

EXCHANGE Logistics

Presented to: EXCHANGE Vendors



- The VCP was established 3 years ago to identify and recover expenses incurred by suppliers not complying with the Exchange “Supplier Requirements”.



NON-COMPLIANCE ISSUES

- On-time shipments - FOB Origin shipments must be made by the PO ship date
- On-time deliveries – FOB Destination shipments must arrive at the delivery point by the PO required date
- Shipment must be properly marked, documented and packed
- Fashion merchandise must be properly ticketed
- ASN requirements must be met
- Pallet & wood packing material - Comply with ISPM-15 (International Standards for Phytosanitary measures) Reference information at USDA Web Site
- Overages/Substitutions



- **Overages/shortages**
- **Repacking**
- **Improper markings**
- **Wrong pallets used for all international shipments.**
- **Failure to consolidate**
- **Improper routing**



HOW TO AVOID CHARGES

- Be sure the buyer amends the PO with changes and exceptions
- Use the correct carrier and ship on contractor ship date (FOB Origin)
- Deliver on time (FOB Destination)
- View details about the VCP – SHOPMYEXCHANGE.com - under Doing Business with the EXCHANGE



Exchange Transportation Management System



- › **KCI (for non-TMS vendors)**
 - › Based on total PO
 - › Determines
 - › Mode
 - › Carrier or call information
 - › Ship to location



Invoice and Bill of Lading to:
 HQ Army & Air Force Exchange
 Service
 PO Box 660261
 Dallas, TX 75266-0202

Purchase Order Number

0058349056

Proc No: 17889706		Pay No: 17889701		Order Date: 23 APR 12	
DOONEY & BOURKE INC				Payment Terms: NET030	
ATTN LEIGH SOBOTKA				Payment Currency: US	
12275 BRASSICA				F.O.B Terms: ORIGIN	
SAN DIEGO CA 92129				SPLC: 880273	
				POD:	
				Milstamp: 709Z9BCT	
Ship To: 1010801			Mark For:		
JBSA-SAM MS					
BLDG 2420 ATTN:STOCKROO					
2503 FUNSTON RD					
FT SAM HOUSTON TX 78234					
Ship Date: 02 MAY 12	1st Destination	2nd Destination	Cancel Date:		
	Delivery Date: 09 MAY 12	Delivery Date:			
Ship Point: FONTANA CA	Ship Via: FEDEX GROUND SERVICE				



- › **TMS (current system)**
 - › Based on vendor's shipment
 - › Determines
 - › Optimization possibilities
 - › Mode
 - › Carrier

EXCHANGE™
ARMY & AIR FORCE EXCHANGE SERVICE

Invoice and Bill of Lading to:
HQ Army & Air Force Exchange
Service
PO Box 660261
Dallas, TX 75266-0202

Purchase Order Number

0058425095

Proc No: 54368089		Pay No: 54368001		Order Date: 30 APR 12	
MJ SOFFE CO INC				Payment Terms: NET060	
ONE SOFFE DR				Payment Currency: US	
PO BOX 2507				F.O.B Terms: ORIGIN	
FAYETTEVILLE NC 28312				SPLC: 407750	
				POD: QA1	
				Milstamp: 709Z9BCT	
Ship To: 1059921			Mark For: 1463664		
DDDC TRANSSHIP BRANCH			TCN HXLSAE 5842 5095		
DAN DANIEL DIST CTR			RDD 126 TP3		
SHIPPING DOOR 85			HXYAAA AAFES		
233 ENTERPRISE DRIVE			QA1 KARACHI		
NEWPORT NEWS VA 23603			1463664 AF SALERNO		
			P.O. # 0058425095		
Ship Date: 02 MAY 12	1st Destination Delivery Date: 07 MAY 12	2nd Destination Delivery Date: 16 JUN 12	Cancel Date:		
Ship Point: FAYETTEVILL NC		Ship Via: PARTNERS.AAFES.COM			



What is TMS?

