



TRADING PARTNER PERFORMANCE MANUAL

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Change History

Version	Updated By	Date	Brief Summary of Change
Original	Scott Gibson	5/18/2009	Original version
Trading Partner Compliance Update	Scott Gibson	5/27/2009	Changed verbiage for shelf label expiry compliance
Sep 09 Revision	Scott Gibson	9/1/2009	Added social compliance, DUNS information, and merchandising overview
Oct 09 Revision	Scott Gibson	10/1/2009	Revised UCC-128 requirements, Shipping Instructions, Carton and Packing Requirements and Transportation Section
February-13	Scott Gibson	2/2/2010	Requirement of Promo code on UCC-128 label, Inclusion of Trading Partner Planogram access information
May-13	Scott Gibson	4/26/2010	Updated link to EDI documents and updated departments requiring price tickets
December-12	Scott Gibson		
April-13	Kellie Carter	4/26/2013	Updated Traffic, Replenishment, EDI, Links. Added Duty Free
August 2013	Kellie Carter	August 23. 2013	Updated Social Compliance, links, formatting
December 2014	Kass Darrow, Sharon Standish	12/12/2014	Updated links, formatting, general updates

INTRODUCTION

Scope

Welcome to the Navy Exchange Service Command (NEXCOM) 2014 Trading Partner Performance Manual. This manual provides information on how to do business with NEXCOM. It also provides information necessary to streamline the processes to bring merchandise to Navy Exchange (NEX) customers, the most deserving customers in the world.

To achieve that goal, trading partners must support NEXCOM's goal of maximizing supply chain efficiency by embracing industry-wide technologies including Universal Product Code (UPC) and Electronic Data Interchange (EDI). Due to the importance of the compliance issues documented within this manual, NEXCOM reserves the right to assess charges for noncompliance to trading partners that do not follow the provisions of this manual.

Trading partners are encouraged to review the entire Trading Partner Performance Manual and to direct any questions regarding the content of this manual to the appropriate NEXCOM buyer.

Social Responsibility

The military Exchange Services have a rich, proud heritage of serving the men and women of the uniformed services and their families. This global mission makes the Exchange Services citizens of worldwide communities and is rooted in the tenets of integrity, accountability and compassion, which are embodied in each service's core values. Consistent with those values, the Exchange Services seek to do business with contractors, trading partners, suppliers and partners who share these same enduring values and consistently hold themselves and their agents to the Joint Letter Regarding Social Responsibility and Labor Standards.

The addendum referenced in NEXCOM's Chief Merchandising Officer's, Tess Paquette, letter can be accessed via the online portal. All three pages must be completed to comply with NEXCOM's Social Responsibility Compliance. Any questions concerning your compliance status should be directed to NEXCOM's Social Responsibility Manger. All questions regarding your requirements for complying should be directed to the appropriate NEXCOM buyer.

INSTRUCTIONS:

- Trading partners that supply private label merchandise must complete this trading partner profile addendum for each production facility (both its own and for all subcontracted facilities) that will be used to produce private label merchandise for NEXCOM.
- Trading partner shall not produce any private label merchandise in any facility that has not been approved in advance by NEXCOM, after 9/1/03.
- No facility will be approved until this fully completed addendum is submitted, along with all required supporting documentation.
- Submit via email to Social.Responsibility.Manager@nexweb.org. Incomplete submissions will NOT be acted upon. Should you have any questions regarding this form, please contact the appropriate NEXCOM buyer.
- A separate form is required for each facility that will be producing private label merchandise (whether owned or subcontracted); however, after Part A has been completed, copies may be made before Part B is completed.
- The trading partner will be required to complete the Social Compliance addendum of the online trading partner agreement.

DEPARTMENT OF THE ARMY AND AIR FORCE
ARMY AND AIR FORCE EXCHANGE SERVICE
DALLAS, TX 75236-1598
DEPARTMENT OF THE NAVY
NAVY EXCHANGE SERVICE COMMAND
VIRGINIA BEACH, VA 23452-5724
HEADQUARTERS, UNITED STATES MARINE CORPS
SEMPER FIT AND EXCHANGE SERVICES DIVISION (MR)
QUANTICO, VA 22134-5103

**POLICY OF SOCIAL RESPONSIBILITY AND LABOR STANDARDS
FOR PRIVATE LABEL AND DIRECTLY IMPORTED MERCHANDISE**

The Army and Air Force Exchange Service (AAFES), Navy Exchange Service Command (NEXCOM), and Marine Corps Exchange (MCX) have a proud heritage of serving the men and women of the uniformed services and their families. The military exchanges perform a vital mission in bringing an array of products and services to military members and their families serving throughout the world. Our mission is global; we are citizens of many worldwide communities, supported by a very diverse workforce. Our endeavors are deeply rooted in the tenets of integrity, accountability, and compassion, which are embodied in our core values. Consistent with those values, AAFES, NEXCOM, and MCX require their suppliers and/or manufacturers of private label merchandise and merchandise imported directly by the exchanges, to assess their practices, as well as those of their subcontractors, for compliance with these Social Responsibility and Labor Standards in this Policy and Enclosure (1). Any violations of these standards by any manufacturer or subcontractor may be cause for immediate termination of any agreement.

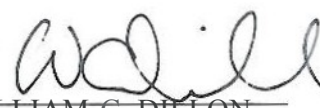
Each military exchange shall implement a program ensuring that its private label or directly imported merchandise is not produced by child or forced labor and make periodic assessments of this program. This program shall be based on the Social Responsibility and Labor Standards outlined in Enclosure (1). The military exchanges shall also use government agencies, such as the Departments of State and Labor, retailers, and the International Labor Organization, as resources for information and insights that would facilitate structuring the program. We will establish ongoing communications with these organizations to help us stay abreast of information that facilitates our implementation and monitoring efforts to assure that exchange service merchandise is not produced by child or forced labor. Wherever possible, we will pursue efforts to implement this program jointly to minimize costs where there are opportunities to do so.

AAFES, NEXCOM, and MCX shall continue to expect that all brand name merchandise suppliers will comply with all applicable federal or international laws and regulations concerning Social Responsibility and Labor Standards, and shall take appropriate contractual or other action if this expectation is not met.

C

THOMAS C. SHULL
Director/CEO
Army and Air Force Exchange
Service (AAFES)


ROBERT J. BIANCHI
Chief Executive Officer
Navy Exchange Service
Command (NEXCOM)


WILLIAM C. DILLON
Director
Semper Fit and Exchange
Services Division (MR)

POLICY OF SOCIAL RESPONSIBILITY AND LABOR STANDARDS
FOR PRIVATE LABEL AND DIRECTLY IMPORTED MERCHANDISE

Child Labor: Suppliers and/or subcontractors shall not employ any person under the age of 14 years, unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age will apply.

Forced Labor: Suppliers and/or subcontractors shall not use force or other compulsory labor in the manufacture of products. Suppliers shall not require employees to lodge "deposits" or identity papers upon commencing employment with the company.

Working Hours: Suppliers and/or subcontractors shall comply with applicable local laws on maximum daily/weekly working hours.

Compensation and Benefits: Suppliers and/or subcontractors shall ensure that wages paid for a standard workweek are consistent with local national laws.

Disciplinary Practice: Suppliers and/or subcontractors shall not engage in or support the use of corporal punishment, mental or physical coercion, verbal abuse, or withholding passports or travel documents.

