



# Supplier Playbook

Doing Business with Sysco

Version 4 - 2018



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# 6 Step Category Management Process

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# The Sysco Category Management Process

## Learn

Market Insights



## Define

Category Strategy



## Optimize

Optimal Assortment



Run the business

## Grow



Implementation and  
Tailored Selling

## Activate



Strategic Sourcing

## Decide

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# Category Management Process

**Reminder: Category management has changed the fundamentals of how suppliers interact with Sysco**

## TODAY

Transactional relationships with suppliers focused primarily on lowest invoice price

Lengthy negotiations process with multiple rounds and extensions at both the local and corporate level

Few suppliers partner with Sysco and participate in joint business planning at the enterprise level

Suppliers are asked to provide product information and cost data to improve joint business planning

## TOMORROW

**Supplier partnerships** with Sysco based on a supplier's total offering including category insights, dedicated resources, terms, pricing, and sales support

More concise negotiations period requires fewer rounds of negotiations and **faster turnaround** from suppliers

Transparent **supplier evaluation** process feeds into new supplier partnership roles, including Category Captains and Advisors

Suppliers will be required to **provide detailed cost information** and support Sysco's category management process to be considered a business partner

# Category Management Process

We need to work together to get the most out of category management

## What Sysco will do for you

- Longer term **volume commitments** and predictability
- Simplified negotiations process with only **one negotiation** at corporate
- Guaranteed access to **national distribution** across all OpCos
- Increased transparency into Sysco's operations with a focus on **reducing costs** across the supply chain

## What we ask from suppliers

- **Heightened supplier responsiveness** ensuring that all other Sysco requests are turned around quickly
- Suppliers should come forward with **best Proposal first** to show their commitment to Sysco as there will be no extension of negotiation rounds
- **Increase transparency** where suppliers are required to provide detailed cost components to Sysco for key products
- Suppliers will need to present **joint cost savings ideas** and work with Sysco to execute them





# **Supply Chain**

## ***Freight and Facilities Document (FFD)***

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# Descriptions of Columns within FFD

<b>Facility ID Number (For use in Item Tab)</b>	These numbers represent Sysco SUVC ship-froms.
<b>Sysco SUVC-SF</b>	
<b>Supplier Name (SAP = Name1)</b>	The Facility Name that is setup in Sysco's current system
<b>Supplier Facility Name (SAP = Name2)</b>	A unique name that you may use internally when referring to this facility.
<b>Address line 1 (SAP = STREET)</b>	First line of the physical address of the facility
<b>Address line 1 (Correction)</b>	Correct the first line of the physical address if it is incorrect.
<b>City (SAP = CITY1)</b>	City in which the facility is located
<b>City (SAP = CITY1) (Correction)</b>	Correct city in which the facility is located if it is incorrect.
<b>State/ Province (SAP = REGION)</b>	Please enter the two digit code for the state or province in which the facility is located (i.e., "TX" or "PQ")
<b>State/ Province (SAP = REGION) Correction</b>	Please enter correct the two digit code for the state or province in which the facility is located (i.e., "TX" or "PQ") if it is incorrect.
<b>5-Digit Zip (SAP = POST_CODE1)</b>	Five digit zip code for the physical address of the facility
<b>5-Digit Zip (SAP = POST_CODE1) Correction</b>	Correct five digit zip code for the physical address of the facility if it is incorrect.



# Descriptions of Columns within FFD

<b>Country (SAP = COUNTRY)</b>	Country in which the facility is located.
<b>Supplier_Comments</b>	Free Form for the supplier to provide any necessary comments. (example: Not our Facility, Duplicate Facility, Closed Facility, and etc....)
<b>Lead Time</b>	The amount of time from day PO is received at supplier to time product arrives at Sysco location
<b>Min Order Size (Pick Up) lb. or case</b>	For pickup, is your minimum order size in pounds or cases?
<b>Min Order Size (Del.) lb. or case</b>	For delivery, Is your minimum order size in pounds or cases?
<b>Days to Process Order</b>	The number of days from when PO is received at supplier to when available for pick-up
<b>Standard Plant Shutdowns</b>	Do you have standard dates each year that your plant is closed? Days that we would not be able to pick-up product
<b>Are you registered with GS1 (Y/N)?</b>	The GS1 System is an integrated system of global standards that provides for accurate identification and communication of information regarding products, assets, services and locations. If available please provide
<b>If yes, what is your GS1 company prefix?</b>	

**Q1. What is an RFD? What is an FFD?**

**A1.** An RFD is defined as a Request For Data document to be completed by Sysco's suppliers.

**A1b.** If participating in a Sysco sourcing event, suppliers may be required to complete the first 3 tabs of the RFD during the Request for Information (RFI). These tabs are referred to as the Freight and Facilities Document or FFD. If selected, the remaining tabs of the RFD will be completed later in the sourcing process.

**Q2. Are all Sysco suppliers required to complete an RFD?**

**A2.** Suppliers that currently supply Sysco with products must complete an RFD document.

**Q3. How is the information in RFD used?**

**A3.** Information provided in the RFD by suppliers is used by various Sysco teams to validate and generate supplier specific information for our SAP project, sourcing, RDC, and Cooperative Billing initiatives.

**Q4. If a supplier has already completed an RFD in the past, why does Sysco request the supplier to complete another RFD?**

**A4.** Due to new fields and data requirement for SAP, Sysco will request an update to capture new ship point locations, contact names, new products, or other information to update our master data files.

**Q5. How long do I have to complete the RFD and return it?**

**A5.** You have ten (10) business days from the date of receipt or 14 calendar days to complete the document and return it to Sysco.

**Q6. Why do I see information for my company locations and products in the RFD?**

**A6.** Sysco's SBS Data Services team runs a script to pre-populate information from our master data files into your RFD document for your review and updates.

**Q7. Can suppliers change or delete any information in the RFD that is incorrect or does not apply?**

**A7.** For the Supplier Facility Information Tab and Supplier Product Attributes Tab DO NOT delete or change any pre-populated information. If the column header attribute does not apply enter N/A. Please use the Supplier Comments column to provide comments.

**Q8. Who do I contact if I have questions on completing my RFD document?**

**A8.** Contact the Sysco SBS Data Services Master Data Management department at [MDMEmails@corp.sysco.com](mailto:MDMEmails@corp.sysco.com) or 281-758-7270.

**Q9. Can Sysco leverage the item information from a 3rd party data provider and/or GDSN-certified Data Pool?**

**A9.** At this time, we are not a participant of a GDSN Data Pool and do not have any 3rd party relationships that we can leverage to validate supplier product information. The supplier will need to verify the information populated on the Product Attribute tab and add the information for the new SAP fields.

**Q10. What is DAM (Digital Asset Management)?**

**A10.** DAM stand for Digital Asset Management. These are the product images you have associated a specific item. As Sysco moves forward in our SAP project there will be a request for product images. Date when these images will be requested is still being determined.

**Q11. I do not see all items associated with my supplier number?**

**A11.** Only those items which are associated with the locations being deployed are being loaded for validation. Items will be sent based on the Sysco location that is being deployed. A request for all items can be submitted to 000-DSSPEC@corp.sysco.com. If you do, the due date will be 20 business days from date sent.

**Q12. I have received multiple RFD spreadsheets, why?**

**A12.** An RFD may be split based on the number of divisions within your organization.

**Q13. Why would there be duplicate ship-from listed?**

**A13.** The list of ship-from is a complete list of all locations we have from our corporate system. If the facility name has ever changed or a duplicate was created all locations remained in our system. We felt it was best to provide all relevant information available and allow you to provide which location is the most current. Please make a note in the correction column that this location does not exist. "DO NOT REMOVE" from spreadsheet

**Q14. At what level should weight be entered down to?**

**A14.** You should enter weight to the 3<sup>rd</sup> digit (ex. 12.065). If you only have 2 digit then please enter a zero at the end (ex. 12.060).

**Q15. Why aren't all the items I supply to Sysco on the RFD?**

**A15.** At this time we are only asking for information on the items that the deployed OPCO's purchase, not all items sold to Sysco. The team that handles the conversion must support activities for all data conversion---customers, items, suppliers, HR, Finance, etc. Arkansas alone has about 600 different suppliers and purchases over 17,000 items. This does not include the other data to be converted mentioned above. The scope had to be limited to just these OPCO's so that it was manageable.

**Q16. What is National Motor Freight Class?**

**A16.** The National Motor Freight Classification (NMFC) is a standard that provides a comparison of commodities moving inter and intrastate. Commodities are grouped into one of 18 classes – from a low of 50 and high of 500 – based on four characteristics: density, stowability, handling, and liability.

