VA Medical Center  
%VA Consolidate Freight Forwarder  
152 US Highway 206, Bldg 15A  
Hillsborough, NJ. 08844**

**7.2.2. Anchorage, AK Locations**

**#0463101(Retail), 0463102(Food), 0463104(Vending)**

All shipments for Anchorage, AK canteen #463 from the mainland U.S. must be shipped to the transport company in Fife, Washington for all weight packages including shipments over 150lbs. However, if Supplier agreement states that (you) the Supplier pays for shipping, then the Supplier may ship by best possible means. For Anchorage only, please notate on the outside of each carton/package the following information along with the purchase order number:

Veterans Canteen Service #463  
VAMC  
1201 North Muldoon Rd  
Anchorage, AK 99604  
PO #XXXXXXXXXX  
Tel 907-257-3715

**Shipping Address:**

**Veterans Canteen Service #463  
VA Medical Center  
%Lynden Freight Forwarder  
5410 12<sup>th</sup> Street E  
Fife, WA 98424  
Tel 206-926-7203**

**7.3. Compliance**

These shipping guidelines are effective immediately and must be followed. Failure to follow the above shipping instructions may relieve the VCS from all short, damaged, and/or loss claims in shipment. All incoming shipments and invoices will be

monitored and any deviation from these instructions will result in a charge back of the cost of goods.

## 8. Carton and Packing Requirements

### 8.1. Carton Requirements

1. Seal cartons securely with security/reinforced tape. All openings on all sides of the carton, including edges must be sealed using the "H" method. Do not use bands, straps, staples or string around exterior of shipping container/carton.
2. No excessive tissue or paper as filler to "cube" or "fill-up" under packed cartons. Cardboards or chipboard is permitted to protect goods. Tissue may be used only as necessary to protect packaging from sticking and damage during transit.
3. Small items must be packed so that items are not concealed within a carton.
4. Breakable products must be packed to prevent breakage during normal shipping and handling.
5. Carton width must allow hangers to fit squarely in the carton, not at an angle.
6. Use a shipping carton that fits the garment. Ideally, merchandise should be packed ¼ inch below the top of the carton, and 1/8 inch from the sides of the carton.
7. Do not over or under pack the carton, which impairs the integrity of contents and may impair ability to scan the UCC128 label.
8. A packing slip should be affixed to the outside of the carton or a sticker placed on the carton that contains the packing slip.
9. VCS encourages the use of environmentally friendly (recyclable and/or biodegradable) packaging whenever possible.

### 8.2. Masterpack

A Supplier that wants to use a carton size that does not meet VCS carton size requirements by store must masterpack by using one carton to package merchandise for multiple stores that was ordered under one PO, by following these steps:

1. Write "Masterpack" on the outside of the master carton on all six sides
2. Do not place a UCC-128 on the outside of the masterpack.
3. Use a separate inner carton for each store location, each with one UCC-128 shipping container label.
4. Provide one EDI 856 ASN which represents the entire shipment, with one "Man-GM" segment per inner carton.

## 9. Accounts Payable

### 9.1. EDI Invoices

1. VCS utilizes paperless EDI technology to pay invoices, including EDI 810 invoice. **All merchandise shipped to VCS requires EDI invoices** (exceptions would be DSD suppliers. Other exceptions must be approved in writing prior to sending paper invoices). Use of paper invoices violates our standards.
2. Suppliers not yet using EDI technology must become EDI capable. Contact our EDI carrier (Direct EDI, Inc.) at [www.directedi.com/vcs](http://www.directedi.com/vcs) for assistance.