Freedom of Association & Right to Collective Bargaining: Suppliers and/or subcontractors shall respect the right of all employees to form and join trade unions of their choice, consistent with prevailing local/national law and to bargain collectively, without any activity that impedes or suppresses freedom of association. Suppliers shall ensure that representatives of such employees are not subject to discrimination and that such representatives have access to their members in the workplace.

Discrimination: Suppliers and/or subcontractors shall be consistent with local laws regarding discrimination in hiring, compensation, access to training, promotion, termination, or retirement based on race, caste, national origin, religion, disability, gender, sexual orientation, maternity status, union membership, or political affiliation.

Safe and Healthy Workplace: Suppliers and/or subcontractors shall provide their employees with a safe and healthy workplace in compliance with all local laws.

A copy of these standards, translated in the language(s) of the workers, shall be posted in an accessible central location and visible to all employees at all production facilities that manufacture goods and merchandise for AAFES/NEXCOM/MCX. Any persons having knowledge of any violation of these standards are encouraged to contact:

Army and Air Force Exchange
Service (AAFES)
Chief, Quality Assurance
3911 S. Walton Walker Blvd.
Dallas, TX 75236 U.S.A.

Navy Exchange Service
Command (NEXCOM)
Chief Merchandising Officer
3280 Virginia Beach Blvd.
Virginia Beach, VA 23452 U.S.A.

Semper Fit and Exchange
Services Division (MR)
Head, Merchandising Branch
3044 Catlin Avenue
Quantico, VA 22134 U.S.A.



DEPARTMENT OF THE NAVY
NAVY EXCHANGE SERVICE COMMAND
3280 VIRGINIA BEACH BOULEVARD
VIRGINIA BEACH, VA 23452-5724

IN REPLY REFER TO:

5000
Ser M/1077
July 16, 2013

Dear Navy Exchange Service Command Supplier:

The Navy Exchange Service Command (NEXCOM) is committed to purchasing merchandise produced in compliance with applicable laws and regulations and to assuring that private label merchandise and directly imported merchandise is not produced by child or forced labor. We have had a formalized policy in place since 2002. On June 27, 2013 an updated unified Policy letter was signed by the Director and CEO's of Army Air Force Exchange Service (AAFES), NEXCOM, and Marine Corps Exchange (MCX). A copy of the Policy letter and Standards are provided as enclosures (1).

NEXCOM requires all current and prospective contractors that supply private label or directly imported merchandise to be in compliance with our policy. To assist your firm in providing the information necessary to demonstrate compliance, we are also providing a "Vendor Profile Addendum," enclosure (2). Each supplier of private label goods is to complete a separate form for each production facility, including all subcontractor facilities (domestic and foreign), provide certification in writing that each facility will operate in compliance with all applicable labor laws, and provide evidence to prove that each production facility that is (or will be) producing such goods is in compliance with NEXCOM's Standards. This document should be updated yearly, at a minimum, or whenever there is a change or update to where goods are being manufactured.

The required information mentioned above is to be sent to the following email address:

Social.Responsibility.Manager@nexweb.org

NEXCOM values its business relationship with all of its vendors and appreciates your continued commitment to providing goods manufactured in accordance with our Social Responsibility and Labor Standards.

Sincerely,

TESS PAQUETTE
SVP, Chief Merchandising Officer

Enclosures: (1) Policy of Social Responsibility and Labor Standards for Private Label and Directly Imported Merchandise
(2) NEXCOM Private Label Vendor Profile Addendum

Guide to Doing Business with NEX

The Guide to Doing Business with the NEX provides a good overview and background of NEXCOM and all trading partners are encouraged to review it.

www.mynavyexchange.com/nex/doing-business-with-us

Getting Started

After reviewing the Guide to Doing Business with the NEX, and once a buyer has agreed to do business, trading partners should familiarize themselves with this manual and the Publication 61 document linked below. Once those steps are completed and the trading partner determines they are able to meet the requirements of doing business with the NEX as outlined in this document, the trading partner will receive a Registration invitation from the appropriate NEX buyer to complete and submit the Trading Partner Agreement via the online Active Community portal.

Relation to Publication 61

As a convenience, a listing of sections from Publication 61 that are especially pertinent to the retail business has been included below.

www.mynavyexchange.com/assets/Static/DoingBusinessWithUs/contractor_vendor/PUBS/pdf/P61-9091.PDF

Section A

- 25 - Procurement Misconduct pg. 14
- 16 - Advertisements/Endorsements pg. 12

Section B

- 1 – Marking Instructions for Overseas Shipments pg. 17
- 2 – Commercial Bills of Lading for FOB Origin Shipments pg. 17
- 3 – Freight Description on Bills Of Lading pg. 17
- 4 – Return of Defective or Nonconforming Goods pg. 17

Section C

- 2 – Contractors Price Warranty pg. 19

Section D

- 1 – Invoice and Payment pg. 21
- 2 – Discounts for Prompt Payment pg. 22
- 3 – Data Universal Numbering Systems (DUNS) Number pg. 22
- 4 – Electronic Funds Transfer (EFT) pg. 22

Technology

NEXCOM is committed to following industry standards to maximize the utilization of its technology investment to ensure that the best possible customer service is provided. Trading partners are also expected to maintain sufficient technological capabilities.

The following technology resources may be of assistance:

- Voluntary Inter-Industry Commerce Standards at <http://www.vics.org/>
- GS1 at <http://www.gs1us.org/>
- National Retail Federation at <http://www.nrf.com/>

DUNS NUMBERS

All trading partners must provide a Dun & Bradstreet Universal Numbering System (DUNS) number. The DUNS number will be the trading partner's identification number. If the trading partner does not have a DUNS number(s), see below "How to Obtain a DUNS Number" for information on how to obtain the required DUNS number(s) from Dun & Bradstreet. There is no charge to obtain a DUNS number.

If a company has more than one DUNS number, a determination needs to be made on which are applicable. If two or more DUNS numbers (i.e. to reflect separate divisions/branches of your company) must be utilized, talk to the appropriate NEXCOM buyer as a separate online Trading Partner Agreement must be completed for each DUNS number required.

How to Obtain a DUNS Number

1. Dun & Bradstreet Contact Information
 - <http://www.dnb.com/>
 - Customer Service: 1-800-234-3867
2. Dun & Bradstreet will ask for the following information:
 - Name
 - Company Name and Address
 - Line of Business
 - Number of Employees
 - Chief Executive Officer/Key Manager
 - Relationship to other businesses that may be linked in the D&B database for your company.
3. Note: DUNS numbers will not be assigned for the following:
 - Different departments at same location
 - Unstaffed operations of locations (e.g. automatic tellers)
 - Trade styles of additional names used by a company for buying and/or advertising purposes
 - PO Boxes used for general mailing purpose.
4. Note: DUNS numbers are retained for the following:
 - If a business moves to a new location, the DUNS number remains the same.
 - If a business stops operation without a successor its DUNS number is retired and will not be reissued
 - If a company consolidates operations or locations, one of the location's DUNS numbers is retained for the consolidated location.
 - If one or more corporations merge into an existing corporation, the DUNS Number of the latter corporation is retained.

UPC/EAN/GTIN Requirements

NEX's scanning, ticketing and POS systems are equipped to utilize UPC and EAN codes. NEXCOM requires all retail products sold in NEX stores be identified with a scannable bar code attached to the product. Please contact GS1 at <http://www.gs1us.org/> for any questions related to bar-coding a product.

All of NEXCOM's EDI transmissions are traded at the UPC/EAN level.