**Q17. Column Header colors represent, what?**

**A17. Please see the key below:**

No data is required

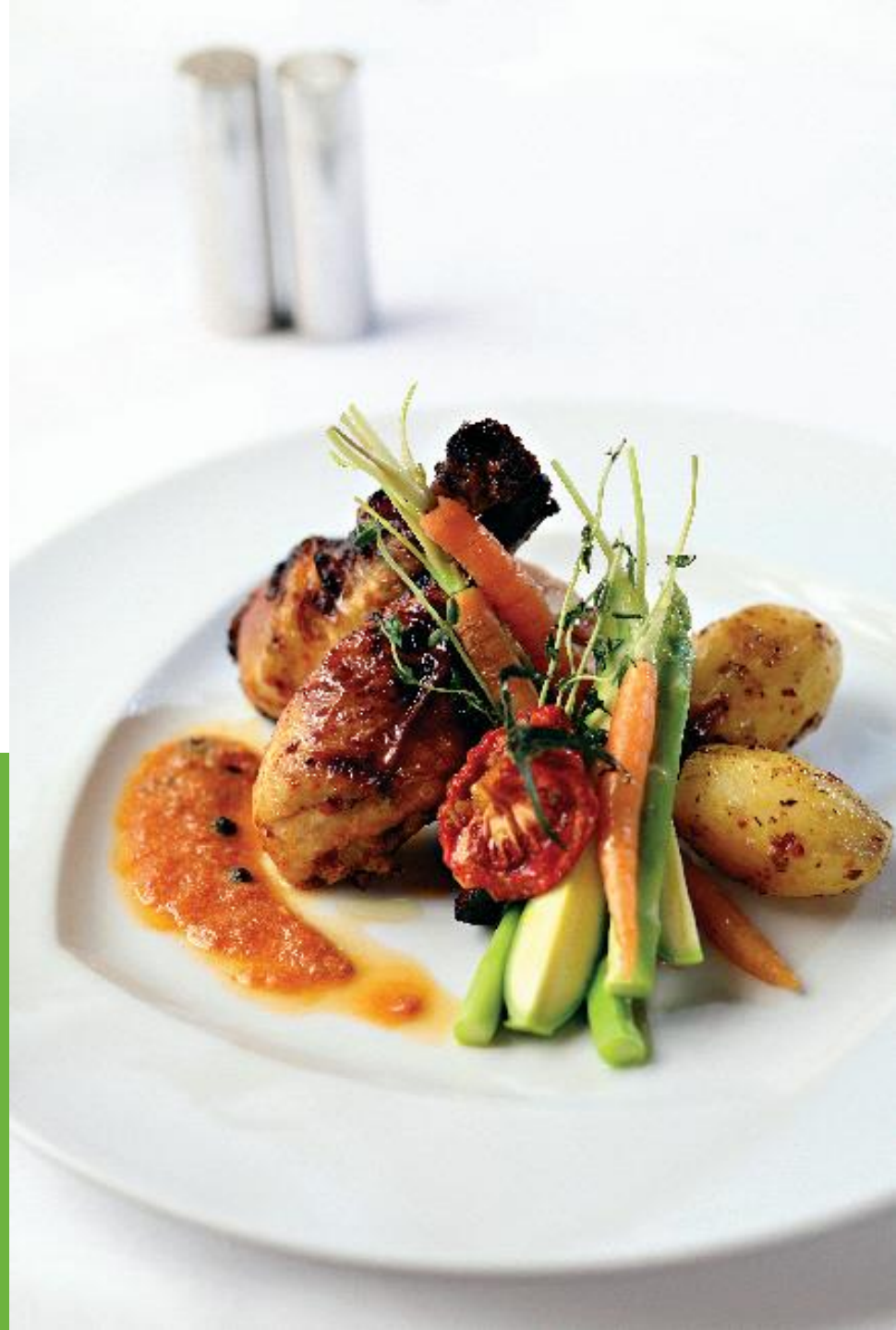
Prepopulated Data

Supplier to populate required data/ corrections



# Corporate Billing

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# SMS Billing Overview

- SMS Billing is the process of integrating purchase orders through the Sysco Merchandising Services (SMS) system. SMS will remit to the Supplier net of all corporate program monies.
- A SMS Billing Specialist will work one on one with the Supplier through the conversion and assist the supplier with all aspects of the process.

# SMS Billing Benefits

- Central negotiation of cost and earned income agreement for all OpCos through one SMS Merchandising contact
- Central approval of cost files by one Sysco supplier relationship
- Centralized management for legal documents COI and HHA
- Centralized management of OpCo purchase orders
- Centralized accounts receivable activity
- New item set-up monitored by Master Data Management to reduce duplicate SUPCs
- Electronic Invoicing (EDI)
- Timely EFT payments issued per agreed payment terms with electronic remittance advice
- Reduced number of cost files with global, regional, or bracket costing functionality
- Ability to set up formula-based automatic costing based off Butter and Cheese market index
- Reconciliation of earned income agreement at time of purchase. Therefore, eliminating Supplier tracking and mailing of monthly rebate checks by paying supplier the net of agreements
- Single point of contact for payment discrepancy resolution



# SMS Billing Cost Structures

- Cost Structure:
  - FOB or Delivered
    - Global, OpCo Specific , Bracket and/or Regional costing
- Suppliers with a Published Price List:
  - A Global or Regional costing record (FOB or Delivered) representing price list must be loaded
  - OpCo Specific Costing is allowed for competitive (less than global) costing only (except RDC costing)
  - Bracket Costing is allowed (except RDC costing)
- Suppliers without a Published Price List:
  - OpCo specific costing is allowed, but must be set up in the systems prior to placement of purchase orders
  - Global cost record is not required if a supplier does not maintain a valid global record

# Corporate Billing Requirements

- The overall conversion process takes approximately 90 business days:
  - Document completion in approximately 10 business days  
(no redlined documents)
  - Request for Data "RFD" in approximately 30 business days
  - CSV price file build in approximately 14 business days
  - Supplier completes price file in approximately 10 business days
  - Price approval obtained in approximately 10 business days
  - Go live announcement in 14 business days

# Corporate Billing Requirements (cntd)

- Suppliers must provide costing on Sysco formatted CSV files for all cost records
- Purchase Order Costing by Product Category/Business Center:
  - Costing effective on Order Entry Date:
    - Bakery, Grocery, Beverage, Can, Chemical, Convenience, Dairy, Disposables, Fats, Poultry, Pork, Seafood, Supplies & Equipment, Beef Prepared
  - Costing effective on Order Ship Date:
    - Frozen Fruits and Vegetables, Potatoes
  - Costing effective on Arrival Date:
    - Beef, Shell Eggs
- Corporate program monies (earned income) are calculated based on Pound, Case or Percent of Sell (OpCo Cost)
- Cost Changes:
  - Suppliers with monthly or less frequent cost changes will be implemented on the 15<sup>th</sup> day of the month
  - Cost increases are required to be submitted to the Business Center 45-60 days in advance of effective date. This allows time for SMS to review the changes and provide the OpCos with 30 days notice for cost changes
  - Cost decreases will be implemented at time of approval

# Supplier Responsibilities

➤ Complete the Supplier Packet and return all documents within 10 business days:

- Supplier Authorization Agreement (SAA)
- Certificate of Insurance (COI)
- Hold Harmless Agreement (HHA)
- Supplier Terms & Cash Discount (STCD)
- W-9 Tax Payers ID form
- ACH form for payment set up
- Earned Income Program Agreement (EIPA) for non award items only
- Product Information Agreement
- All other applicable documents (*i.e. SYGMA letter if required*)

*Note: The Supplier Packet documents above must be returned to the Specialist with the Supplier's Corporate Officer's signature*

# Supplier Responsibilities

- Carefully validate, complete and return RFD (Request for Data) to Sysco Data Services by required completion date
  - Supply freight rates/pick up allowances to Supply Chain Services Department upon request
  - Costing Loads and Approval
    - Populate and return Legacy formatted cost files for non-category managed items within 2 business days of receipt of cost file
      - *The cost files are excel spreadsheets pre-populated with the Suppliers items providing blank columns to load costing*
    - Acknowledge receipt of the cost load validation report (DX Report) and communicate any cost discrepancies within 1 business day
    - Send email approval of DX reports for both category managed and non-category managed items within 2 business days
      - *The DX reports are excel spreadsheets reflecting the costs loaded*
- including the SMS NET COST/SPC that Sysco will pay the Supplier*

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# Sysco Corporate Billing Administrative Fee

- Suppliers should experience a reduction in business transaction costs associated with invoicing, check processing (EFT) and reporting. Participation in SMS sourcing will require suppliers to bring into the SMS billing process all items (sourced and non-sourced) that continue to be purchased by the Sysco Operating Companies. The awarded supplier(s) will be expected to adhere to the accelerated timeline defined within the Category Management process to ensure the alignment of both the SMS billing process and sourcing initiatives.
- **FOR THOSE ITEMS SOLD TO SMS AND \*NOT\* CONTAINED WITHIN THE RFP PROCESS, AN ADMINISTRATIVE FEE WILL BE IDENTIFIED FOR SMS BILLING PROCESS. THIS FEE WILL ONLY BE APPLIED TO ITEMS NOT INCLUDED IN THE CATEGORY MANAGEMENT INITIATIVE.** This Fee represents the sharing of the benefits of Sysco Corporate Billing.