3. **Submit a separate invoice for each location, shipment, and purchase order.**
4. Once EDI connections are established, **NEVER** submit a paper invoice without advanced written permission from the Finance Center.
5. Invoices should contain the purchase order number, VCS location number, and the supplier VCS assigned number in the header of the invoice document.
6. Shipping/expense charges (if applicable) should be sent under the correct non-merchandise code when transmitted through EDI – these are outlined in the specifications for the 810 EDI transaction.
7. Costs submitted on the invoice must match the cost on the purchase order. Discrepancies to PO costs must be resolved with the buyer/business lead prior to shipment of merchandise. Authorization for payment is at the VCS Price Agreement List which is reflected on the PO.

## 9.2. Manual Invoices (exception that requires approval)

1. VCS requires all suppliers to submit invoices via EDI. In those rare instances where an exception is made, suppliers must have written approval from the EDI Coordinator to submit paper invoices.
2. **Submit a separate invoice for each location, shipment, and purchase order.**
3. Invoices should contain the purchase order number, VCS location number, and the supplier VCS assigned number in the header of the invoice document.
4. Shipping/expense charges (if applicable) should be listed on a separate line on the invoice
5. Costs submitted on the invoice must match the cost on the purchase order. Discrepancies to PO costs must be resolved with the buyer/business lead prior to shipment of merchandise. Authorization for payment is at the VCS Price Agreement List which is reflected on the PO.
6. If approved to submit a paper invoice, original should be sent to:

VCS Finance Center  
#1 Jefferson Barracks Rd., Bldg. 25  
St. Louis, MO 63125

## 9.3. Consolidated Invoice Statements / Inquiries

1. VCS requires each supplier to provide a monthly Consolidated Invoice Statement to be mailed to the Finance Center at the above address.
2. Accounts payable questions regarding shipments can be directed to the A/P Manager in our Central Office via email address [VCSVendorRequest@va.gov](mailto:VCSVendorRequest@va.gov) or by calling 314-845-1315.

## 9.4. Proof of Delivery (POD) Request on unpaid invoices

1. Accounts Payable will request proof of delivery (POD) on invoices for which no record of merchandise receipt can be found. Suppliers will receive notification of a POD request and that payment will not be made prior to receipt of applicable POD.
2. A valid POD is defined as a freight bill stamped and signed by an authorized representative of a VCS store. The freight bill must include the purchase order number, carton count, and the name and number of the VCS location for which



the shipment was designated. If there are multiple PO(s) on the shipment, the carton count must be provided for each PO.

## **9.5. Supplier Information**

Any changes to a Supplier's address file, bank changes (including address), contact, shipping information, shipping location, change due to a merger, acquisition, Chapter 11 filing, company closings, or change in licensee agreement, must be communicated to VCS as promptly as possible and in all events, within 48 hours of occurrence via e-mail to [VCSVendorRequest@va.gov](mailto:VCSVendorRequest@va.gov). Include the following information in the email:

- Supplier company name and VCS assigned supplier number
- Parent company name (old and new) if there has been a change
- Company address (old and new if there has been any change)
- Description of event or other cause of change being reported, with effective date of events

## **10. Retail Items - Floor Ready**

### **10.1. Ticketing Requirements**

#### **10.1.1. General Standards**

1. All merchandise shipped to VCS must include a proper U.P.C. or EAN ticket with correct industry standard U.P.C. or EAN barcode.
2. Use only U.P.C. or EAN tickets that meet GS1 specifications.
3. The quality of Supplier barcodes must support and not impair VCS scanning requirements. To ensure such quality, Suppliers should institute an ongoing U.P.C. or EAN barcode quality control program.
4. Do not use secondary barcodes. Use only one U.P.C. or EAN barcode and only one ticket for any single item.
5. Refer to requirements and placements of tickets

#### **10.1.2. Creating a Ticket to VCS requirements (softlines)**

1. Size of tag is optional depending on the product type.
2. Tags must contain the following information:
  - a. Ship month/year(Apr10)
  - b. Department number (provided by the buyer)
  - c. Style #
  - d. Retail value (Suppliers recommended selling price)
  - e. VCS Retail Price (18-pt font)
  - f. UPC bar code (optional if barcode already exists on the product)
  - g. UPC number (optional if barcode already exists on the product)

#### **10.1.3. Retail Price Ticketing (softline)**

1. Include VCS's retail on U.P.C. or EAN ticket unless you receive prior approval in writing from the softlines buyer.

2. Ticket retail must match retail provided by the buyer.
3. No piggyback tickets or ticket seeding.
4. Use only one retail price per ticket.
5. Print retail price clearly using at least 18-point bold font.
6. If hang tag exists on product, ticket can be placed in an open space on the hang tag – do not cover verbiage or UPC # with the placement.

