

City Sports Compliance & Routing Guide

07-06-11

This compliance & routing guide contains confidential and propriety information. This information is solely for City Sports vendors and should not be disturbed to others.

7/6/2011

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Thank You for participating in the City Sports Compliance and Routing Guide.

The purpose of this compliance & routing guide is to continue developing our vendor relations and expand communication between our companies. The relationships with our vendor partners are essential to our continued success.

As stated in the City Sports vendor agreement, it is our expectation that vendors will abide by this compliance and routing guide. Any deviations could result in vendor compliance or transportation expense offsets.

Please take the time to review and understand the requirements listed in this document. We look forward to your participation and value our relationship.

The current compliance and routing Guide is available at:
www.citysports.com/routingguide

MERCHANDISE INFORMATION

PURCHASE ORDER (PO) REQUIREMENTS

Purchase Orders from City Sports are governed by the following provisions.

1. Purchase Orders must be received in City Sports' warehouse by the cancel date.
2. Terms of sale for all City Sports Purchase Orders are F.O.B Destination, Freight Collect.
3. All shipments must be made in accordance with our shipping instructions outlined in this guide.
4. All Purchase Orders must have an **authorization number** before shipping and any backorders require a separate authorization number.
5. Please **email authorization number requests** to authorizations@citysports.com.
6. An authorization number will be issued to you within **3 business days**, assuming the order is qualified for shipment, with the Routing Guide attached. Please follow parameters for shipping. A Routing Guide can also be found on www.citysports.com/routingguide. Please include as much of the following information as possible in all email requests –
 - a. Purchase Order #
 - b. Shipping Purchase Order Partial or Complete
 - c. Total \$ (Wholesale Cost) value of product to be shipped
 - d. Total # of merchandise units to be shipped
 - e. Total # of boxes to be shipped
 - f. Total # of skids to be shipped, if applicable
 - g. Original ship date and original cancel date
 - h. If UPS Account # is needed please email Adriana Schneider at aschneider@citysports.com or call her at 978.253.5331
7. City Sports reserves the right to cancel at any time any unshipped portion of a Purchase Order.
8. The Purchase Order is not to be filled at a price higher than shown on the Purchase Order unless authorized in writing by City Sports

SHIPMENT REFUSALS

City Sports may refuse to accept shipments from carriers when any of the following listed conditions exist and merchandise will be returned at vendor's expense, including freight, handling and administrative fees.

1. Order arrives past its cancel date.
2. Orders without a authorization number
3. Styles are not fully received or canceled.

SHIPMENT REFUSALS CONT'D

4. Order shipped to wrong location.
5. Order shipped prior to start ship date.
6. Purchase Order number not indicated or not valid.

PRODUCT DUE

All shipments must be received by the cancel date. Shipments received earlier than three days before the ship date or ten days after the cancel date will incur a reimbursement charge.

REPLENISHMENT ORDERS

The minimum fill rate is 95% for all Purchase Orders. Fill rate is measured at the individual SKU level. If you are unable to fill any SKU on an order at the required fill rate, please contact your category manager to discuss the variance. Shipments should not be held for delivery to try and fulfill 100% and should be delivered within the order ship window. Each category manager will review fill rate chargeback's and authorize deductions.

MIS-SHIPPED/WRONG ITEM

Any Mis-shipped or wrong items under a Qty of 8 or \$200 will be kept and the Vendor will be chargedback.

PACKING INSTRUCTIONS/CARTON REQUIREMENTS

To ensure all merchandise is efficiently moved through our distribution centers, please follow these instructions. Merchandise that is not shipped based on these instructions can cause delays and loss of time on the selling floor. These delays could result in expense offsets.

