



JON-DON, INC

Vendor Compliance Guide 2021

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Jon-Don
LET'S TACKLE YOUR TOUGHEST JOBS



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1. Introduction

Jon-Don is a leading, multi-channel, global distributor of Restoration, Concrete, Janitorial, Carpet, and Safety products with 40 plus years of experience and a 14-facility national footprint providing product through retail storefronts, distribution centers and ecommerce platforms. In order to provide our customers with the products and services at a competitive price, and within the timeframes they have come to expect, we depend on our supplier partners to contribute the efficiencies of our supply chain.

Together we will accomplish this through our combined:

- Real World Experience
- Rolled-Up Sleeves
- Rock-Solid Reliability

This guide is the how a supply chain emulates these attributes.

As Jon-Don continues to grow, we provide the opportunity for our supplier partners to grow with us. The pursuit of continuous improvement will help us to be the provider customers will depend on and recommend to their partners and customer.

2. Item Setup Requirements

As a distributor, it is critical for Jon-Don to maintain the necessary item attribute information within our item master records which helps ensure a seamless supply chain that delivers product in an accurate and timely fashion to our mutual customers. As you are the manufacturer or seller of the items, Jon-Don expects that you identify and provide all of these attributes to Jon-Don during the initial authoring process prior to go live. Each of the required fields insures that Jon-Don is able to market, sell and ship you product efficiently, and in compliance with local, state, federal, and international regulations (see Section 7 below).

As a part of new item introductions or current item maintenance activities, your Jon-Don assigned Product Manager will submit a spreadsheet that has a place for you to provide each one of these fields in advance of Jon-Don being able to sell or ship your product. In the event you do not have a specific field, you are required to notify your Product Manager in advance of shipping the item and determine if an exemption can be provided.

Failure to follow this requirements will result in a chargeback for the administrative cost for a member of the Jon-Don team to perform this work on your behalf (see Section 8 below).

3. Advanced Shipment Notification – (Future Requirement – Late 2022)

A critical component of any distribution organization is to be able to plan its supply chain and all processes within. This starts at the point of shipment from our supplier partners. As a supplier, your actions will directly impact Jon-Don's ability to provide your product to our customers at a competitive price.

It is critical that you be able to provide an advance notification of shipment to our facilities. This may take the form of a flat file issued to our I.T. team, or an email to your buyer contact. In either case, the following information is required.

- PO #
- Ship Date
- Supplier Name
- Ship From
- Carrier Name
- Tracking/Pro #'s
- JD Item Numbers
- Qty's Shipped
- Estimated Delivery Date (if known)

Failure to provide this basic information leads to uncertainty in capacity requirements and customer communications, poor planning, and additional labor costs associated with your shipment. This cost can be damaging to Jon-Don's reputation within the marketplace, and financially variable depending on timing, and labor availability.

4. Delivery Requirements

- a. Delivery Appointments - It is critical to the maintaining a safe work environment for our employees and customers, insuring an efficient receipt and prompt payment , and as well as a quality and accurate accounting of items received that Jon-Don is able to properly schedule the workload into their receiving docks. As such, it is the expectation that all PO's issued that require shipment via Less Than Truckload (LTL) or Truckload (FTL) have the "Delivery Appointment Required" along with the facilities contact information noted in the Special Instruction Section of the Bill of Lading. Failure to do this may result in the shipment being refused by our receiving department at the vendor's expense.
- b. Receiving Hours and Contacts - Below is a table of Jon-Don facility receiving hours and contacts. Please use this when creating the Bill of Lading for each shipment.