EDI

NEXCOM utilizes EDI to trade business documents electronically. EDI is the automated application-to-application exchange of business data such as purchase orders, invoices, shipping notices and point-of-sale information. NEXCOM is committed to strengthening partnerships through the application of industry standard technology; therefore, its trading partners must be EDI-capable on the EDI documents listed below under "Current EDI Documents". NEXCOM's EDI specifications are posted at https://www.mynavyexchange.com/command/contractor_vendor/cv-vendor.html.

All trading partners are required to test with NEXCOM through **SPS Commerce** (<https://portal.hosted-commerce.net/sps/>; username = nexvendor; password = spscommerce) prior to trading the 753, 754, 850, 810 and 856 documents with NEX. The reasons for this decision are as follows:

- Validate the VAN connection. Although the trading partner may be trading with other retailers and/or currently trading EDI transactions through the 3rd Party EDI Service the trading partner utilizes, there is still a setup process per supplier that needs to be completed. The confirmation of connectivity test is represented by processing an EDI 997 document.
- Even if NEXCOM is currently trading EDI transactions through the 3rd Party EDI Service the trading partner utilizes, NEXCOM still needs to test and validate:
 - Business Rules based on Order Model (cross-dock versus bulk) to include invoicing method
 - UCC-128 Labels are scannable
 - Business validation rules around case versus each ordering
 - Data synchronization of items
- EDI Service Providers often have more than one product including an integration service, which moves data in and out of the supplier's backend systems. This setup is identical to an EDI Supplier that hosts its own EDI service and requires testing.
- Without detailed testing of each trading partner, NEXCOM would be forced to "test" the transactions in production, which would slow down the process.
 - Additionally, the EDI 856 ASN/UCC-128 is a high profile transaction and the quality of the data and barcode scan will make or break the efficiencies gained.

The purpose of conducting EDI testing is to confirm the ability of NEXCOM's vendors to exchange EDI data in compliance with EDI Standards, EDI guideline requirements, and to provide confirmation that the turnaround details from one business transaction to another are correct. The vendor must also be able to accept inbound documents such as the 754 Routing Instructions, EDI 850 PO and EDI 852 POS sales information and send outbound documents such as the 753 Request for Routing, EDI 810 invoice, EDI 856 ASN and a scannable shipping label in the correct format.

This involves testing the connection with the trading partners, EDI standards syntax validation, NEXCOM's EDI guideline segment / element requirements, and additional business rules such as specific conditions based on order model (cross-dock or bulk) .

Current EDI Documents

The following are mandatory documents:

- 850 Purchase Order
- 855 Inbound Purchase Order (mandatory for Vendor Managed Inventory trading partners only)
- 856 Advanced Shipping Notice (ASN) including UCC-128 Bar Code label
- 810 Electronic Invoicing
- 997 Inbound/Outbound Functional Acknowledgement
- 753 Request for Routing
- 754 Routing Instructions
- 860 PO Cancellation – buyer initiated (**Future 2015**)

NEXCOM also has the capability to process the following documents:

- 832 Price/Sales Catalog
- 820 Electronic Fund Transfer
- 852 Product Activity Data (POS Sales)

EDI 856 Advanced Shipping Notice (ASN)

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

1. Complete the EDI section of NEXCOM's Trading Partner Agreement via the Active Community online portal.
2. Complete testing for EDI 753, 754, 850, EDI 810 and EDI 856/ UCC-128 label through SPS Commerce (<https://portal.hosted-commerce.net/sps/> ; username = nexvendor; password = spscommerce) prior to trading the 753, 754, 850, 810 and 856 documents with NEXCOM.
3. Notify EDI Business Team at EDIBUSINESSTEAM@nexweb.org if a new EDI 856 ASN system is installed or to make changes to the current program.
4. Transmit a valid NEXCOM PO number(s) in the EDI 856.
5. The EDI 856 must be 100% accurate. Include all mandatory segments and must match the shipment. NEXCOM recommends a "scan and pack" method of EDI 856 ASN creation.
6. Do not include UPC codes for any quantities not shipped, including merchandise that is back-ordered.
7. Never transmit the same UCC-128 number on more than one EDI 856 ASN. NEXCOM cannot currently accept corrections on a systematic basis. If a trading partner needs to correct the ASN, contact NEXCOM's [EDI Business Team at EDIBUSINESSTEAM@nexweb.org](mailto:EDIBUSINESSTEAM@nexweb.org) prior to transmitting the corrected ASN.
8. Every EDI 856 ASN must accurately provide a "ship-to" numeric code in the N104 segment that matches the "ship-to" numeric code in the N104 of the EDI 850 Purchase Order.
 - Note: It is possible that during the ship-to address verification process (SEE [SHIPPING INSTRUCTIONS](#) BELOW) that the final "ship- to" address will vary from the original address provided on the EDI 850 Purchase Order; however, the "ship-to" numeric code will **NEVER** change during the verification process.
9. Charges will be assessed if:
 - Trading Partner is removed from the program due to continued inaccurate ASNs.
 - ASN is inaccurate.
 - No ASN is sent or it is sent later than the time of receipt.

NEX UCC-128 Label Requirements: Rev Feb10

1. All shipments to NEX locations require UCC-128 (SSCC-18) Shipping Container labels.
2. The trading partner's UCC-128 data must be included in your EDI 856 ASN ship notice transmission.
3. The trading partner should have an ongoing UCC-128 bar code quality control program in place that ensures ANSI A or B print quality when scanning with a 10-mil aperture. Be sure to use "smudge-proof" labeling / ink and high quality paper products. For best results, the correct combination of paper, ink / ribbon and printer type should be chosen based on the trading partner's method of shipping so that the labels arrive at NEXCOM's distribution centers in a scannable condition. Do not use colored paper for UCC-128 labels, use non-reflective label stock and ink.
4. Create UCC-128 Shipping Container labels based on the UCC specifications. If a 4" by 6" label format is used, the UCC-128 bar code should be 3.02" in length, 1.25" in height, with a .25" quiet zone on each side. Only use UCC / EAN-128, subset C bar code symbology with the nominal X dimension of 20 mil.
5. Every UCC-128 number generated must be unique (across shipments, across divisions, across distribution centers, across departments, over time). **NEVER REPEAT CARTON NUMBERS.** Although industry standards state UCC-128 should not be re-used for 1 year, NEXCOM strongly recommends to never re-use UCC-128 numbers and to disable the ability to generate duplicate labels in the company's system. If cartons are sent with duplicate UCC-128 numbers, the trading partner's payment may be late.
6. Labels should be placed on long side or top of the carton, parallel to, but not overlapping the seam. Do not place labels over product ID numbers, UPC barcodes, retail price, or other consumer information. Be sure the label is placed so that the bar code is scannable, i.e. not on a seam or the corner of the carton, no closer than 1.25" from any edge.
7. Do not affix a UCC-128 Shipping Container Label to a carton until pack level detail is provided to the company's ASN transmission.
8. DO NOT COVER PRODUCT INFORMATION WITH THE UCC-128 LABEL where the shipping carton is also the display (selling unit) carton on the selling floor (examples: toaster ovens, glassware sets, cookware sets, etc.). Use removable UCC-128 labels, shrink-wrap each carton before applying the UCC-128 labels, or design packaging to provide a space for the UCC-128 that does not interfere with selling floor display.
9. Do not cover the UCC-128 label with any tape. Covering the label with clear tape creates "reflection" which causes the label to be unreadable.
10. NEXCOM transmits the department number in the REF segment of the 850 Purchase Order document. An example of how data will transmit is: REF*DP*597. Please refer to the 850 EDI Mapping Guides for additional information.