PACKAGING OF MERCHANDISE & CARTON REQUIRMENTS

1. Partial shipments of a style are not permitted unless prior authorization has been obtained by the category manager, as listed on the Purchase Order.
2. Each style should be packaged separately. A style consists of color and sizes.
 - a. If mixing colors of a style please separate in the box.
3. Merchandise must be packaged in conveyable cartons. Do not ship multiple cartons for the same purchase order that are below twenty pounds in weight. Do not ship cartons that exceed forty pounds.
4. If a pack size is expressed on our purchase order, each carton must contain that quantity.
5. Do not over-pack or under-pack a carton. Carton strength should be sufficient to prevent crushing during transit.
6. Seal all cartons with tape. Security Tape should be used where theft is a consideration.
7. Packing more than one PO in a carton is not permitted.
8. Product must be packed in a manner to avoid damage in transit.
9. Visible marking must be on the carton that contains said packing slip. Carton must be marked clearly "Packing List Enclosed".
10. Merchandise should arrive in saleable, floor ready condition.

CARTON MARKING INSTRUCTIONS

Each carton must be clearly marked with the following information:

1. City Sports Distribution Center address:
64 industrial Way – Wilmington, MA 01887
2. City Sports PO number
3. Vendor style number(s)

PACKING INSTRUCTIONS/CARTON REQUIREMENTS

CARTON MARKING INSTRUCTIONS CONTINUED

4. The number of units packed in the carton

PACKING SLIP INSTRUCTIONS

1. A packing slip must be placed on the outside of a carton, which is clearly marked "packing slip attached".
2. The packing slip must be legible.
3. The packing slip may relate to only one PO and must contain the following information:
 - a. PO number
 - b. Vendor style numbers and the quantity of the units for each style.
 - c. The total number cartons pertaining to the packing slip.

SHIPPING

- 1. All shipments made to our distribution center on the same day must be combined on the same bill of lading. There should only be one shipment per day leaving your Distribution Center and being shipped to City Sports. Multiple PO#'s may be in the same shipment.**
2. If City Sports is responsible for the cost of the transportation, the shipment must be tendered to the carriers as specified in this guide; otherwise an expense offset, per schedule on pages 14 and 15 of this Compliance Guide, will occur.
- 3. Terms of sale for all Purchase Orders are F.O.B Destination, Freight Collect.**
4. If shipping LTL, your bill of lading must indicate:
 - a. City Sports Distribution Center:
64 Industrial Way – Wilmington, MA 01887
 - b. All the City Sports PO numbers being shipped
 - c. The proper N.M.F.C. commodity description and total cartons and weight by commodity
 - d. Authorization Number.
 - e. Billing Address: Prepaid/Third-party- Unishippers Central Billing, PO Box 4047 Kendrick, WA 99336
5. If shipping UPS, please enter our Purchase Order Number in Reference Field 1 or Reference Field 2. All City Sports Purchase Orders consist of a 5 digit number, example (12345).

PALLET REQUIREMENTS

1. All LTL freight shipments must be palletized.
2. All pallets must be clear shrink wrapped.
3. Build pallets in consistent block/tiers to speed counting of cartons.
 - a. All carton labels must face the outside of the pallet.
 - b. All packing lists must be facing outward.
4. Pallets must be standard 40”x 48”, reusable wooden, non-returnable, “no-charge” pallets.
 - a. Do not use “CHEP” or disposable pallets.

DOMESTIC LOADING AND TRANSPORTATION

Shipping Instructions

The instructions and the chart below are provided for the shipper to make the correct choice in carrier selection and service mode where City Sports is paying the freight charges.

City Sports utilizes two modes of transportation, please follow guidelines below & ship via the correct mode.