- **Transportation Management System (TMS) is a server based, stand alone, web enabled system**
- **TMS is an industry wide mechanized routing system**
- **Eliminates phone calls and faxes for routing by using EDI (electronic data interchange) and web based applications**
- **Consolidates pickups if feasible and does not delay final delivery**
- **Automatically offers the shipment to the (low cost) carrier**
- **Matches and pays freight bills**
- **Provides visibility and tracking for CONUS origin vendors**



- › TMS Vendors are currently all origin vendors

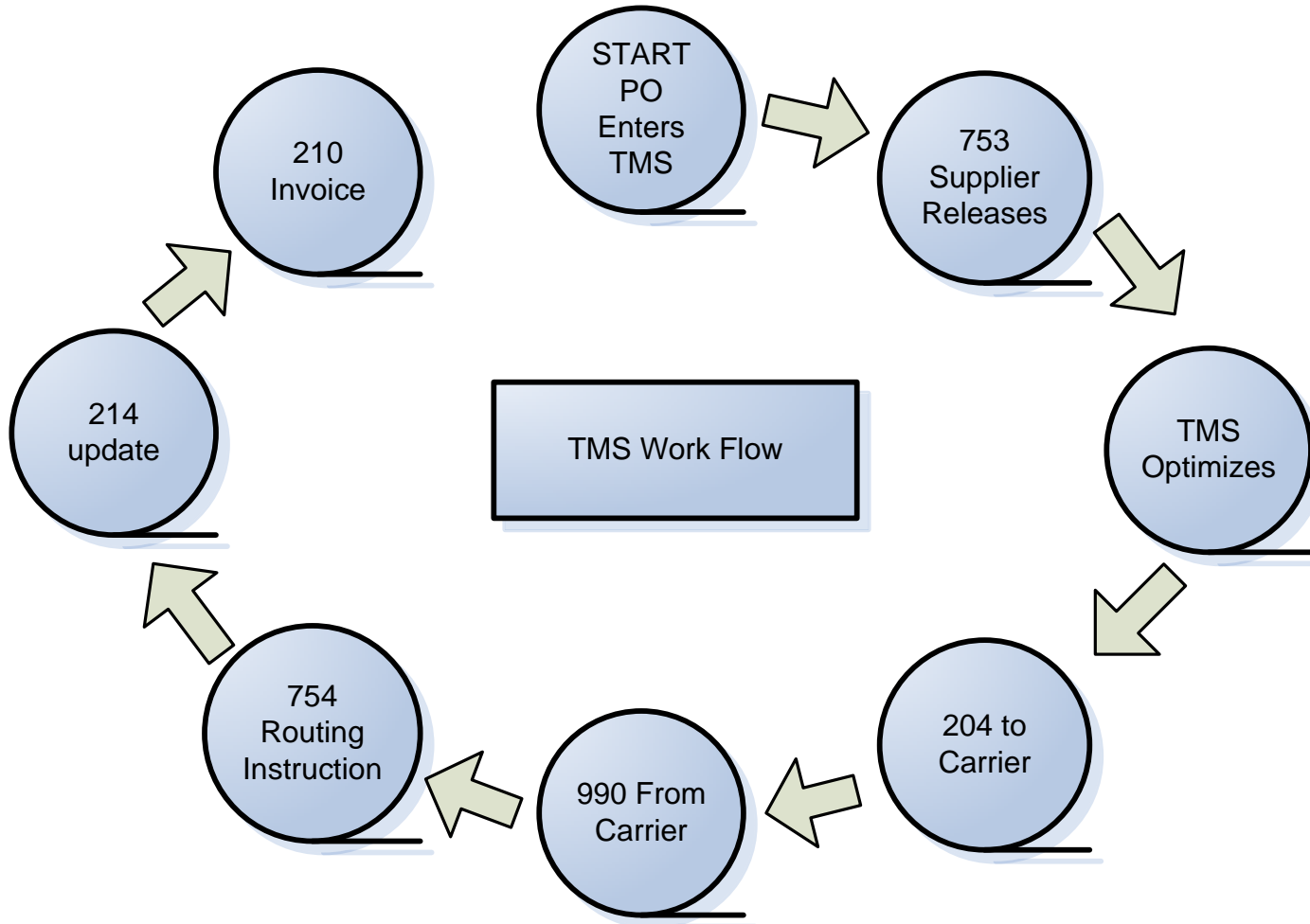
- › TMS is not for everyone. Categories not TMS :
 - › All Jewelry
 - › Customer Drop Ships
 - › VMI
 - › FOB Destination
 - › Import Orders