All shipping labels (UCC-128 or manual) require the following information:

1. Ship from (Company name & address) (Zone A)
2. Ship to name and address. This information is to be obtained at time of routing and could be different from what is on the purchase order
Example: NEXCOM Northeast Distribution Center
1000 Kenyon Court
Suffolk, VA 23434 (Zone B)
3. Postal Code – Zone C
4. Bill of Lading number, carrier information - Conditional Field (Zone D)
5. Purchase order number, NEX department number and promotional verbiage from the SAC 15 segment of our EDI 850 PO. (Use a minimum 20 point bold font) (Zone E)

6. Identify number of smallest shipping unit, whether cartons or pallets shipped against each purchase order (i.e. 1 of 3, 2 of 3, 3 of 3). (Zone F)
7. Specific "Mark For" information will be transmitted within the purchase order. NEX Store/Warehouse number (minimum 30 pt. bold font, no abbreviations). (Zone H)
8. Standard for Shipping Container Codes (SSCC) -128 bar code symbology with
9. (Quiet zone of .25", minimum length of 3.02" and minimum height of 1.25", 20 digits human readable in Zone I)

Example of a UCC-128 Label

From: The Vendor 1234 Main St. Va. Beach, VA 23455	Ship To: 983 NEX SEDC Southeast Dist. Center 781- I PAGE ROAD PENSACOLA, FL 32508 USA
Ship TO POST  (420) 32508	Carrier: BEST CARRIER B/L NUMBER: 1234567890123456
PO: 1234567890 PROMO: WEEK 43D XXX DEPT: 987 Carton: 001 of 100	
For: 490 	For: SASEBO MAIN STORE Store: 490
 00000983000012345678	

UPC Catalogue

NEXCOM utilizes UPC catalogue information from Open Text/GXS for its softline clothing division of product. It is strongly recommended that trading partners publish its UPC catalogue information to Open Text/GXS's Inovis' catalogue. Please contact Open Text/GXS at <http://www.gxs.com/contact>.

Purchase Order Information

1. The general terms and conditions of purchase orders listed below apply to all purchase orders:
 - All FOB Origin and Destination orders must be routed /confirmed via the EDI 753 (Request for Routing) / 754 (Routing Instructions). Those trading partners not yet certified to trade the 753/754, orders must be routed /confirmed at <https://nextms.nexweb.org/GC3/glog.webserver.servlet.umt.Login> Please contact NEXCOM's Transportation Office via email @ nex_traffic_managment_group@nexweb.org for any questions.
 - Purchase orders are subject to terms and conditions in [Publication 61](#).
 - Date of invoice must not precede date of shipment.
 - Shipments against the purchase order must be an exact match for item, UPC, case pack and cost.
 - A purchase order modification from a NEXCOM buyer is required prior to shipment of any item not in compliance with the purchase order.
 - No substitutions or additions will be accepted. These items will be kept or destroyed at NEXCOM's option without payment to the trading partner. **WARNING** – Failure to comply with these instructions will result in a chargeback for excessive freight and a processing fee of \$300.
 - Do not include freight charges on merchandise invoices.
2. Trading partners are not to accept any PO for retail product other than EDI PO(s) (with the exception of the few trading partners that are approved for automated FAX service). Trading partners that are on EDI 850 PO(s) must not accept faxed copies of purchase orders as valid.
3. Trading partners are responsible for verifying the accuracy of every PO detail, including “ship not before” and “ship not after” dates. Do not ship merchandise until all details are confirmed and the correction of any discrepancies are verified by an EDI retransmission documenting the EDI PO changes from the original transmitted order. If an agreement is reached to change the cost price, the trading partner must verify that the buyer completed such cost price changes and an updated EDI PO was retransmitted.
4. Do not ship merchandise before the “ship not before” date or after the “ship not after” date without NEXCOM's prior written authorization. Trading partner ship windows will be validated at time of routing.
5. Shipment of merchandise that does not comply with the applicable PO, such as style, color, size, quantity, etc. may result in a chargeback, even if the NEX accepts the merchandise.
6. Pack and Mark EDI 850 PO(s) – Trading partners must follow NEXCOM's allocations (SDQ segments on the EDI 850 PO(s)) as listed on the PO and must not over-ship any store.
7. NEXCOM reserves the right to reject unauthorized substitutions, invalid orders, canceled orders, early shipment, late shipments, over-shipments, and duplicate shipments. NEXCOM reserves the right to assess charges in respect of unordered merchandise whether rejected or accepted.
8. Backorders are not accepted without prior approval in writing from a NEXCOM buyer. NEXCOM's EDI Business Team needs to be notified so that the mapping can be updated to reflect that back orders are allowed. The EDI 850 PO CSH01 segment transmits information on whether back orders are allowed or not.

CSH01 Sales Requirement Code

"N" - No Back Order.
"Y" – Back Order if Out of
Stock.

Partner Information Site

NEXCOM maintains a partner information site that provides sales information to authorized trading partners. The link to the Partner Site is www.mynavyexchange.com/nex/doing-business-with-us/vendor-buyer-login

Questions related to the site can be directed to partner_information@nexweb.org

Replenishment

Replenishment Overview

The NEXCOM buyer determines the best method of replenishment. NEXCOM utilizes a demand forecasting system to drive its replenishment for top selling items across most retail departments. There are currently six methods of replenishment of basic product:

1. Auto Replenishment (A/R) Warehouse Stocked – NEXCOM's Oracle Retail System generates replenishment orders to the distribution centers for stocking based on warehouse transfers, inventory and established minimum and maximums. NEX stores are replenished from the distribution center based on sales, inventory levels and established stock levels. The purchase orders are transmitted to the trading partner as an EDI 850 transmission.
2. Auto Replenishment (A/R) Store Replenishment – NEXCOM's Oracle Retail System generates replenishment orders either directly to the store or cross-docked through a distribution center based on sales, inventory levels and established stock levels. The purchase orders are transmitted to the trading partner as an EDI 850 transmission.
3. Store Order – NEX associates determine order quantity using a hand-held device based on the active, authorized assortment. The purchase orders are transmitted to the trading partner as an EDI 850 transmission.
4. Vendor Managed Inventory (VMI) – Authorized trading partners will set up systems to generate replenishment orders based on sales, inventory and established minimum and maximum stock levels. Please contact the appropriate NEXCOM buyer or the EDI Business Team (edibusinesssteam@nexweb.org) for more details on this program. VMI partners must be able to transmit EDI 855 Purchase Order Acknowledgement to NEXCOM.
5. Quick Order Entry (QOE) – QOE is utilized for daily store delivery type of merchandising for those trading partners that are able to provide the billing invoice at the time of delivery. Examples of product that are appropriate for this program are bread, milk and other daily delivery product. The purchase order, receipt, and invoice match will be created at time of receipt. Only authorized assortment items will be accepted. A purchase order number is NOT required on the invoice because the purchase order will be created at time of receipt at the store. In order to ensure accurate cost prices it is imperative that all cost changes be submitted to the NEXCOM buyer no later than 30 days prior to the effective date of the cost change.
6. Scan Based Trading (SBT) – NEXCOM has a SBT program available to qualified trading partners. Please contact the appropriate NEXCOM buyer or the EDI Business Team (edibusinesssteam@nexweb.org) for more details on this program.