# Supply Chain *Proposal (Bid) Sheet*

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# Bid Sheet Descriptions

## PLEASE COMPLETE ALL WHITE SHADED AREAS OF THIS BID SHEET

Supplier Name:			
Today's Date:			
Shipping Address:	Complete street address of this Ship Point.		
City:		ZIP:	
Country:			
MFG or DC:	Indicate if this is a Manufacturing Facility or Distribution Center		
Co-Packer:	If a Co-Packer please enter Y, if is not, please enter N.		
Total Plant Capacity:	Total Plant Capacity for all items in lbs. or cases		
Minimum Plant Capacity:	Minimum Capacity for all items in lbs. or cases		
Available Plant Capacity:	Total Plant Capacity for all items in lbs. or cases		

Please be aware that you need to fill out a separate bid sheet for each shipping point that you have. There are multiple tabs provided and if you have more than 1 ship points then please use additional tabs as needed. Please provide the actual address for each of them, don't provide us with a PO Box, we need the true physical address for each.

# Bid Sheet Descriptions

						Sysco				
Lot #	Lot Description	Brand	Sub-category	Total Cases	Total Pounds	Sysco Preferred Pack	Sysco Preferred Count	Sysco Extended Pack	Unit Weight (Ounces)	Packaging
1000	BAGEL DGH PLAIN 4OZ UNSLI SLEEVED PREMIUM	Supplier	Bagels	2,105	63,150	8	15	120	4.00	Sleeved
1100	BAGEL PB CINN RSN 4OZ UNSLI SLEEVED PREMIUM	Sysco	Bagels	844	10,128	8	6	48	4.00	Sleeved

Lot #	These are the item level products to be bid on. All are singular SUPC's with unique product specifications.
Lot Description	Description of the item that is being requested.
Brand	The brand strategy - Sysco or Supplier Brand, if lot specifies Sysco Brand please refer to the specification sheets to match item requested. For Supplier Brand we are providing a target brand and MPC for you to provide pricing on an equivalent matched item.
Sub Category	Groupings within the category
Total Cases	Total potential case volume for specified lot.
Total Pounds	Total potential pounds volume for specified lot.
Target Brand	Target / comparable MPC's and Brands associated with the Non Sysco branded Lots.
Target Supplier MFP/ MPC	
Sysco Preferred Pack	Sysco preferred pack, count, weight and packaging.
Sysco Preferred Count	
Sysco Pack	
Unit Weight (ounces/Lbs)	
Packaging	

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# Bid Sheet Descriptions

Pricing for Sysco Preferred Pack / Count / Size									
FOB Net Cost (Per Case) - "Without Brokerage or Samples"	Brokerage % (Per Case)	Brokerage \$ (Per Case)	Samples Cost % (Per Case)	Total Supplier FOB Cost (Case) (For supplier pack/size)	Pricing UOM	Supplier MPC	Minimum Volume (CS)	Maximum Volume (CS)	Please provide reason if you are "NOT BIDDING" a lot (Please select from the drop down)
				\$ -	CS				
				\$ -	CS				

FOB Net Cost	The NET price should not include add-ons such as: Corporate Programs, Local OpCo Programs, Freight, Marketing Support, Brokerage, etc.
Brokerage % (Per Case)	Percentage Costs associated with broker network by lot
Brokerage \$ (Per Case)	Dollar Costs associated with broker network by lot
Samples Cost	Costs associated with samples network by lot
Total Supplier FOB Cost	
Pricing UOM (Unit of Measure)	The Unit of Measure of your price quote.
Supplier MPC	Please provide supplier MPC for specified lot when applicable
Minimum Volume (CS)	Insert the Minimum volume needed to secure quote at the <b>Lot level</b> based on the capacity UOM.
Maximum Volume (CS)	Insert the Maximum potential volume availability by <b>Lot</b> based on the capacity UOM

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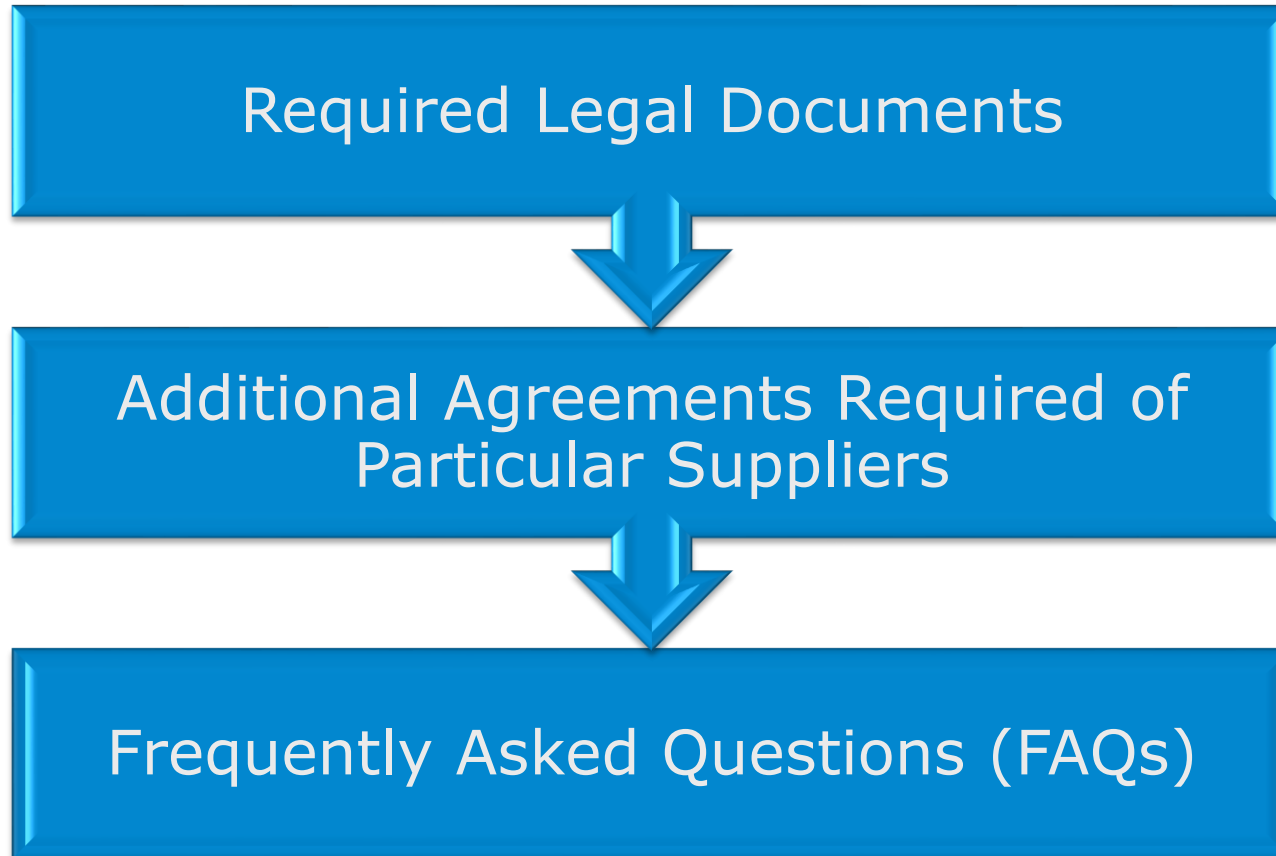


# Legal Documents

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# Agenda





# Required Documents

## ■ Information on Supplier

- Supplier Identification Form
- W-9 Request

## ■ Insurance and Indemnity

- Hold Harmless Agreement and Guaranty/Warranty of Product (HHA)
- Certificate of Insurance (COI)



# Required Documents

## ▪ Supply and Related Agreements

- Non-Disclosure and Confidentiality Agreement (NDA)
- Bid Award Purchase Agreement (BAPA)
  - Exhibit A to the BAPA



# Required Documents

- **Supplier Authorization Agreement (SAA):**

- Earned Income Program Agreement
- Incorporation of Derivative Government Contract Obligations and Responsibilities
- Kosher Certificate



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# Required Documents

- Supplier Authorization Agreement (SAA):

- Supplier Code of Conduct
- Recall Communications Program
- Recall Fees
- Supplier Salvage Policy



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# Additional Agreements Required of Particular Suppliers

- Good Agricultural Practice Compliance Programs
- Sustainability Program
- Cooperative Billing Conversion Information and Acknowledgment
- Supplier MWBE Profile Form
- Supplier Adoption Savings



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# Legal Documents

- Bid Award Purchase Agreement (BAPA)
  - Exhibit A Template
  - Hold Harmless Agreement (HHA)
  - Supplier Authorization Agreement (SAA)
- 
- **Please refer to the Proposal Award Section of the RFP for copies of these documents**



# Frequently Asked Questions (Legal)

## *Hold Harmless Agreement / Certificate of Insurance (HHA / COI)*

- **Why should a supplier have to agree to the place where a claim is brought (venue)?**
  - These venues are limited to jurisdictions in which Sysco buys or distributes supplier's product. Sysco has no control over where a claim involving supplier's product may be brought; however, Sysco needs to ensure that wherever brought, the court will have jurisdiction over the supplier.