1. Small Package via UPS Ground-100 Weight Service---(see #A below...if shipment qualifies)
2. LTL Service via Unishippers-(if shipment does not qualify for UPS)

- =====
- A. If all three (a, b, c) below apply, please ship UPS Ground-100 Weight Service using the City Sports UPS account #. If not, please see B below.
 - a. Is shipment less than 70 boxes?
 - b. Is shipment less than 6 pallets or 400 cubic feet?
 - c. Is shipment less than the maximum **CHARGEABLE*** weight? (Use origination state chart below to determine)

To get the UPS Account #, please call Adriana Schneider at 978.253.5331 or email at aschneider@citysports.com

- B. If any above (#A-a, b, c) do not apply, please call Unishippers at 1-888-708-7100 ext. #3 to set up an LTL pickup.
 1. Please have the following information ready when you call Unishippers:
 - A> PO#, # of boxes
 - B> Class. Weight, Dimensions/Cube, # of Pallets
 - C> Pickup Address
 - D> Ready To Pickup Time and Closing Time (Hours of Operation)
 2. Unishippers will arrange LTL pickup
 3. Unishippers will email Bill of Lading to Vendor that **MUST** be used.

Problems with carrier selection? Please call Unishippers at 888.708.7100 ex. 3 or Adriana Schneider at 978.253.5331

DOMESTIC LOADING AND TRANSPORTATION

Shipments from Canada, please contact Unishippers at 888.708.7100 ex. 3 for instructions

Origination State Weight Chart

This chart is to be used when determining the Maximum Chargeable weight for the state of origin

*Chargeable weight is defined as the greater of A,B, or C

A. Dimensional Weight of the shipment

B. Actual weight of the shipment

C. # of boxes being shipped times twenty pounds

State	UPS Max Weight (Chargeable Pounds)
Alabama	1400
Arizona	1700
Arkansas	1400
California	1400
Colorado	2100
Connecticut	500
Delaware	1200
District of Columbia	1200
Florida	1500
Georgia	1500
Idaho	1700
Illinois	1400
Indiana	1200
Iowa	1400
Kansas	1500
Kentucky	1300
Louisiana	1500
Maine	500
Maryland	1200
Massachusetts	500
Michigan	1300
Minnesota	1500
Mississippi	1500
Missouri	1800
Montana	1600
Nebraska	1500
Nevada	1600
New Hampshire	500
New Jersey	1200
New Mexico	1700
New York(105-108;114-115;117-126;128)	1600
New York(100-104;109-113;116;127;129-139;148-149)	1300
New York(140-147)	1600

North Carolina	1500
North Dakota	1900
Ohio	1500
Oklahoma	1700
Oregon	1200
Pennsylvania (<170)	1300
Pennsylvania (170-196)	1700
Rhode Island	500
South Carolina	1400
South Dakota	1900
Tennessee	1200
Texas	1700
Utah	1700
Vermont	500
Virginia	1700
Washington	1700
West Virginia	1700
Wisconsin	1700
Wyoming	1600

FINANCE RELATED QUESTIONS

INVOICE INSTRUCTIONS

1. A merchandise invoice may relate to only one purchase order.
2. The invoice due date and all cash discount terms will be calculated based on the date we receive the goods or the invoice date, whichever is later.
3. Payments of invoices will be net of all charge back amounts.
4. Payments will be based on the lower of the price on the Purchase Order or the price on the invoice.
5. Defective merchandise (unless a defective allowance is negotiated) will be returned and charged back immediately with a return authorization.
6. Billing Address
 - a. City Sports Distribution Center
Attn: Accounts Payable
64 Industrial Way – Wilmington, MA 01887

CONTACTS

FINANCE

Issue	Contact	Telephone #	Email Address
Chargeback's	Sue LaCambria	978-253-5337	slacambria@citysports.com
Invoice Payments	Karen Bonner	617-391-9163	kbonner@citysports.com
Invoice Shortages	Sue LaCambria	978-253-5337	slacambria@citysports.com
Return to Vendor	Sue LaCambria	978-253-5337	slacambria@citysports.com

ROUTING/FREIGHT QUESTIONS

Issue	Contact	Telephone #	Email Address
Routing Guide	Adriana Schneider	978-253-5331	aschneider@citysports.com
Freight Questions	Adriana Schneider	978-253-5331	aschneider@citysports.com
Alt. Contact	Brendan Burke	978.253.5313	bburke@citysports.com