Logistics

Shipping Instructions

NEXCOM requires that all trading partners obtain purchase order routing and ship-to address verification prior to shipping regardless of FOB terms on the purchase order. To ensure routing before the end of the purchase order ship window, begin the routing process as soon as the allocations are known and no later than 48 hours before the purchase order “ship not after date”. Trading Partners can receive routing up to 4 days prior to their ready to ship date provided it is requested far enough in advance. It is possible the ship-to address that was transmitted on the purchase order is different than the final ship-to address received during the ship-to address verification process. **The trading partner is to follow the ship-to address received during this ship-to address verification process and disregard the ship-to address provided on the purchase order.**

NEXCOM’s current ERP solution only allows one ship-to per purchase order. Therefore, the address transmitted on the purchase order is the default address. It is possible, due to different processing requirements for a particular purchase order that the final ship-to receiving point during the verification process might vary from the default ship-to transmitted in the purchase order. It is the responsibility of the trading partner to obtain the verification prior to shipping.

NEXCOM requires all truckload shipments to be palletized.

Any questions related to these instructions should be directed to the NEXCOM Transportation Office at [NEX Traffic Management Group@nexweb.org](mailto:NEX_Traffic_Management_Group@nexweb.org). Allow 48 hours for a response during peak routing periods or after national holidays. Any questions related to the address on the purchase order should be directed to: [EDI Business Team@nexweb.org](mailto:EDI_Business_Team@nexweb.org).

Failure to comply with this verification will result in charge-backs for excessive freight costs and a processing fee of \$300 for each offense.

Cross Dock ASN Program

NEXCOM has implemented a Cross Dock ASN program at its distribution centers to speed merchandise to the selling floor. To eliminate manual data entry and reduce handling, NEXCOM’s cross dock programs utilize the EDI 850 PO SDQ segments (see EDI 850 mapping for further details), the [EDI 856 ASN](#), the [UCC-128](#) labels and floor ready merchandise standards (applies to soft line clothing products). Merchandise is moved from the inbound truck via the sortation system and on to the outbound store delivery truck, but only if the EDI 856 ASN is consistently accurate. During our implementation of the Cross Dock ASN program, NEXCOM experienced a 75-90% reduction in processing time which gets the product to stores faster and streamlines the order to pay cycle.

Store ASN Receiving Program

NEXCOM has implemented a Store ASN Receiving program to increase the efficiency of the receiving process. Merchandise is received against the ASN without an item-by-item verification of quantity but only if the EDI 856 is consistently accurate. During the implementation of the Store ASN Receiving program, NEXCOM experienced a 75-90% reduction in processing time which gets the product to stores faster and streamlines the order to pay cycle.

ASN Audit Program

NEXCOM is committed to using technology to move merchandise through its supply chain as efficiently as possible, including its Cross Dock and Store ASN Receiving programs which post the

receipt to a location's perpetual inventory without performing an audit. This is possible only when the accuracy of shipments is consistently high. NEXCOM requires that the EDI 856 ASNs are 100% accurate and that the trading partner has instituted an accuracy program to ensure compliance.

The NEXCOM audit looks at piece count accuracy. A trading partner will not be eligible for NEXCOM's Cross Dock ASN program or ASN Store Receiving program until the audit shows consistently high accuracy. The goal must be 100% accuracy on all shipments. The UPC codes on physical merchandise must match the UPC and transmitted on the EDI 856 ASN.

Every trading partner is subject to the following audits:

- EDI 856 ASN Qualification audit - As NEXCOM moves a trading partner onto its Cross Dock ASN program or ASN Receiving at the stores program, an audit will be performed to ensure the EDI 856 ASN is accurate enough to move on to these programs.
- Ongoing audits – Once a trading partner is moved to the Cross Dock or ASN Store Receiving program, random shipments will be audited to verify the accuracy continues to be acceptable.
- Integrity audit – If a trading partner's audit results indicate frequent errors and accuracy percentages fall below 99.9%, the trading partner will be removed from the Cross Dock or Store ASN Receiving program and NEXCOM will discontinue the use of the EDI 856 ASN. Trading partners that remain in integrity audit for more than six months will be subject to additional charges.

Carton and Packing Requirements

1. Seal cartons securely with security/reinforced tape. All openings on all sides of the carton, including edges must be sealed using the "H" method. Do not use material on cartons that may damage the sortation equipment. Do not use bands, straps, staples or string permitted around exterior of shipping container/carton.
2. No shrink-wrapping or plastic covering is permitted on exterior of carton because it may adversely affect scan ability of the UCC-128 label.
3. No metal or tape may be used.
4. No metal or tape may be used to bundle hangers within cartons.
5. No excessive tissue or paper as filler to "cube" or "fill-up" under-packed cartons. Cardboards or chipboard is permitted to protect goods. Tissue may be used only as necessary to protect packaging from sticking and damage during transit.
6. Small items must be packed so that items are not concealed within a carton.
7. Breakable products must be packed to prevent breakage during normal shipping and handling.
8. Carton width must allow hangers to fit squarely in the carton, not at an angle.
9. Use a shipping carton that fits the garment. Ideally, merchandise should be packed ¼ inch below the top of the carton, and 1/8 inch from the sides of the carton.
10. Do not over or under pack the carton, which impairs the integrity of contents and may impair ability to scan the UCC128 label.
11. Carton strength should be a minimum of 32 ETC (edge test crush) = 150 mullen to prevent crushing during transit. Large or heavy cartons may require a higher ETC.
12. NEXCOM encourages the use of environmentally friendly (recyclable and/or biodegradable) packaging whenever possible.
13. NEXCOM requires all truckload shipments to be palletized.

Master pack

A trading partner that wants to use a carton size that does not meet NEXCOM's carton size requirements by store must master pack by using one carton to package merchandise for multiple stores that was ordered less than one PO, by following these steps:

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

Transportation

NEXCOM's Transportation Office manages transportation routing for trading partner shipments. Trading partners must comply with all requirements because NEXCOM's agreement to pay freight expense is based on trading partner compliance with all requirements. A trading partner's failure to follow NEXCOM's requirements constitutes the trading partner's agreement to pay such freight expenses and any administrative fee for non-compliance. Contact NEXCOM's Transportation Office at [NEX Traffic Management Group@nexweb.org](mailto:NEX_Traffic_Management_Group@nexweb.org) with any questions, problems or concerns before initiating any shipment of goods.

Working with NEXCOM's Transportation Office

1. All trading partners must utilize EDI 753/754 for routing or until certified, be registered users of the trading partner routing portal. NEXCOM requires that trading partners provide ONE valid email address per shipping location to use as a routing and shipment point of contact. Accurate, current and specific trading partner information is required to resolve shipment and routing issues and permit a shipment to be traced.
2. Trading partners must prepare and provide weight/cube measurements per shipment and when shipping on pallets or when shipping over 600 cubic feet, must also provide number of pallet positions. Calculations for cubic feet should be based upon actual amount of space that would be occupied by the shipment. It is imperative that trading partners provide accurate weight/cube information to NEXCOM.
3. Trading partners must optimize routing requests to reduce the number of inbound LTL and small-package shipments and combine shipments from a single shipping location to a single NEX destination. In order to meet NEXCOM's weight-cube minimums, LTL or small package shipments should not be shipped on consecutive days to a single NEX destination unless specifically authorized by NEXCOM.
4. Trading partners shipping FOB origin (collect) must be responsible for ensuring that the carrier picks up the shipment no later than 48 hours after receiving the authorization number from NEXCOM. It is the trading partner's responsibility to contact the carriers for pick-up. Pick-up must be made prior to the applicable PO "ship not after date". It is the trading partner's responsibility to contact the NEXCOM buyer to request a shipping date extension.
5. Deviations from routing instructions must be authorized by NEXCOM's Transportation Office prior to shipment. NEXCOM's authorizations that affect routing, routing instructions or otherwise modify transportation instructions must be issued by NEXCOM's Transportation Office in order to be valid.
6. Merchandise should not be shipped before the "ship not before" date on the PO or after the "ship not after" date. The request for routing must be made sufficiently in advance of the cancel date to provide adequate time for delivery to a NEX facility.
7. Carriers for trading partners shipping under FOB destination must allow a minimum of 4 hours for a live unload or a minimum of 48 hours to unload a drop trailer.