# Frequently Asked Questions (Legal)

## *Hold Harmless Agreement / Certificate of Insurance (HHA / COI)*

- **Why do I need to tell Sysco about a change of control?**
  - The Sysco HHA extends to all subsidiaries of the supplier signing the HHA. If a supplier sells a subsidiary/division, then that subsidiary/division is no longer covered by the supplier's HHA and Sysco needs to obtain an HHA from the new owner. Likewise, if the supplier sells most or all of its assets to another entity, Sysco would need to obtain an HHA from the buyer.



# Frequently Asked Questions (Legal)

## *Hold Harmless Agreement / Certificate of Insurance (HHA / COI)*

### ■ ***What are the COI limits?***

- Sysco's current minimum COI requirements for liability insurance are set forth in Sysco's sample Certificate of Insurance form. As long as the supplier provides these minimum insurance coverage's, the supplier is in compliance with Sysco's current requirements.



# Frequently Asked Questions (Legal)

## *Hold Harmless Agreement / Certificate of Insurance (HHA / COI)*

- **Why does a supplier have to provide complete certified copies of all of supplier's insurance policies, including all endorsements?**
  - This requirement is only for that portion of the supplier's policies that evidence the coverage required in the sample Certificate of Insurance, and only if requested by Sysco. Sysco does reserve the right if the situation warrants, short of a subpoena, to review coverage and/or confirm that the supplier does have the insurance coverage, subject to any applicable exclusions, required by Sysco.

# Frequently Asked Questions (Legal)

## *Hold Harmless Agreement / Certificate of Insurance (HHA / COI)*

- **We signed a Hold Harmless Agreement several years ago. Why do we need to sign another HHA?**
  - Sysco updates its HHA form time to time based on changes in the law and company policies. As a result, Sysco may require that its suppliers execute an updated HHA form.



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# Frequently Asked Questions (Legal)

## Bid Award Purchase Agreement (BAPA)

- **Why does the BAPA refer to Fixed Pricing when our agreement for pricing on sourced product is based on a formula and/or market index?**
  - Fixed Pricing can mean either a fixed amount per pound, per case, or otherwise as applicable, or can mean a defined formula including reference to a current market index from which the fixed amount can be derived.



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# Frequently Asked Questions (Legal)

## *Bid Award Purchase Agreement (BAPA)*

- **What if a supplier does not grant best pricing to any customer or does not grant best pricing under the terms set forth in the BAPA?**
  - An express condition to participating in the sourcing event was an agreement to provide best pricing to SMS. Supplier's failure to follow through with this commitment will subject the supplier to all remedies available to SMS for supplier's breach of the agreement.





# Frequently Asked Questions (Legal)

## *Bid Award Purchase Agreement (BAPA)*

- **What if the force majeure provision in the BAPA needs to be changed to the supplier's standard force majeure clause?**
  - SMS will not accept a revision to the BAPA force majeure provision. This is the force majeure that all other sourced suppliers have agreed to. Due to the limited timeframe of the BAPA term, SMS believes that sourced suppliers should be able to anticipate most events, other than the specific events set forth in the BAPA force majeure.



# Frequently Asked Questions (Legal)

## Bid Award Purchase Agreement (BAPA)

- **What is set forth in the Exhibit A of the BAPA?**
  - The Exhibit A will include all variable provisions for each sourced event, including without limitation, the description of the product(s), the anticipated quantity, the fixed pricing, the term of the agreement, the effective date, etc.



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# Frequently Asked Questions (Legal)

## *Supplier Authorization Agreement (SAA)*

- **Why do I need to execute an SAA when I have already executed a BAPA?**
  - The BAPA is specific to the sourced product and has a finite term, whereas the SAA governs the overall relationship between SMS and the supplier and continues as long as SMS purchases product from the supplier. In addition, the BAPA is intended to end with the SAA.



# Frequently Asked Questions (Legal)

## Supplier Authorization Agreement (SAA)

- **The SAA includes provisions relating to co-branded product (product which includes both SYSCO trademarks and supplier trademarks) but we will not be selling any co-branded product.**
  - The SAA acknowledges that some provisions may not apply unless the applicable box on the first page is marked, e.g. SYSCO Brand, Supplier Brand and/or Co-Branded Product.



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# Frequently Asked Questions (Legal)

## Supplier Authorization Agreement (SAA)

- **What if I don't agree with certain provisions of the Supplier Code of Conduct?**
  - The Supplier Code of Conduct reflects the standards that Sysco requires of all its suppliers and cannot be revised. If you have specific concerns, please contact Sysco's legal department to discuss.



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# Frequently Asked Questions (Legal)

## *Non-Disclosure and Confidentiality Agreement (NDA)*

- **Why does the term of the non-disclosure and confidentiality agreement need to extend beyond the conclusion of the sourcing RFP?**
  - Confidential information does not become less sensitive because the term of the RFP has expired. This just protects both Sysco and the supplier's information that is confidential for a reasonable time after our arrangement has expired.





# Sales Plan

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# Sales & Growth Expectations

- Provide details of your company's Foodservice sales growth expectations for the current/upcoming year for this product category. What are the key activities your company plans on executing to obtain this growth plan?

# Key Activities

## Growth Expectations

- To grow the Foodservice Division \_\_\_% in 2018 vs. 2017
- Suppliers main product lines are \_\_\_\_\_ with a main focus on \_\_\_\_\_ These products with Sysco are budgeted to grow \_\_\_% in 2017 vs. 2016
- Supplier has been achieving year over year growth in the Foodservice division.
  - Overall from 2017 vs. 2016- Supplier grew \_\_\_% in cases and \_\_\_% in dollars
  - (Sub Category 1) grew \_\_\_% in cases and \_\_\_% in dollars in 2017 vs. 2016
  - (Sub Category 2) grew \_\_\_% in cases and \_\_\_% in dollars in 2017 vs. 2016

## Sales Network

Suppliers work with brokers or have an internal sales network that develops strategies and focus on new pieces of business within street sales. Please include details on your current sales network and in addition provide any go to market strategies that have recently been executed.

# Key Activities – cont'd

## Innovation

- Food service vs. retail. How much of your total business is Foodservice (\_\_\_%) and how much is Retail?
- New products. Please include if the innovation is for Retail / Foodservice, Re-Formulation or an on-trend flavor profile, seasonal, targeted market segment, etc.:
  - Product 1 \_\_\_\_\_
  - Product 2 \_\_\_\_\_
  - Product 3 \_\_\_\_\_
- Market Insights Please specify how you utilize market research and data to establish what new opportunities there are when it comes to products and trends. Also, include the source of the data (e.g., Technomics, etc.)

# 7 Key Areas to drive growth with our suppliers

## Growth Strategy & Plans:

### *How do you propose we partner to profitably grow the category?*

- Specifically define the near-term activities that are needed to fuel growth in the upcoming year
- Provide a proposal on how we can work together to open new business and increase penetration with existing customers
- Beyond near-term, define the longer-term opportunities for the category which will result in organic growth

### *What innovations does your company have in the pipeline and what exclusivity are you able to offer Sysco?*

- Do we currently have the right assortment? What areas for growth/innovation is your company focusing on for this category that we are missing?
- What are the category exclusive opportunities that you are prepared to offer Sysco? How long will each exclusivity last?
- Describe how we can partner on innovation to ensure we are the leader and first to market on trends? (i.e. sharing key trends/innovation in other markets and channels and suggest how often we need to review these opportunities)

# Supplier Organizational Readiness

Details supporting rationale/qualifications for your company's desired role:

## Partnership & Collaboration

***How do you propose we collaborate to deliver the annual plan in this category?***

- What high level strategies and detailed tactics should we be pursuing in 2014 to grow market share and deliver our annual plan?
- What are the best practices you propose we use together to penetrate customers that we already deliver to who don't buy this category?
- What specific products, services, customers, and segments should we target for growth?
- What can Sysco do better to strengthen our partnership? Any roadblocks?

What are the longer-term opportunities we should jointly pursue?

- Do you currently conduct Joint Business Planning (JBP) with your other customers? If yes, what process do you propose we use?
- What can we do to work with our CMU customers more effectively?

## Category Management Expertise

***Describe the level of category management expertise you will offer Sysco?***

- Does your company currently utilize category management principles with your other customers? How will this translate into foodservice?
- Would you be willing to provide a dedicated analytical resource in Houston?
- What other types of resources can you offer to ensure Sysco is the category expert (additional human resources, tools, best practices, etc.)?
- What are your organizational plans to elevate your company's category management expertise?

# Supplier Organizational Readiness

Details supporting rationale/qualifications for your company's desired role: (Continued)

## Research & Insights

***What current research and insights does your company have which can be used to grow the category?***

- What category specific research does your company have to offer?
- What investments in insights and research is your company planning to make over the next year to help Sysco grow the category?
- Is your company investing or planning to invest in secondary insight resources? (e.g. Technomic, NPD-Crest, NPD-SupplyTrack, Datassentials Menu Monitor, Mintel, Euromonitor, Westport, etc.)?
- If given access to Sysco's Sales Data, how will your company utilize the information we have to drive growth? Specifically, what types of analysis/information data points would be needed?