Loc	Address 1	Address 2	City	State	Zip Code	Contact Info			Receiving Hours	Time Zone
						Regional Mgr	Warehouse Leader	Email		
CHI	400 Medinah Rd.		Roselle	IL	60172	Louis Ciampi	Chris Natale	whse001@jondon.com	8:30 am - 3:30 pm	CST
PHL	835 Wheeler Way	Suite B	Langhorne	PA	19047	Louis Ciampi	Billy Israel	whse002@jondon.com	8:30 am - 3:30 pm	EST
STL	4227 Earth City Expressway	Suite 200	Earth City	MO	63045	Louis Ciampi	Kevin Taber	whse003@jondon.com	8:30 am - 3:30 pm	CST
ATL	5933 Peachtree Industrial Blvd.		Norcross	GA	30092	Louis Ciampi	Adam Partington	whse004@jondon.com	8:30 am - 3:30 pm	EST
DAL	3630 W. Miller Rd.	Suite 340	Garland	TX	75041	Louis Ciampi	Latore Oakry	whse005@jondon.com	8:30 am - 3:30 pm	CST
BOS	7 Raymond Ave.	# 11 - 14	Salem	NH	03079	Louis Ciampi	Gary Gagliardi	whse006@jondon.com	8:30 am - 3:30 pm	EST
TMP	1551 102nd Ave. N		St. Petersburg	FL	33716	Louis Ciampi	Ivan Rodriguez	whse007@jondon.com	8:30 am - 3:30 pm	EST
SEA	4111 Airport Way S		Seattle	WA	98108	Donovan Connolly	Drew Butler	whse008@jondon.com	8:30 am - 3:30 pm	PST
POR	480 SE market St.		Portland	OR	97214	Donovan Connolly	Gary Jensen	whse009@jondon.com	8:30 am - 3:30 pm	PST
LYN	6325 212th St. SW	Suite F	Lynnwood	WA	98036	Donovan Connolly	Steve Borders	whse010@jondon.com	8:30 am - 3:30 pm	PST
DEN	420 Bryant St.		Denver	CO	80204	Donovan Connolly	Danny Cervantes	whse011@jondon.com	8:30 am - 3:30 pm	MST
SFO	33360 Central Ave.		Union City	CA	94587	Donovan Connolly	Tony Nong	whse018@jondon.com	8:30 am - 3:30 pm	PST
ANA	2050 Winston Rd.		Anaheim	CA	92806	Donovan Connolly	Martin Parada	whse022@jondon.com	8:30 am - 3:30 pm	PST
SDO	7636 Miramar Rd.	Suite 1100	San Diego	CA	92126	Donovan Connolly		whse024@jondon.com	8:30 am - 3:30 pm	PST

Table 1.0 – Jon-Don Facility Contact List

5. Documentation Standards and Shipping Accuracy

- a. Bills of Lading – Bill of Lading is a critical point of written communication between the shipper, carrier, and customer. This document must clearly written and legible. Jon-Don requires the following from all Bills of Lading shipped to their facilities on their behalf:

- Be in standard VICS format. This can be found on any carrier site or by searching VICS Bill of Lading in your preferred search engine.
- Freight terms correctly and clearly marked
- When Jon-Don is paying the for the freight and unless otherwise approved by Jon-Don complete the 3rd Party Bill To section as:

Jon Don, Inc
c/o Freedom Logistics
360 Butterfield Rd Suite 400
Elmhurst, IL. 60126-5041

- Jon-Don PO#'s included in the shipment
- Shipment pallets and cartons
- "Delivery Appointment Required"
- Jon-Don Facility Contact information from Table 1.0 below

- b. Packing List Accuracy – The packing list is the essential point of communication between the supplier and Jon-Don's receiving teams. This document must be clear and consistent in order to reduce the risk of errors, inefficiency, or delays in receipt of products. Failure to provide an accurate and clear packing list will result increased cost to Jon-Don in the form of additional warehouse labor, administration, and disappointed customers. Therefore, it is our expectation that all packing list will contain the following information:

- Supplier Name
- Jon-Don PO#
- Supplier Order #
- Jon-Don Item #
- Supplier Item #
- Qty Shipped
- Qty Back Ordered

- c. Shipment Accuracy – It is Jon-Don's expectation that any variations from the anticipated receipt will be communicated in advance of delivery to a Jon-Don facility. We understand the from time to time a shipment may change, but expect that this will be specifically communicated in advance of shipment to allow Jon-Don the opportunity to determine capacity and staffing availability to accept any additional product. Failure to comply with this may result in the refusal of the unexpected portion of the shipment at the vendor's expense.

- d. OS&D Process – Jon-Don is a high volume, lean organization with a nationwide footprint who serves our customer from a distribution and retail platform. As such, committing to performing a thorough inspection of shipments upon delivery is inefficient and impractical. Jon-Don receiving teams will do everything in their power to perform these steps upon delivery, but when this is not possible will mark the Bill of Lading as “SUBJECT TO INSPECTION”. When this is the case Jon-Don will perform a full inspection of the delivery against the packing list and provide any information back to the supplier within 3 business days.
- Shortages – Product will be received in for the actual quantity delivered with any shortage will be shipped to fulfill the purchase order at the vendor’s expense.
 - Overages – Any additional products over and above the ordered quantity will be returned to the vendor at the vendor’s expense.
 - Wrong Items - All items delivered that are not on the purchase order or packing list will be returned to the vendor at the vendor’s expense.
- e. Carrier Claims – Suppliers on Prepaid freight terms (FOB Destination) will be expected to handle all claims action with the chosen carrier. This shall not hinder any settlement with Jon-Don regarding OS&D’s related to their shipments.