8. Requesting a delivery appointment on the “ship not after” date does not constitute on-time delivery. Trading partners bear all detention or demurrage charges resulting from shipping outside the applicable PO shipping window.

Accounts Payable

EDI Invoices

1. NEXCOM utilizes paperless EDI technology to pay invoices, including EDI 810 invoice and EDI 820 Remittance Advice documents. All merchandise (with the exception of approved QOE trading partner’s shipments) shipped to a NEX requires EDI invoices. Use of paper invoices violates NEXCOM’s standards.
2. Trading partners not yet using EDI technology must become EDI capable. Contact NEXCOM’s EDI Business Team at EDIBusinessTeam@nexweb.org.

EDI 820 Remittance Advice/Electronic Funds Transfer

NEXCOM has two methods of communicating remittance advice, the EDI 820 or notification via one e-Mail address per trading partner. Choose a method when filling out the Trading Partner Agreement Form.

Inquiries

Accounts payable questions regarding shipments to the West Coast, Hawaii, Guam and Japan can be directed to NEXCOM A/P Manager in NEXCOM’s San Diego, at 619-237-5792. Questions regarding shipments to the East Coast and Europe can be directed to NEXCOM’s A/P Manager in Chesapeake, Virginia, at 757-819-7331.

Proof of Delivery (POD) Request on unpaid invoices

1. Accounts Payable will request proof of delivery (POD) on invoices for which no record of merchandise receipt can be found. Trading partners will receive notification of a POD request and that payment will not be made prior to receipt of applicable POD.
2. A valid POD is defined as a freight bill stamped and signed by a representative of a NEXCOM distribution center or a NEX. The freight bill must include the purchase order number, carton count, and the name of the NEX location for which the shipment was designated. If there are multiple PO(s) on the shipment, the carton count must be provided by PO.

Trading Partner Address Information

Any changes to a trading partner’s address file, shipping information, shipping location, change due to a merger, acquisition, bankruptcy filing, company closings, or change in licensee agreement, must be communicated to NEXCOM, within 48 hours of occurrence via e-mail to EDI Business Team@nexweb.org. Include the following information on **company letterhead** as an attachment in the email:

- Trading partner company name and DUNS number.
- Parent company name (old and new) if there has been a change.
- Company address (old and new if there has been any change).
- Description of event or other cause of change being reported, with effective dates of events.

Duty Drawback:

The U.S. Customs and Border Protection Service (CBP) charges and collects import duties and/or internal revenue taxes on a number of products as they enter the country. Should any of these products leave the USA to be sold abroad, the exporter of those products is eligible for a refund of 99% of the duty paid upon import from the government (through CBP). This refund is called duty drawback. Duty drawback offers a means for NEXCOM to provide value priced shopping for its customers. Effective 2013, NEXCOM will recover duty drawback on products exported to overseas NEX locations.

NEXCOM trading partners that provide imported goods subject to US customs duties and/or internal revenue taxes are required to forward the required import documentation listed below to NEXCOM's Third Party Drawback Contractor, Koot & Associates:

- Completed Delivery Certificate for Purposes of Drawback (Customs Form 7552)
- Copy of the pertinent Entry Summary (Customs Form 7501)
- Commercial Invoice
- UPC translation to imported part level

To ensure confidentiality of the trading partners proprietary import cost data, NEXCOM will enter into a Non-Disclosure Agreement (NDA).

Koot & Associates, through the office of the NEXCOM Controller, will be contacting NEXCOM trading partners to ensure compliance with these new procurement terms as well as streamline the data collection process. A fee of 10% of the duty refund collected for all importations by NEXCOM will be given back to the trading partner to defray costs of gathering this information.

Post Audit Review

NEXCOM will have the right to examine and audit all invoices/chargebacks and other transactions of the trading partner anytime during the contract period and up to three years after contract final payment.

Floor Ready

Electronic Article Surveillance (EAS)

NEXCOM has implemented the Sensormatic Ultra-Max Electronic Article Surveillance System (EAS) in its NEXs. NEXCOM requires that its trading partners affix onto or into the product's packaging Sensormatic's Ultra-Strip III labels on any product with a retail value greater than \$19.

Ticketing Requirements

General Standards

1. All merchandise shipped to a NEX must include a proper UPC or EAN ticket with correct industry standard UPC or EAN barcode.
2. Use only UPC or EAN tickets that meet GS1 specifications.
3. The quality of trading partner barcodes must support and not impair NEX scanning requirements. To ensure such quality, trading partners should institute an ongoing UPC or EAN barcode quality control program.
4. Do not use secondary barcodes. Use only one UPC or EAN barcode and only one ticket for any single item.
5. Comply with guidelines at [requirements and placements of tickets](#).

Retail Price ticketing (clothing)

1. Include NEX retail on UPC or EAN ticket unless you receive prior approval in writing from the soft lines General Merchandise Manager (GMM).
2. Ticket retail must match retail on PO.
3. No piggyback tickets or ticket seeding.
4. Use only one retail price per ticket.
5. Print retail price clearly using at least 18-point bold font.

Size requirements

NEXCOM requires color and size coding and follows VICS industry standardized color-coding guidelines. Trading partners must ensure that all sized merchandise has clearly visible size on the ticket. Visit VICS at www.vics.org for color detail requirements.

Ticket Attachment and Placement

1. UPC or EAN tickets must be securely affixed to merchandise so as to be clearly visible to customers and sales associates.
2. Do not use safety pins, straight pins, or other pins of any kind. NEXCOM prohibits pins for all FOBs except folded dress shirts and folded woven sport shirts.
3. Do not loop strings around buttons or attach with pins or strings looped through buttonhole. Fused string, which is securely attached, is permitted.
4. Where fabric damage is a concern, swift-attach ticket through sewn-in label in the neck or in the waistband. On merchandise with sizes imprinted in neck, insert in nearest neck seam allowance.
5. All labels that are applied directly to products must use a removable adhesive.
6. Ticket both the item and the package for boxed/packaged merchandise that can be displayed out of packaging.

7. Merchandise that is packaged in multi-packs but is sold only as “eaches” must have each unit marked with a UPC or EAN and the outer carton marked with the “each” UPC or EAN. For example, wine glasses that are packed 4 to a carton but sold only by stem would require one UPC or EAN per stem and carton marked on the outside four times with the same UPC or EAN.
8. Merchandise that is packaged in multi-packs and is sold in “eaches” must have UPC or EAN tickets for the set as well as separately for each component of the set. For example, wine glasses packaged in a set of 4 and sold either as a set of 4 or by the stem, requires one UPC or EAN on the outside of the package to represent the set and a different, unique UPC or EAN on each stem to represent the single stem as a selling unit.
9. If merchandise is to be sold only as a set, affix only one UPC or EAN ticket to the outside of the package.