## Pricing/Costing Management

***How will your company ensure Sysco has the most competitive pricing in each market and customer type?***

- What specifically will your company do to help support the continuous monitoring that ensures Sysco's pricing remains competitive?
- Describe your plan to work with our Category Directors on market relevant pricing (share the tools, methodology, and examples of how your process has worked in the market)
- Describe your plan/process that we can execute together to respond to competitive actions in the market from distributors and manufacturers

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# Supplier Organizational Readiness

Details supporting rationale/qualifications for your company's desired role: (Continued)

## Sales Resources & Support

### ***What type of Sysco dedicated resources will your company provide?***

- What type of sales support will you provide in the field if awarded? (e.g. direct, broker, hybrid, etc.). How is it different from today's support?
- How will you ensure your sales force is effective in the market place?
- What best practices, in-depth training, and sales tools do you propose for Sysco MAs to drive growth sales and GP \$ per stop?
- Provide some examples of successful conversions you've had in the past?
- What best approaches will you utilize to ensure conversion?
- How will you support our MAs with category expertise in preparation for important customer calls?
- How will you partner with Sysco and other suppliers in the category?

## Marketing & Other Support

### ***How will you ensure the assortment transition is successful?***

- What types of ongoing marketing and business development activities do you propose we pursue and execute together?
- What is your company's approach to promotional activity in the field? (e.g. bundling products, BOGO, rebates, etc.)
- How do you plan to provide product samples to our MAs?
- What support will your company provide our MAs in terms of product questions? (e.g. form of communication, response time, fact sheets, etc.)
- What are your plans for providing support to ensure Sysco has accurate information, marketing collateral, images, etc.?

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# Quality Assurance

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# Quality Assurance

All approved Sysco Branded suppliers bidding on sourced products must be in good standing for Sysco Independent Third Party Audits, including Food Safety and Sanitation, Animal Welfare & Handling Practices, Good Agricultural Practices, Integrated Pest Management/ Sustainable Agriculture, Social Responsibility and/or any other required audit prior to award. Good standing means submission of an audit that passes for total score and any applicable section specific requirements such as Food Safety or Food Defense.

## **RFP for Sysco Branded products:**

- All suppliers that are not currently approved or in good standing for Sysco must complete the Sysco Quality Assurance (QA) Approval process, including but not limited to completion of a physical facility audit by a Sysco QA staff member, and provision of all documented corrective actions within the prescribed timeframe.

## **RFP for Packer or National Brand products:**

- Food Products: Suppliers not currently approved for Sysco Brand are required to execute and/or submit to Sysco QA a Sysco approved independent Food Safety and Sanitation audit, with a passing rating for each section. Sysco may request copies of documented corrective actions for the audits.
- Food Service Supplies - Suppliers not currently approved for Sysco Brand are required to execute and/or submit a Sysco approved independent Quality Systems and Sanitation Audit with a passing rating for all sections. Sysco may request copies of documented corrective actions for the audits.
- Sysco utilizes two methods of monitoring all approved suppliers for compliance to Food Safety / Quality Systems / Sanitation requirements: Sysco QA Plant Visits and Sysco approved Independent Third Party Audit agencies. Detailed requirements of the Independent Third Party program are in the RFP. Additionally, Sysco QA personnel may conduct visits to non-branded suppliers granted a bid award in order to confirm product compliance to specifications and monitor Food Safety and Sanitation programs.

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# Quality Assurance Requirements

## 1. Supplier Approval Process –

- All Sysco Branded suppliers are formally approved in an objective audit system, and must receive an Acceptable Initial Audit score, based on the physical review of the supplier's facility. The audit includes criteria such as HACCP, Plant Sanitation, Employee Hygiene, Pest Control, Foreign Material Surveillance systems (ex. Metal Detection or X-ray); Allergen Controls, Food Defense, Animal Welfare Practices (if applicable) and confirmation of a Sysco approved Recall Policy. Any discrepancies noted in this audit must be corrected before the plant will receive formal approval.
- This requirement includes co-pack facilities.

## 2. Product Monitoring and Compliance – *One or more of the following examples will be implemented and completed at a frequency established by Sysco QA:*

- Structured on line evaluations by the supplier with results sent to Sysco QA.
- Routine analytical testing or microbiological testing compared to defined standards (where applicable).
- Submission of finished product samples to Sysco QA on a routine basis for evaluation.
- Development of a complaint-tracking program.
- Routine visits by Sysco QA personnel, and/or contract inspectors to the manufacturing plant to evaluate processes and products.
- Point Source Inspection Program.
- Monitoring covers raw materials through finished product distribution.
- Covers National brand and Packer brand sourced core assortment items.
- Awarded suppliers shall provide internal quality monitoring data on key attributes as requested and identified by Sysco Quality Assurance.

# Quality Assurance Requirements

## 3. Specifications –

- Detailed Sysco brand specifications (product and packaging) are entered in the Sysco specification data base by suppliers.
- Must be provided for National brand and Packer brand products.
- Specifications submitted for RFP must be thoroughly reviewed, with documented acknowledgement that specs have been reviewed by corporate/plant operations and quality assurance personnel.

## 4. Recall –

- Recall policy will be vetted against Sysco requirements.

## 5. Independent Audit Program –

- Required Annual Third Party Audit – Suppliers must participate in Sysco's Independent Audit Program. Sysco Quality Assurance will only accept GFSI recognized schemes and suppliers must complete a GFSI scheme Food Safety/Sanitation audit during the calendar year. Minimum scores must be achieved to maintain approval to supply Sysco Brand products. The cost of the audit is borne by the supplier. Information detailing the requirements of this program is provided upon approval. These audits can be completed by any accredited certification body, and these audits can be announced.

# Quality Assurance Requirements

## 6. Social Responsibility Assessment Program –

- Supplier locations operating in Asia and Latin America must complete a social responsibility assessment as part of the approval process and on an annual basis. All costs covered by the supplier. Assessments completed by UL STR (Specialized Technology Resources).
- The program assesses areas of concern such as worker welfare, production environment health and safety, and security standards.
- Critical violations identified result in immediate suspension of business with Sysco.
- \*Required for National and Packer brand suppliers of sourced core assortment items.

## 7. Sustainability – *Where applicable suppliers are required to participate in the following programs:*

- Integrated Pest Management (Frozen / Canned Fruits and Vegetables)
- Seafood Sustainability
- Palm Oil Policy
- Animal Welfare (Animal Based Proteins)

# Quality Assurance Requirements

## 8. Complaints – Product Discrepancy Notices –

- Suppliers will provide a monthly report on complaints received directly by Sysco Operating Companies. Information on how complaint was handled will be provided.
- Suppliers will assist Sysco QA with investigation of communicated complaints within 7 business days. Information will include root cause and corrective actions.

## 9. New Items –

- New items to a supplier will require evaluation of production samples by Sysco QA prior to distribution. Evaluation will include full finished product, master and primary packaging.
- Revisions to existing sourced core assortment items (Sysco Brand/National Brand/Packer Brand) must be presented, evaluated and agreed upon with Sysco QA prior to distribution.

# Quality Assurance – Sample Requirements

As a component of Sysco Corporation's sourcing projects, the SMS Business Centers, Sysco Quality Assurance or the Sourcing teams may request product samples for evaluation purposes. All samples must be accompanied by supplier product and packaging specifications. This includes Supplier Brand and National Brand items.

- The evaluations are an integral part of the RFP review process. These evaluations will confirm adherence to the specifications Sysco provided in RFP Round #1. The products will be evaluated against a variety of factors and may involve all or part of the following criteria:
  1. All salient quality parameters
  2. Packing and Packaging Performance
  3. Labeling and Marking compliance
  4. Barcode application and scanning
  5. Date coding procedures
- Results of the evaluation will be a facet of consideration for final supplier and product selection in the award process. The Sysco specifications attached to the RFP may require slight revisions based upon the results of the evaluation. Revisions will be communicated to the suppliers upon completion of the product review and prior to award.
- After award, additional samples needed for QA compliance cuttings or customer quality reviews will be made available throughout the term of the Bid Award Purchase Agreement. All costs associated with sampling will be borne by the supplier.

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## Packaging

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## General Info



### The Sysco Standard

#### Overarching Packaging Rules

- No co-branding
- All Product claims & certifications will need to be validated and vetted. No grandfathering previous claims.
- No marketing QR codes on packaging
- All production facilities must be QA audited and approved (no switching).
- Packaging will be bilingual (Spanish) if space allows.

### Checklist ☒

#### Provide the following to SGS

- ☐ Supplier packaging contact information (primary & backup)
- ☐ Primary contact information for all packaging material printers
- ☐ Packaging material printer specifications
- ☐ List of all packaging types & substrates by SUPC
- ☐ Working die line or template of all packaging structures in .ai or .eps file formats
- ☐ Include directions/ measurements for label areas and no print zones on die lines
- ☐ Supplier/QA notification to SGS when SUPCs are in "QA Approved" status
- ☐ Provide Purchase Order (P.O.) to SGS following project quotation
- ☐ All claims, industry logos, and certifications must be vetted and approved by Sysco (SMS & SPG) before going to SGS.