**10.1.4. Size requirements (softlines)**

VCS requires and suppliers must ensure that all sized merchandise has clearly visible size markings on the ticket.

**10.1.5. Ticket Attachment and Placement**

1. U.P.C. or EAN tickets must be securely affixed to merchandise so as to be clearly visible to customers and sales associates.
2. Do not use safety pins, straight pins, or other pins of any kind. VCS prohibits pins for all FOBs except folded dress shirts and folded woven sport shirts.
3. Do not loop strings around buttons or attach with pins or strings looped through buttonhole. Fused string, which is securely attached, is permitted.
4. Where fabric damage is a concern, swift-attach ticket through sewn-in label in the neck or in the waistband. On merchandise with sizes imprinted in neck, insert in nearest neck seam allowance.
5. All labels that are applied directly to products must use a removable adhesive.
6. Ticket both the item and the package for boxed/packaged merchandise that can be displayed out of packaging.
7. Merchandise that is packaged in multi-packs but is sold only as eaches must have each unit marked with a U.P.C. or EAN and the outer carton marked with the “each” U.P.C. or EAN.
8. Merchandise that is packaged in multi-packs and is sold in either a multipack or eaches must have U.P.C. or EAN tickets for the set as well as separately for each component of the set.
9. If merchandise is to be sold only as a set, affix only one U.P.C. or EAN ticket to the outside of the package.

**10.1.6. U.P.C. Ticket Placement and Attachment Requirements**

<b>Item Requirement</b>	<b>Ticket Placement</b>	<b>Attachment</b>
Belts	Through buckle or on belt	Loop-lock or sewn in
Bottoms folded/ (shorts, pants, jeans, skirts)	Left side or on joke	Swift attached or sewn on joker
Bras	Left side seam / around front left strap	Swift attached
Coats/Jacket	Left side under arm in seam	Swift attached
Dresses	Left sleeve / through Supplier	Swift attached

<b>Item Requirement</b>	<b>Ticket Placement</b>	<b>Attachment</b>
	care label.	
Giftware Boxed	On bottom of box next to barcode	Sticker Tag
Giftware Unboxed	On the bottom of the item if space – never over gold; hang string tag if needed.	Sticker Tag or String Tag
Gloves – not boxed	Through Supplier care label / connect string	Swift attached
Hair Accessories on cards	Bottom of card	Sticker or printed on card
Hair Accessories loose	Around or on item	Rat-tail, dumbbell or sticker
Handbags/Backpacks	Around handle, zipper, strap of frame joint	Loop-lock
Handbags – clutch, hinged	Through inner label or zipper or through outside hinged joint	Loop-lock or sewn in
Hats/Caps	Through head band or Supplier care label	Swift attached
Intimate Apparel	Left side/through Supplier care label	Swift attached
Jewelry / Watches Boxed	Bottom of box by UPC barcode	Sticker Tag
Jewelry / Watches Loose	Around the item	Non-removable rat-tail or dumbbell
Jewelry on Cards	On back of card / box	Sticker Tag
Luggage/Briefcases	Around handle	Loop-lock
Woven Shirts	Through placket on shirt	Switch Attach through garment / do not ticket package
Robes	Left side under arm in seam / Supplier care label	Swift attached
Scarves/Shawls	Through Supplier care Label	Swift attached
Shoes	Front of box next to size identification	Sticker Tag
Socks	On band or card	Sticker or printed on band
Sold in Box	On back of the box/package	Sticker or preprinted on box
Sold out of Box	On back of box and on merchandise	Removable sticker on item & mdse
Sweaters	Through Supplier care label / left sleeve	Swift Attach