U.P.C. Ticket Placement and Attachment Requirements

<u>Item Requirement</u>	<u>Ticket Placement</u>	<u>Attachment</u>
Belts	Through buckle or on belt	‘Loop-lock’ or sewn in
Bottoms folded/hanging all FOB’s (shorts, pants, jeans, skirts)	Left side or on yoke	Swift attached or sewn on yoke
Bras	Left side seam/around front left strap	Swift attached or loop-lock
Dresses with sleeve/sleeveless	Left sleeve/through vendor care label	Swift attached
Gloves – not boxed	Through vendor care label/connected string	Swift attached
Hair accessories on cards	Bottom of card	Stocker or printed on card
Hair accessories loose	Around or on item	Rat-tail, dumbbell or sticker
Handbags/Backpacks	Around handle, zipper, strap of frame joint	Loop-lock
Handbags – clutch, hinged	Through inner label or zipper or through outside hinged joint	Loop-lock or sewn in
Hats/Caps	Through headband or vendor care label	Swift attached
Intimate Apparel (excluding bras)	Left side/through vendor care label	Swift attached
Jewelry on cards	Bottom of card/bottom of box	Sticker or printed on card

Jewelry loose/Watches	Around the item	Non-removable rat-tail or dumbbell
Ladies suits	Left sleeve, cuff or seam	Swift attached or sewn on joker
Luggage/Briefcases Men's, women's dress & woven shirts folded/packaged	Around handle Through placket on shirt	Loop-lock Swift attached through garment, do not ticket package
Men's, boy's suits, sport coats and Blazers All FOB's	Left sleeve, cuff or seam	Swift attached or sewn on joker
Outerwear all FOB's (Coats) Robes	Left sleeve or left cuff Left sleeve/through vendor care label	Swift attached Swift attached
Scarves/shawls	Through vendor care label	Swift attached
Shoes	Front of box, next to size identification	Sticker or printed on box
Socks	On band or card	Sticker or printed on band
Sold IN box/pkg (Cosmetics/Housewares/Tabletop/Glove s/Umbrellas/Candles/Bath Acc.)	On back of the box/package	Sticker or preprinted on box
Sold OUT of box/pkg (Frames/Housewares/Tabletop/Gifts/Wat ches/Candles/Bath Acc.)	On back of the box AND on the mdse	Removable sticker on item & mdse.
Sweaters	Through vendor care label/left sleeve seam	Swift attached
Swimwear/Bodywear – one piece	Left side/through vendor care label	Swift attached
Swimwear/Bodywear – two piece	Left side/through back of top /care label	Swift attached
Ties	Through vendor care label	Swift attached
Tops hanging - all FOB's	Left side seam/through vndr care label in neck	Swift attached
Tops folded – all FOB's	Through vendor care label in neck	Swift attached

Towels	Corner	Swift attached or sewn on
Umbrellas - not boxed	Around the handle	Loop-lock
Vest	Left armhole seam/ lower left panel of vest	Swift attached or sewn on
Wallets	Securely attached to product	Sewn in or Loop-lock

Miscellaneous Tickets

For items too small for a standard UPC or EAN hangtag ticket, such as jewelry or watches, properly affix small specialty tags.

Retail Price Marking Requirements by Family of Business

Requests for waiver of this requirement must be sent to
support.tech.action.response.team@nexweb.org

DOES NOT REQUIRE RETAIL PRICE		DOES REQUIRE RETAIL PRICE	
GROUP NO	GROUP NAME	GROUP NO	GROUP NAME
201	CANDY	240	YMEN,SRF,SKT,DNM,SWM
202	TOBACCO	241	UNIFORMS ACCESSORIES
203	PETS	242	MENS FURNISHINGS
204	FOOD	243	INTIMATE/ HOSIERY
205	VIDEO GAMES	244	DOMESTICS
206	BEVERAGES	245	INFANTS
207	TELECOMMUNICATIONS	247	MENS/WMNS ATHL SHOES
208	PRE-RECORDED A/V	248	JUNIORS
209	WINE & SPIRITS	250	MENS COLLECT&CLASS
210	MAJOR APPLIANCES	251	MENS OUTDR&ACTIVE
211	CAMERAS	253	MENS/CHILDRENS SHOES
212	HOUSEWARES	254	LADIES DRS/CAS SHOES
213	SPORTING GOODS	255	AUDIO & ELEC ACCESS
214	SMALL APPLIANCES	256	MS/SPSZ SEPS,DRESSES
215	TV & VIDEO	257	COMPUTER&PERIPHERALS
216	DIGITAL DOWNLOADS	258	MS/SPSZ COLLECTIONS
217	SPORTS NUTRITION	259	MS OUTDR/OUTWR,ACTIV
218	HOME ACCESSORIES	261	GIRLS
219	FURNITURE	262	BOYS
220	HD/ASSEMBLY/INSTALL	263	HNDBGS/ ACCESSORIES
221	LUGGAGE	264	UNIFORMS CLOTHING
222	STATIONERY	270	NAVY PRIDE
223	GREETING CARDS	999	GI UNIFORMS
224	HARDWARE		
225	TOYS		
226	GIFTS SOUVENIRS LOC		
227	BOOKS & MAGAZINES		
228	AUTOMOTIVE		
229	LAWN & GARDENING		
231	HEALTH & BABY CARE		
233	HOUSEHOLD CLEANING		
232	JEWELRY		
234	WATCH/SUNGLS/CJWLRY		
235	COSMETICS		
237	JEWELRY CONSIGNMENT		
238	MASS BEAUTY AIDS		
239	PERSONAL CARE		

Hangar Requirements

All merchandise displayed hanging in a NEX, including sweaters, must be shipped on a black Floor Ready Hanger (note the exception for Kids on page 33). Hangers are expected to be in full compliance with all VICS hanger standards. (No Logos). The use of any hangers that fail to comply with these standards are subject to expense offsets from the receiving locations. This list is intended to be used as a general guide. If you have any questions regarding hanger requirements, contact the appropriate NEXCOM buyer.

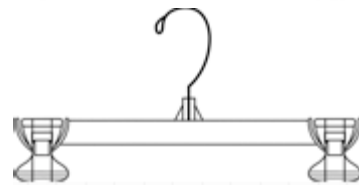
Family of Business / Examples	Hanger Description	Style Number	Hanger Style
TOP (use hanger size appropriate for product) Tops, Blouses, Dresses, Robes, Sleepwear Women's jackets, 2-piece Pajamas (w/ slip tape), Intimate Apparel Daywear	19" Top		479
	17" Top		484
	15" Top		485
	12" Top		498
	12" Top Robes / Heavy Tops, such as Streetwear should use the Jacket Hanger – 3328		



TOP Optional for Knitwear/ Sweaters / Robes (alternate styles 888 & 999)	10" Top	497
	19"	579
	17"	584
	15"	585

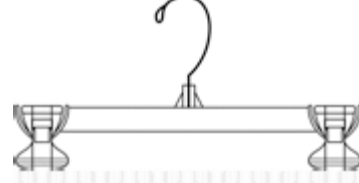
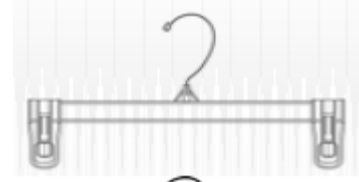


BOTTOM (use hanger size appropriate for product) Bottoms, Pants, Skirts, Shorts, 2-piece & Strapless	14" Bottom	6014
	12" Bottom	6012
	10" Bottom	6010
	8" Bottom	6008



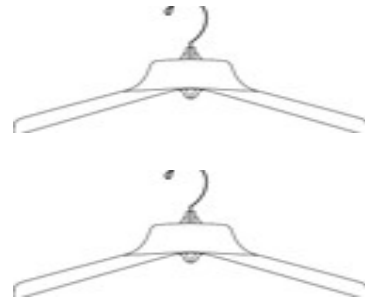
Swimwear, Men's Swimwear
Bottom hangers are available with clear "rubberized" / crease-free padding to prevent garment damage if necessary.