#### Compliance

- If artwork is found to be created outside of SGS or outside the Sysco process, the art will be rejected by Sysco and suppliers will incur additional expenses to redo their artwork. Other ramifications may also occur.
- It is the Supplier's responsibility to ensure artwork meet all federal, state and local labeling regulations regarding required data and specific placement of such data on the artwork.
- **Auditing**- After new art is developed, suppliers will be asked to submit either photos or actual packaging samples to Sysco for auditing purposes.

#### Packaging Images or "Vignettes"

- Certain Sysco brands will require an image on the packaging.
- Images submitted by the Sysco Supplier for the purpose of creating artwork will become the property of Sysco Corporation.
- A graphic ownership release form must be completed and signed by the Supplier and Sysco.
- Image types:
  - Line art - A simple line drawing. Primarily used for Exterior shippers and Interior structures with limited printing capabilities.
  - Photos - styled photography. Interior packaging only. See image standards for more information.

# Packaging Creation Steps



## 1. Product Creation

- The Supplier provides the Sysco Merchandising Services (SMS) Product Manager with product information for new items, including Product Claims and Certifications.
- Following new item creation, the SMS Product Manager communicates product attributes, official product name, and codes to the Supplier for input in the Sysco QA Spec Database.
- If the product is an existing branded Sysco item, the supplier must work with SMS to confirm the product name as it will appear on packaging.

## 2. Supplier inputs specs in the QA Database

- Registration and training are available by contacting Sysco Quality Assurance at: [supplierpartnersysco.com](mailto:supplierpartnersysco.com) or 281.584.1390
  - Job aids are available.
- The Supplier is responsible for entering product information in the SAP QA Specification Database and setting the spec status to "NEW" or "RE-SUBMITTAL" after data entry is complete.
  - Sysco is requiring all artwork with nutritional facts panels be updated by January 1st, 2019.
- A Sysco Program Quality Manager (PQM) reviews the spec and notifies the Supplier with necessary revisions or places it in "QA APPROVED Status."
  1. **"QA APPROVED" status is required before packaging artwork development may begin.**
  2. **The Supplier and PQM must notify SGS when specs are approved.**
  3. **If data changes, the Supplier should notify the SMS Product Manager and Packaging Group, Immediately.**
  4. **Sysco's deadline for all nutrition facts panel updates is January 1st, 2019**
- To avoid delays, Suppliers should make sure all fields in the SAP QA Spec Database are accurate, up to date and consistent with data supplied to Sysco.

## 3. Supplier & SGS Develop Packaging Art

- The Supplier is required to utilize SGS International for all new & revised art generation and is responsible for the associated costs. *Sysco Brand Suppliers are Invoiced directly by SGS.*
- The Supplier should make contact with SGS as soon as possible.

Contact:  
**Julianne Huchingson**  
[Julianne.huchingson@sgsco.com](mailto:Julianne.huchingson@sgsco.com)  
281.584.7278
- The Supplier should submit information requested by SGS as quickly as possible.
- Final review and approval of art files will occur within the SGS work flow.
- A plate-ready art file is delivered to the supplier by SGS.

## 4. Production & Distribution

- The Supplier is responsible for procuring printing plates. If needed, SGS can also create plates.
  - *It is recommended that Suppliers utilize SGS for printing plates to expedite the production process.*
- The Supplier is responsible for completion of all aspects of production of packaging materials and distribution of product.



## Supply Chain

***Freight Component  
within RFP***

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# Supply Chain Freight RFP

## ■ Purpose:

- Assist in modeling the supply chain for the category
- Identify potential problems/opportunities prior to execution
- Reference document for operating companies

**Sysco Freight Questionnaire**  
Supply Chain Services

Good things  
come from  
**Sysco**

\*Responses to all fields are required; Please contact Sysco with any questions.\*

General Supplier Information		Supplier Effective Date: {DATE}
Supplier Name	General Supplier Community	
Corporate Address		
Supply Chain Contact		
Phone		
E-mail		
Supplier SIC		
Temperature Code: <input type="checkbox"/> Cooler <input type="checkbox"/> Frozen <input type="checkbox"/> Dry		
Bid Category		

**1.0 Current Freight Program**

**1.1 Product Pricing**

1. Is your product costing based on a FOB Basis or Delivered?

2. If delivered pricing, are customer pickups offered the lowest product cost?

3. What is the product Unit of Measure (UOM)? (CWT: gross, NWT: net)

☐ Case ☐ CWT ☐ NWT ☐ Cube

**1.2 Freight Pricing**

4. What is the freight Unit of Measure (UOM)? (CWT: gross, NWT: net)

5. Do you offer published freight rates? (Select "None", or the type of rate offered)

6. Do you offer pickup allowances?

7. Is the current state model different from what is listed in this form? (If yes, please explain in 1.4)

☐ Case ☐ CWT ☐ NWT ☐ Cube

☐ Yes ☐ No

**1.3 Minimums**

8. What is the minimum order requirement for delivery? (use UOM listed in #4)

9. What is the minimum order requirement for pickup? (use UOM listed in #4)

10. Are the values in #8 and #9 different from current state values?

☐ Yes ☐ No

**1.4 Supplier Comments**

Please enter any comments regarding your freight program:

**2.0 Supplier Profile Information**

11. How often does your base freight rates or pickup allowances change?

12. How often does your fuel surcharge change? (If "Other", please explain in 2.1)

13. Are all of your fees included in your freight rates? (fuel, detention, etc)

14. Can you acknowledge your compliance with Shipper Load & Count?

15. What is your current pallet program?

16. Please provide the following:

	Weight	Cases	Cases	Pallets
Truckload Maximum (on average)				
Rail Maximum (on average and if applicable)				

**2.1 Supplier Comments**

Please enter any comments:

**3.0 Supplier Locations**

Please list all shipping locations:

# General Supplier Information

- *Supply Chain Contact* is the point of contact for any questions regarding this document and your freight program
- Enter the *Bid Category* for example "Processed Eggs"
- *Supplier Effective Date* is the earliest date these rates can be implemented

General Supplier Information		Supplier Effective Date: {DATE}
Supplier Name		General Supplier Comments
Corporate Address		
Supply Chain Contact		
Phone		
E-mail		
Sysco SUVC		
Temperature Code	<input type="checkbox"/> Cooler <input type="checkbox"/> Frozen <input type="checkbox"/> Dry	
Bid Category		



# 1.1 Product Pricing

- Identify the pricing method in which you currently price your customers today
  - This may not be how you were asked to bid for the category
  - FOB = Product Cost + Freight as a Separate Charge
  - DEL = Single landed cost to the operating company
    - If freight is included in your product cost, Sysco considers your pricing Delivered
- Sysco expects that you will have a single pricing structure

## 1.1 Product Pricing

- 1 Is your product costing based on a FOB Basis or Delivered?
- 2 If delivered pricing, are customer pickups offered the lowest product cost?
- 3 What is the product Unit of Measure (UOM)? (CWT: gross, NWT: net)

<input type="radio"/> Case	<input type="radio"/> CWT	<input type="radio"/> NWT	<input type="radio"/> Cube

# 1.2 Freight Pricing

- Identify the method in which you charge customers if you deliver products
  - FOB pricing in 1.1 – Freight Rates?
  - DEL pricing in 1.1 – Pickup Allowances?
- If a different program is proposed through Category Management, all items will adopt the proposed program (sourced and non-sourced)
- Sysco will only accept a single freight program and cannot accept FOB and Delivered pricing from the same ship point.

## 1.2 Freight Pricing

- 4 What is the freight Unit of Measure (UOM)? (CWT: gross, NWT: net)
- 5 Do you offer published freight rates? (Select 'None', or the type of rate offered)
- 6 Do you offer pickup allowances?
- 7 Is the current state model different from what is listed in this form?  
(If yes, please explain in 1.4)

<input type="radio"/> Case	<input type="radio"/> CWT	<input type="radio"/> NWT	<input type="radio"/> Cube
<input type="radio"/> Yes <input type="radio"/> No			
<input type="radio"/> Yes <input type="radio"/> No			



# 1.3 Minimums

- Minimums are the smallest order you would allow Sysco to pickup and have delivered.
  - If you only provide service through a Sysco forward warehouse the minimum is one case.
- Identify if the minimums are different from current state values
  - Minimums identified will apply to sourced and non-sourced volume
- Unit of measure will auto-populate from question 4 in section 1.2
- Use 1.4 to expand on any aspects of your freight program that cannot be captured in the previous fields.

## 1.3 Minimums

- 8 What is the minimum order requirement for delivery? (use UOM listed in #4)
- 9 What is the minimum order requirement for pickup? (use UOM listed in #4)
- 10 Are the values in #8 and #9 different from current state values?