SHIPPING AUTHORIZATION

Issue	Contact	Telephone #	Email Address
Apparel	Sarah Garick	617-391-9135	sgarick@citysports.com
Equipment	Dan Johnson	617-391-9103	djohnson@citysports.com
Footwear	Richard Garst	617-391-9123	rgarst@citysports.com
Director of Planning	John O'Connell	617-391-9125	joconnell@citysports.com

MERCHANDISING TEAM

Issue	Contact	Telephone #	Email Address
Apparel	Lauren Blanda	617-391-9121	lblanda@citysports.com
Equipment	Mike Lewis	617-391-9101	mlewis@citysports.com
Footwear	Brian Trask	617-391-9110	btrask@citysports.com

REIMBURSEMENT CHARGES

Merchandise Reimbursement Charges

Wrong Product	Charge
Color	\$250
Size	\$250
Styles	\$250
Incomplete Size Run	\$250
Cancelled Product Sent	\$250
Mis-Shipped/Wrong Item	\$250

Product Due	Charge
PO received earlier than three days of the ship date	10% of PO Cost
PO received after ten days of the ship date	10% of PO Cost

Fill Rate	Charge
PO fill rate below 95%	10% of PO Cost

Packing/Carton Charges

Packing Slip Violation	Charge
No packing slips or incomplete packing slips	\$250
No lead carton indicated	\$250
No markings on exterior	\$250
Excessive packing material	\$250

Packing Violation	Charge
Multiple PO's in a Carton	\$250
Shipment of boxes weighing less than twenty pounds	\$250
Cartons not packaged to avoid damage during shipment	\$250

REIMBURSEMENT CHARGES

Improper Carton Markings	Charge
No PO on cartons	\$250
No styles on cartons	\$250
No number of units on cartons	\$250

Domestic Loading & Transportation Charges

Shipping	Charge
Shipped to Wrong Location	\$250
Did not Contact Unishippers	\$250 plus freight charge
No number of units on cartons	\$250
Incorrect BOL	\$250

Pallet Requirements	Charge
Not palletized	\$250
Inadequate shrink wrapping	\$250
Incorrect Pallets Used	\$250

Carrier/bill of Lading Violations	Charge
Unauthorized Carrier	\$250 plus freight charge
Failure to consolidate multiple shipments	\$250 plus freight charge
Failure to call for shipments that do not meet UPS standards	\$250 plus freight charge
Incorrect Trucking Service Used	\$250 plus freight charge
Incorrect weight/class/address	\$250 plus freight charge

Invoice Charges

Invoice Requirements	Charge
Multiple Purchase Orders on one invoice	\$250

AUTHORIZATION FORMS

VENDOR COMPLIANCE DISPUTE FORM

Vendor Name	
Purchase Order Number	
Invoice Number	
Date Submitted	
Claim Amount	

Explain the reason for the dispute

All disputes for deductions taken from merchandise invoices must be addressed in writing and sent to:

City Sports
Attn: Karen Bonner
77 N Washington Street, 5th Floor
Boston, MA 02114

City Sports Section

Executive Vice President – Merchandising

Executive Vice President – CFO

Chief Operating Officer

Reason for Payback:

VENDOR ACKNOWLEDGEMENT

VENDOR ACKNOWLEDGEMENT LETTER

Dear Valued Vendor Partner,

Thank You for all your continued support. The relationships with our vendor partners are essential to our continued success. City Sports believes it is very important that all vendors have a clear understanding of our business requirements.

Please take the time to review and understand all the requirements listed in our compliance and routing guide. These requirements will enable us to execute upon our plan. After reviewing our compliance and routing guide, please sign below and return to your assigned category manager.

Vendor Name

Vendor Representative

Title

Date