(Style 6208, 6210, 6212, 6214) Heavy Bottoms, such as Streetwear should use style 7008, 7010, 7012, 7014



7012

JACKETS (optional alternate to style #484)	19" Top	3319
Women's Jacket, Streetwear Tops, and all other heavy Tops	17" Top	3328
	15" Top	3315



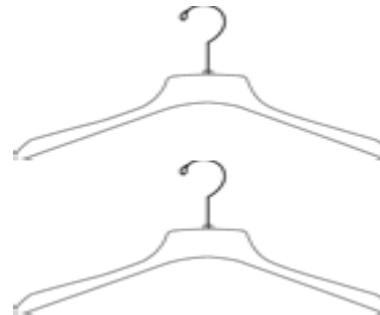
WOMEN'S SUITS	17" Suits	494
Women's, Juniors, Missy Suits		



COATS (use hanger size appropriate for product)	19" Coat	3320
Outerwear Coats and Jackets	17" Coat	3329
	15" Coat	3316



LEATHER COATS (designed to prevent product damage, optional alternate to style #3329, 3316 & 3320)	19" Leather	3969
Men's & Women's Leather Coats	17" Leather	3937
	15" Leather	3945



SWIMWEAR HANGER (with or without soft pad)	10"	8010
	12"	8012
	14"	8014



INTIMATE APPAREL	GS-11
Intimate Apparel (Bras / Pants / Slips) Clear, No Logos	GS-19
	CW-87



Men's / Young Men's Sport coats and Suits
Women's Designers

Use wishbone style wood hanger or black plastic hanger (pant bar if needed)
Black velvet

Infants / 12"
 Children's 9412
 Infants 10"
 Children's 9410
 through 8"
 Girls 6x 9408
 Boys 7
 separates 10"
 use white 6110
 plastic 8"
 molded 6108
 hook hanger
 in common
 use today,
 with color
 sizer as
 outlined in
 VICS
 standard. No
 logos.
 All other
 children's
 sizes use
 Appropriate
 clear
 hangers
 noted in top
 & bottom
 sections.



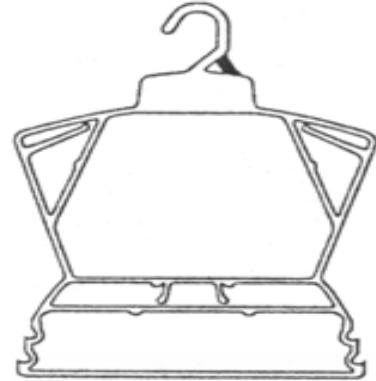
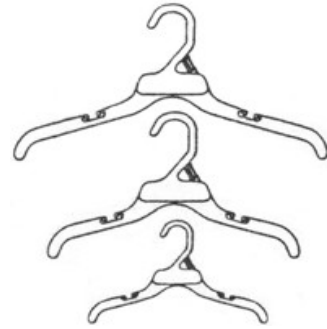
472
467



496
12"
495
10"



951
959



Use a combination of the top and bottom hangers for all 2- piece Men's, Women's, and Children's (over Girls 6x / Boys 7) Coordinates / sets, except suits. Clear plastic extenders may be used. Use mini-guards or foam strips on top hangers to prevent garment slippage or damage to fine fabrics if necessary or as directed by buyer. **DO NOT USE SIZE INDICATORS ON HANGERS** (except Infants / Children's, Men's suits and sport coats)

Presentation Standards

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

Wrinkle Prevention

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

Trading Partner Performance Management

NEXCOM continues to make significant investment and commitment to technology and systems described in this document. This document describes NEXCOM's requirements and standards in considerable detail and provides instructions for obtaining assistance. Trading partner noncompliance to these requirements causes disruptions to NEXCOM's mission to provide quality goods and services at a savings and to support Navy quality of life. NEXCOM expects trading partners to comply with the standards and requirements detailed in this manual and listed below. NEXCOM's trading partner compliance policy is intended to recover additional cost incurred by NEXCOM due to trading partner noncompliance. NEXCOM regards a trading partner's noncompliance as consent to assessing trading partner non-compliance offsets.

The basic requirements are:

- Shipments against the purchase order must be an exact match for item, UPC, case pack and cost.
- The purchase order must specifically line-list the merchandise to be delivered. No substitutions or additions will be accepted. These unauthorized items may be kept or destroyed at NEXCOM's option without payment to the trading partner.
- A purchase order modification must exist within the merchandising system prior to shipment for any items not in compliance with the original purchase order.
- All case pack changes must be communicated to the appropriate NEXCOM buyer well in advance of any shipments against the new configuration.
- NEXCOM buyer must be provided with the correct product cost (purchase order cost must match the billed cost). NEXCOM will pay the lower of the invoice and purchase order cost in cases of a discrepancy.
- Following NEXCOM Trading Partner Shipping Instructions.

The following chart lists the trading partner compliance issues and fee.

	Compliance Issue	Fee
1	Overages, substitution, incorrect merchandise	\$ 300
2	Clearly annotate on the Bill of Lading (BOL) the correct ship to location and address as provided by NEXCOM at time of routing	\$ 300
3	Mark all cartons with the Ship To Location, Address and the NEXCOM Purchase Order #	\$ 300
4	Place packing slip on the outside of one of the cartons in a clear envelope that states in ½' lettering - 'packing slip enclosed'	\$ 300
5	Shelf life of dated product upon receipt is insufficient for NEX to sell through the product before expiry.	\$ 300
6	Multiple purchase orders in one carton	\$ 300
7	Ticket merchandise according to terms of the purchase order and ensure correct UPC number is utilized on the merchandise	\$ 300
8	VMI Trading Partners only - Inbound (855) Purchase Order Errors (Bad S units sent /Invalid purchase order number sent)	\$ 300
9	Failure to respond to outbound transactions with accurate 997 Acknowledgement.	\$ 75
10	Removed from 856 ASN cross dock program due to inaccurate ASNs	\$ 300
11	Inaccurate ASN / Carton contents do not match ASN	\$ 300
12	No ASN or late ASN at time of receipt	\$ 300

Transportation Compliance

NEXCOM's transportation requirements will not change as a result of the new EDI 753/754 program. These requirements are listed below.

1. Failure to follow instructions as provided at time of routing, regardless of the FOB terms, i.e. ship-to address, mark-for information, proper completion of BOL and failure to provide carrier tracking information, will result in a per occurrence administration fee of \$300 in addition to any transportation expenses incurred due to failure to ship as directed.
2. Failure to adhere to NEXCOM policy outlined in the Trading Partner Shipping Instructions will result in a per occurrence administration fee of \$300.
3. Instructions for vendors certified for EDI 753/754 can be accessed through our mynavyexchange.com website under the 'Doing Business With Us' link, in the 'Traffic/Transportation Department' section.
4. Separate instructions for vendors not yet certified for EDI 753/754 can be also be accessed through our mynavyexchange.com website under the 'Doing Business With Us' link, in the 'Traffic/Transportation Department' section.

Return to Trading Partner Unordered Merchandise

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