Jon-Don will handle all carrier claims related to our chosen carriers when the Freight terms our Collect or 3rd Party (FOB Shipping Point).

- f. Routing - Jon-Don has partnered with a Best-in-Class Transportation Management System to automate and streamline the freight routing process. Training will be provided, and It is a requirement that all vendors adopt this platform for their shipments to Jon-Don in order to ensure real time nonfictions of shipments, their contents, tracking information, and ETA’s. Any costs associated with suppliers not utilizing this platform or the carriers provided will be borne by the supplier. This in including, but limited to, delays in delivery, damages or loss during shipment, demurrage resulting from failure to follow Jon-Don appointment protocols, customer related chargebacks to Jon-Don.

6. Product Packaging and Labeling

The efficiency of our warehouses and retail environments and overall positive customer experience is dependent on the manner in which your products come to Jon-Don. Failure in these two areas can lead to errors and claims throughout the supply chain compounding costs to Jon-Don.

- a. Pallet Standard – Unless otherwise required by the item, all pallets must be standard 40” X 48” hardwood in undamaged condition. Jon-Don does not participate in pallet exchange programs. Do not provide Chep, Peco or other leased pallet types as these will not be returned, nor will they be inventoried.

- b. Product Storage and Carton Packs– In order to maintain an efficient receiving process Jon-Don must depend on their suppliers providing a consistent presentation of their products upon delivery.

Any changes in full pallet quantities, carton packs, or item weights and dimensions require 30 days' notice to Jon-Don's Product Manager.

- c. Packaging – This is a critical component of the product distribution. Jon-Don, like most distributors in today's market, has a component that is e-commerce based. As this is the case all product must be packaged in accordance with standard U.P.S./Fed Ex packaging guideline for your specific product. Failure to do this could result in damages to product in transit to our customers resulting in claims and customer dissatisfaction.

<https://www.ups.com/us/en/help-center/packaging-and-supplies/packaging-guidelines.page>

<https://www.fedex.com/downloads/shared/packagingtips/howtopack.pdf>

- d. Labeling/Barcoding – Pairing a human readable item number with a corresponding barcoding increases efficiency throughout the supply chain from the point of receipt, the point a sale and through the return when required. The supplier is welcome to use their own barcode for their human readable SKU, however, it is required that this be scannable by Jon-Don's facilities.

Jon-Don's standard barcode contains the following fields of information:

- Human Readable centers and at the top of the label in a font larger than the rest of the readable information.
- Jon-Don's item description centered beneath the item number in a slightly smaller font.
- The Jon-Don SKU barcoded at the bottom center below the description. This symbology can be Code 39, Code 128A, Code 128B, ITF-14, UPC, or GTIN (any structure).



Example 1.0

7. Dangerous Goods

Jon-Don operates in compliance with all local, state, federal, and international laws and regulations. We will not submit dangerous goods for shipment in any systems that are not in compliance with these regulations. Therefore, it is critical that as a supplier partner with Jon-Don that you not only fully understand your products and all related regulations, but provide the necessary information to Jon-Don in order for us to be compliant in any and all modes of transport.

This requirement extends to the environment. Suppliers are required to provide all relevant information relevant to the safe and legal remediation and disposal of aged or damaged products that, when incorrectly handled, could incur harm to the environment.

Failure to follow this requirement will result in any charges related to the violations charged back to the supplier along with any, and all, associated costs, fees, or fines related to cleanup, disposal, restoration, and administration associated with a spill.

Jon-Don will act in full cooperation with any local, state, or federal agency when requested.

8. Schedule of Chargebacks

<u>Violation</u>	<u>Chargeback</u>
Missing Item Master Data	\$10.00 per missing data point
Incorrect/damaged pallets	\$25.00 per pallet restacking, replacement and disposal costs
Incorrect/Incomplete Bill of Lading	\$25.00 Administration per Bill of Lading
Missing/Inaccurate packing list	\$25.00 Administration per Receipt
Missing/Incorrect Barcode or JD Item Number	\$2.50 per label printed and applied
Improper/Missing Dangerous Goods markings	\$10.00 per label applied Culpability for any resulting DOT or IATA violations
Incorrect carton packs or weights and measures	\$50.00 per item plus \$32.50 per hour labor cost to correct