	Cases
	Cases
<input type="radio"/> Yes	<input type="radio"/> No

## 1.4 Supplier Comments

Please enter any comments regarding your freight program:

# 2.0 Supplier Profile Information

- Section designed for operational information
- Expectation that base freight rates will be largely sustainable for at least a calendar year
- Shipper, Load, and Count captures responsibility of overages, shortages, and damages

## 2.0 Supplier Profile Information

- 11 How often does your base freight rates or pickup allowances change?
- 12 How often does your fuel surcharge change? (If 'Other', please explain in 2.1)
- 13 Are all of your fees included in your freight rates? (fuel, detention, etc)
- 14 Can you acknowledge your compliance with Shipper Load & Count?
- 15 What is your current pallet program?
- 16 Please provide the following:

<input type="text"/>	<input type="text"/>
<input type="radio"/> Yes	<input type="radio"/> No
<input type="radio"/> Yes	<input type="radio"/> No

Weight	Cubes	Cases	Pallets
Truckload Maximum (on average)			
Rail Maximum (on average and if applicable)			

## 2.1 Supplier Comments

Please enter any comments:

# 3.0 Supplier Locations

- All shipping locations used for to service this category must be documented in this section
- These addresses must be where the product is available

## 3.0 Supplier Locations

Please list all shipping locations:

	Physical Address / Zone	City	State	Zip Code	DC/Plant	Source d Product	Rail Facilitie s	Drop Trailer
1								
2								
3								
4								
5								
6								

# Ship Point Detail

- Each ship point from *3.0 Supplier Location* requires its own *Ship Point Detail* tab.
  - Identify the ship point from the drop down options in Column F (this will auto-populate columns G, H, and I)

A	B	C	D	E	F	G	H	I	J	K	L
	<a href="#">Show Ship Point Detail Instructions</a>										
Company Number	Company Name	City	State	Zip Code	Ship From Address / Zone	Ship From City	Ship From State	Ship From Zip Code	SYSCO Currently Picks Up	Distance in Miles	Temp Code(s)
001	Jackson	Jackson	MS	39209							
002	Atlanta	College Park	GA	30337							
003	Jacksonville	Jacksonville	FL	32254							

# Ship Point Detail

M	N	O	P	Q	R	S
Components Included in Your Freight Rates						
Linehaul Rate	Fuel Surcharge Rate	Stop Charge	Unload Charge	Other Charges	Pickup Allowance	Freight Rate
UOM {UOM}	TYPE {TYPE}				UOM {UOM}	UOM {UOM}
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

- Columns M-Q can be used to provide the components that make up your freight rate.
  - Populate Column R if you offer a Pickup Allowance for each OpCo.
  - Populate Column S if you offer a freight rate to deliver.
  - Only populate the columns that are relevant to your freight program
- Select the UOM by clicking in the UOM cell and choose from the drop down list. The UOM should match the UOM listed in Question 4 in the Freight Questionnaire tab.

# Ship Point Detail

T	U	V	W
Enter Bracket Bc			
Bracket 1	Bracket 2	Bracket 3	Bracket 4
{Min}	{Min}	{Min}	{Min}
{Max}	{Max}	{Max}	{Max}
{UOM}	{UOM}	{UOM}	{UOM}
▼	▼	▼	▼

- If you manage a bracketed freight program, you will populate brackets starting with Column T
- It is not required for you to populate all brackets available in the spreadsheet
- Designate your bracket cutoffs with the *min* and *max* fields
- Select the UOM by clicking in the UOM cell and choose from the drop down list. The UOM should match the UOM listed in Question 4 in the Freight Questionnaire tab.

# Common Mistakes

- Account manager identified as supply chain contact
  - Freight rates provided when supplier is currently managing pickup allowances
  - Multiple freight programs provided, as opposed to one
  - Creation of additional brackets in a supplier's program
  - Leaving information blank, as opposed to reaching out for assistance.
- 
- If you have any questions, please reach out to your Sysco Supply Chain Manager



## Supply Chain

### *Forward Warehouse Network*

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# Forward Warehouse Network

## FORWARD WAREHOUSE NETWORK OVERVIEW

- Goal: To familiarize Suppliers with the Forward Warehouse Facilities and their capabilities and benefits.

**Site Management Team:** Penny Stark - Senior Manager – Initial contact for suppliers. Jason Greaser, Keith Hospodar and Dan O'Donnell

- There are 4 types of programs Sysco has defined - Owned, Consigned, Private and Crossdock. Supplier needs to understand the program and requirements so they can provide an accurate bid back to Sysco.

## Network Benefits regardless of Program type

- Less congestion at Supplier and Operating company docks
- Sysco on-site management staff
- Adhere to Sysco's QA requirements
- Benchmarking of all network facilities – load fill, truck turn around, appointment scheduling, shipping accuracy, paperwork accuracy, reporting, Sysco compliance
- Sysco initiative and objectives are implemented (no pallet exchange, crossdock management, Chep compliance, Sysco audits, etc.

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# Forward Warehouse Network

## Owned and Consigned

- Sysco purchasing department creates purchase order in the system
  - Order is systematically sent to the supplier for fulfillment and to warehouse
- Supplier fulfills the requested items/quantities
- Carrier arranges delivery appointment with the warehouse
- Warehouse receives in the product
  - Warehouse verifies and communicates any issues on the product or packaging to designated Sysco personnel
  - Issues are resolved PRIOR to shipping to any operating company
- Warehouse closes inbound and systematically transmits back to SYSCO
- Purchase order systematically closes in the system and inventory is available for the operating companies order fulfillment

## Private

- Supplier manages all inventory and communicates inbound orders to the warehouse with established process
- Warehouse schedules receives and communicates back to supplier
- Damages may or may not be taken care of. It is up to supplier and warehouse cannot force issues.
  - Warehouse pulls all loads for particular shipping date
  - Warehouse picks and stages all orders for pick up
  - Carrier schedules pick up
  - Warehouse loads and finalizes all orders on load

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## Supply Chain

*Redistribution Distribution Services  
(RDC)*

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- The Sysco Redistribution Network was created to streamline our Supply Chain by further rationalizing transportation lanes, reducing inventory, and adding operational efficiencies into our Operating Companies.
- Adoption into the Redistribution Network is dependent upon agreement to comply with the requirements outlined in this document as they enforce the efficiencies critical for operating the Redistribution Supply Chain. These guidelines lay the groundwork for an enhanced, mutually beneficial partnership with a select supplier community.

# RDC Pre-Requisites

- SMS Corporate Billing & iTrade Electronic Trading Requirements
- As a pre-requisite to becoming a RDC Supplier, the Supplier must be compliant with SMS Corporate Billing requirements.
- Contractual Membership with iTrade Network
  - An RDC Supplier must be a signed member of the iTrade Network and have the ability to receive and send required documents electronically. iTrade Network and Data Services–eSupplier Solutions will assist you in meeting SMS, Inc.’s specification requirements. All required fields must be returned on all inbound documents. An RDC Supplier must also have the ability to receive EDI 850 purchase orders, generate multiple EDI 855 confirmations and EDI 810 invoices.

# RDC Pricing

- A Supplier must reach agreement with Sysco on the Supplier Adoption Savings and pricing structure to be applied through the RDC. For more information regarding RDC pricing requirements contact the Supply Chain Services Department as noted in Section IX.
- Additional Prerequisites
  - The following additional documents are required, by the Supplier, prior to entry into the RDC for each supply point:
  - Request For Data (RFD) – Required attributes for items distributed through the RDC Network.
  - Customer Pick-Up Agreement – Any pick-up restrictions by supplier regarding a specific ship point; such as, pick up dates and times or schedule procedures.
  - Recall Documentation – Supplier's recall procedures
  - Example of Non-Sysco Branded Case Labels with Lot/Date Code Formatting and Breakdown – A description of how the RDC would read the lot and date codes on a Supplier's case.
  - Supplier Contact Information – Listing of Supplier contact names for designated business areas.



# iTrade/eSupplier Solutions

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The world's largest SaaS solutions provider  
focused on the food & beverage industry



10,000 trading partners representing \$300B  
in annual spend



Labeling and tracking more than 10% of all  
shipped cases of fresh produce in US



More than 100 million item-specific QR codes  
in stores



Coverage across every food and beverage  
distribution channel touching more than  
10 million prepared meals every day



*Headquarters in Northern  
California with a local presence  
in the United Kingdom,  
Germany, Australia, New  
Zealand and India*



## Electronic Trading Benefits Everyone

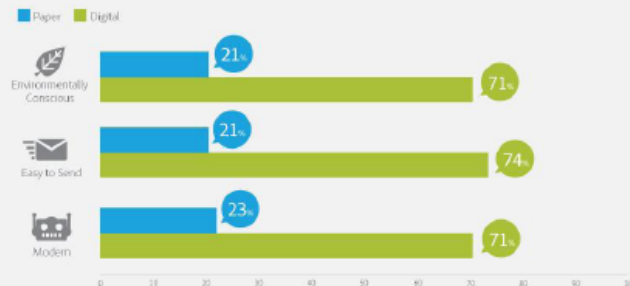
- ✓ Accessible anytime, anywhere
- ✓ Simple implementation
- ✓ Increase efficiencies
- ✓ Reduce errors
- ✓ Access historical performance reports
- ✓ Receive real-time updates
- ✓ Reconcile invoices faster

### Paper: An Endangered Species?

U.S. managers cite major concerns over paper's impact on business processes, security and environment