Item Requirement	Ticket Placement	Attachment
Ties	Through Supplier care label	Swift Attach
Tops Flat folded	Through Supplier label in neck	Swift Attach
Tops Hanging	Left side under arm in seam / through Supplier care label	Swift Attach
Towels	Corner	Swift Attach
Umbrellas (not boxed)	Around handle	Loop-lock
Wallets	On MSRP tag inside of wallet	Swift Attach / loop-lock

**Miscellaneous Tickets:** For items too small for a standard U.P.C. or EAN hangtag ticket, such as jewelry or watches, properly affix small specialty tags

## 10.2. Presentation Standards

1. All merchandise must be received in “floor ready” condition ready for immediate placement on selling floor. Any exceptions to this rule must be approved in writing by the buyer.
2. All garments to be displayed folded require a size strip unless requirement is waived in writing by the buyer. Size strips are recommended, but not required for folded dress shirts and folded woven sports shirts or tailored dress slacks.
3. Sized non-garment products such as comforters, blankets, “Bed in a Bag” must clearly state the size on the product using print not smaller than 18-point bold font. The size indicators must be clearly visible on at least 2 sides (front and side) of the product.

## 10.3. Wrinkle Prevention

1. Cover each hanging or folded garment with a clear, dry cleaning style plastic bag only if necessary to prevent wrinkling or soiling. Bags are not otherwise required.
2. Pack merchandise flat in cartons. If merchandise must be folded, use only one fold at the bottom of the garment.
3. Lay garments front side facing up.
4. Close all buttons, zippers, and hooks to prevent wrinkling or damage.
5. Delicate items should be placed on top to prevent crushing.
6. Do not over pack or under pack cartons.

## 11. Supplier Compliance

VCS has and will continue to make significant investment and commitment to technology and systems described in this document. This document describes our requirements and standards in considerable detail and provides instructions for obtaining assistance. Supplier noncompliance to these requirements causes disruptions to VCS’s mission of serving the veteran and caregivers. VCS expects Suppliers to comply with the standard and requirements detailed in this manual.

The basic requirements are:

1. Shipments against the purchase order must be an exact match for item, UPC, case pack and cost.
2. The purchase order must specifically line list the merchandise you wish to deliver. No substitutions or additions will be accepted. These unauthorized items may be kept or destroyed at our option without payment to the Supplier.
3. A purchase order modification must exist within the merchandising system prior to shipment for any items not in compliance with the original purchase order.
4. All case pack changes must be communicated to the buying office well in advance of any shipments against the new configuration.
5. VCS Buyer must be provided with the correct product cost (purchase order cost must match the billed cost). VCS will pay the lower of the invoice and purchase order cost in cases of a discrepancy.
6. Following VCS Supplier Shipping Instructions

***NOTE: Non-compliance to the standards outlined in this document, could lead to charges based on occurrence and supplier. These will be determined by the buyer/business lead.***

## **12. Return to Supplier**

### **12.1. Unordered Merchandise**

1. Unordered merchandise includes unauthorized substitutions, invalid orders, cancelled orders, early shipments, late shipment, over-shipments and duplicate shipments. VCS reserves the right to reject or accept unordered merchandise and, in either case, to assess charges.
2. If VCS elects not to accept unordered merchandise, we may re-consign the merchandise to a carrier of our choice to be delivered to the Supplier for disposition, all at Supplier's cost plus additional charges.

### **12.2. Social Responsibility**

VCS has a rich, proud heritage of serving our Veteran and caregiver. Consistent with those values, we seek to do business with contractors, suppliers, and partners who share our enduring values and consistently hold themselves and their agents to these same strong values.