#### Paper versus Digital: public perceptions



## Quantifiable and Measurable Value

<b>World's Largest Food Industry Trading Network</b>	Existing trading partner network accelerates startup time for suppliers and facilitates order management processes for complex organizations	<ul style="list-style-type: none"> <li>• 10,000 trading partners includes growers, shippers, manufacturers, distributors, operators, carriers and retailers</li> <li>• \$300B in annual trade spend</li> <li>• 600M purchase orders per year</li> </ul>
<b>Data Services</b>	All data in all systems is clean, accurate, complete, standardized, and synchronized with your trading partners	<ul style="list-style-type: none"> <li>• 35 to 50% reduction in order data errors</li> <li>• 3 to 5% improvement in service levels</li> <li>• .5 to 1.5% reduced inventory for same sales</li> <li>• 25 to 60% less time managing data</li> <li>• 25 to 75% less costs to achieve full PTI compliance</li> </ul>
<b>Integration Services</b>	All data and documents are timely, accurate, and exchanged electronically with your trading partners. A single point of integration significantly reduces operating costs.	<ul style="list-style-type: none"> <li>• 10 to 65% reduction in document exchange costs</li> <li>• 15 to 50% less time managing trading partners</li> <li>• 25 to 60% less time to achieve electronic compliance</li> <li>• 10 to 35% fewer errors at the line item level</li> </ul>
<b>Order Management</b>	All buy and sell side trading partners collaborate in real time and have full visibility to all orders through the purchase to pay cycle	<ul style="list-style-type: none"> <li>• 15 to 25% less time managing &amp; correcting orders</li> <li>• Traceability data persisted through shipping &amp; receiving</li> <li>• 50% to 75% less time achieving Invoice match rates of 95+%</li> </ul>
<b>Analytics</b>	Complete, timely, and accurate end to end supply chain data is easily accessible and is used to take immediate corrective actions and drive long term strategic planning.	<ul style="list-style-type: none"> <li>• End to end supply chain data provides actionable insights to drive tactical and strategic decisions, as well as trading partner score carding &amp; performance</li> </ul>

## 3 Ways to Connect to the Sysco Network

### ■ Full Integration

Synchronize back-end ERP systems directly to Sysco ordering

### ■ Web Portal

- Manage orders from initial PO through invoicing over a secure website

### ■ Limited Web Portal

- Ordering and confirmation capability, without invoicing

# iTrade

## Get Started in 3 Easy Steps



### Engage

- Contact iTrade
- Complete a simple questionnaire
- Sign agreement



### Configure

- Synchronize your catalog
- Set up your user profile
- Complete video training



### Go Live

- Receive your first order
- Monitor for errors

# iTrade



**Please contact us for further information.**

[sales@itradenetwork.com](mailto:sales@itradenetwork.com)  
[www.itradenetwork.com](http://www.itradenetwork.com)



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# Minimum Order/Lead Time

Doing Business with Sysco



# Minimum Orders

- **What are your minimum order requirements?**
  - There are several items on the RFP concerning ordering lead times and minimum order sizes that must be completed.
  - We need to know what your minimum order size is in pounds, cases or pallets.
  - This information allows us to effectively evaluate the best supply-chain options to conduct efficient business together.

# Lead Times

- **Lead Time** What is the standard lead time from order date to pick-up date? What lead time are you offering Sysco as part of your proposal?
  - Lead time can be calendar days (7 days a week, counting Saturday and Sunday) or business days (Monday through Friday). It is important to specify which you are using.
  
- **Does lead time start the actual day the order is placed or does lead time begin when confirmation of order transmittal is received?**
  - Please specify if the lead time is different for pick up or delivered orders.
  - Does lead time vary by product group within the category?



# Minimum Pick Up for Short-Life Items

- **Minimum pick up for short-life items** Some items have short shelf lives (e.g., refrigerated dairy).
  - Sysco requires pick up and delivery frequencies that would allow for minimum storage times of these items. Those frequencies are listed on the left side of the table below.
  - Please put a response next to each frequency that you could comply with:

Lead Time Scenarios	Compliance Response
< 14 Days - minimum 3X Weekly	Response required
< 28 Days and > 14 Days - 2X Weekly	Response required
> 28 Days - 1X Weekly	Response required
Confirm that you be able to achieve these service levels*	Not Answered Fully Comply No I/We will not comply fully
(rows marked with * are required)	

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# Sysco Acronyms & Terminology (SAT)

Doing Business with Sysco



# Sysco Acronyms & Terminology (SAT)

- **BAPA** Bid Award Purchase Agreement
- **Broadline Companies** The main Operating Companies (aka OpCos or Houses) that distribute a “broad line” of products.
- **Business Center(s)** Area of merchandising for a certain product category (i.e. Beef, Dairy, Frozen Vegetables, Canned). Numerous functions such as Merchandising, Pricing, Customer Service and AP are divided up into associates who handle these particular areas.
- **CMU** Corporate Multi-Unit – Contract customers with more than one location and of a meaningfully large size.
- **COI** Certificate of Insurance
- **Consigned Inventory** A type of warehouse order, merchandise that is housed or stored at public warehouses for shipment to OpCo; this merchandise is still owned by the supplier, but billed by Corporate at the time it leaves the warehouse
- **Corporate Billed** Orders in which SMS remits payment to suppliers and then in turn deducts payment from the operating companies. In this arrangement, purchase orders flow through SMS.

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# Sysco Acronyms & Terminology (SAT)

- **DC** Distribution Center
- **DEL** Delivered pricing (ET)
- **Delivered Pricing** Pricing that includes the freight charges (or cost of shipping) in the price; generally costs more to use as Sysco negotiates good terms on freight due to volume so FOB/Free on board pricing is preferred over delivered pricing.
- **EDI** (Electronic Data Interchange) An electronic exchange of information referring to money or (usually) invoices
- **Exhibit A** Attachment to the BAPA that defines pricing and length of agreement with vendors
- **FOB** (Free on Board) No freight included in the price to Sysco
- **FWN** Third Party Forward Warehouse Network approved and managed by Sysco
- **GEI** (Guaranteed Earned Income) A minimum amount of EI Sysco will receive on contract prices.
- **HHA** Hold Harmless Agreement

# Sysco Acronyms & Terminology (SAT)

- **ITN** (iTrade Network) The company that facilitates electronic invoice transmissions from suppliers to Sysco also referred to suppliers that use ITN as "ITN Suppliers.". See "EDI"
- **MA** (Marketing Associate) Front line sales representative for Sysco.
- **MRP** Market Relevant Pricing
- **MUA** Multi Unit Account
- **MC** (Material Code) Replaces SUPC (Item Number) post SAP data normalization.
- **Owned Inventory** A type of warehouse order) Merchandise is housed at public warehouses for shipment to operating companies that is already owned by Sysco; unlike consigned, owned product is paid for on the way into the warehouse, and is the only type of order without an OC number
- **Pickup allowance** If a price is a delivered price, and Sysco later goes to the supplier's facility and does a pickup and delivers the item(s) (to RDC, OpCo, or a customer) then Sysco gets a "pickup allowance" to the delivered price or a discounted amount for the freight which was included in the price but performed by Sysco or a Sysco contracted carrier; this is an allowance that is taken off of an invoice amount in instances where the OpCo picked up an order in which freight was included in the cost of goods

# Sysco Acronyms & Terminology (SAT)

- QA                      Quality Assurance – Department within Sysco responsible for establishing and enforcing the standards of quality Sysco demands from its supplier partners.
  
- RSM                    Regional Sales Manager
  
- DC                     Re-Distribution Center/ gigantic warehouses owned and operated by Sysco designed to improve our supply chain; there is currently one in Virginia that services the Northeast Region; and a second exists in Florida for the South Region.
  
- SUPC                 Sysco Universal Product Code
  
- SAS                    Supplier Adoption Savings - Savings realized by utilizing the RDCs. SAS makes it easier to do business and increases efficiency with a reduction in expenses for managing the business. Standard rates apply for the industry. Savings is realized by larger and fewer deliveries of full pallets. Splitting pallets and mixing pallets among items is labor intensive. Also, fewer purchase orders allow less accounting labor (time).
  
- SAT                    Sysco Acronyms & Terminology (see this document)

# Sysco Acronyms & Terminology (SAT)

- **SBS** Sysco Business Services (SBS) is a shared services organization that centralizes and standardizes high-volume and transactional activities across Sysco.
- **SMS** (Sysco Merchandising Services) A corporate organization responsible for negotiating programs with suppliers, and responsible for inventory levels and fill rates out of Forward Warehouses.
- **SUPC** (Sysco Uniform Product Code) To be replaced with MC or Material Code after SAP data normalization.
- **SUVC** (Sysco Uniform Vendor Code) Identifies a particular supplier/vendor.
- **SYSCO** Formerly an acronym standing for "SYstems and Services COMpany" but converted to Sysco as of 2011 and dropped the acronym.
- **TRX** (TRP/Territory Program AND TRS/Territory Street) Territory Extended; includes both TRP and TRS programs or the "mom and pop" or local, single accounts/restaurants, usually smaller accounts.