- › **Proven savings of 10.7% on inbound freight costs**
- › **Increased visibility of shipments**
- › **Better vendor control**
- › **Real-time reporting capabilities**
 - › Allows the Exchange to see what vendor has and has not released
 - › PO's that have been released 48 hours or less



TMS Workflow (EDI)



- › **Vendor can release shippable orders to the Exchange in a routing request via:**
 - › EDI (753) or

- › **Web interface**
 - › The lifecycle of a shipment in the TMS starts when the vendor releases a shippable order in TMS
 - › An Exchange purchase order and a shippable order are not one and the same
 - › A Shippable order is an order that is less than 45,000 lbs and 3000 cubic feet
 - › A vendor can change “ship from” location, weight, and cube prior to releasing orders on the web based system, but could incur chargebacks



Web Interface Vendor Release

- Web based vendors log into TMS using web address
- Enter PO
- Enters ship from location, first available ship date, line to be released, correct quantity, weight, and cube of each line or by overall total weight, cube, and pieces



Army Air Force Exchange Service TMS System - Windows Internet Explorer

https://tms.aafes.com/scripts/WebObjects.dll/ShipperView.woa/wa/externalLogin?externalId=aafes

File Edit View Favorites Tools Help

Army Air Force Exchange Service TMS System

AAFES About Logout

Refresh | Close

Release Purchase Order

Save Cancel

Menu

- AddressKeeper
- Purchase Orders
 - Search for PO
 - Open
 - Closed
- PO Search Results
- Shipments
 - Search
 - Unrouted
 - Routed
 - Enroute
 - Delivered <= 7

Last activity status: [icon]

PO Number: 0058288192 Vendor Number: 23258510 Miltamp: 518Z9BCT Status: Pending
 FOB Terms: Collect Contract Ship From City: MODESTO [Important message regarding contracted ship from location](#)

Ship From: [input] [icon] [icon] ← Mark For: DDDC AAFES
 DAN DANIEL DC
 231 ENTERPRISE DR
 NEWPORT NEWS, VA 23603 USA

First Available Ship Date: [input] (mm/dd/yy) ← Buyer: AAFES

Must Ship by Contractor Ship Date: 05/07/12 (mm/dd/yy) ←
 Required Delivery Date: 05/19/12 (mm/dd/yy)

Buyer: AAFES
 Contact: WILLIAMS SHARON P
 Daytime Phone: (214) 312-6583

Special Instructions: [input] Preview

		Totals		
		Wt	Cube	Gty
Ordered:		11947.14	400.38	4680
Released:		N/A	N/A	0
To Be Released:				0

Release By Line Item: Yes No

Line Items

Select All Deselect All

#	UPC #	Hazmat	Description	Cases	Case Pack	Case Wt	Case Cube	Gty	Total Wt	To Be Released Total Cube	Gty	Released Qty	Status
<input type="checkbox"/>	085000004265	<input checked="" type="checkbox"/>	BRANDY E&J 80PF 375ML	36	24	45.7	1.7	864	1645.2	61.2	864	0	Pending
<input type="checkbox"/>	085000004159	<input checked="" type="checkbox"/>	BRANDY E&J 80PRF 1.75L	144	6	40.0	1.47	864	5760.0	211.68	864	0	Pending
<input type="checkbox"/>	085000009154	<input checked="" type="checkbox"/>	BRANDY E AND J XO 750ML	8	12	44.23	1.5	96	353.84	12.0	96	0	Pending
<input type="checkbox"/>	085000014318	<input checked="" type="checkbox"/>	GIN NEW AMSTERDAM 750ML	28	12	37.98	0.75	336	1063.44	21.0	336	0	Pending
<input type="checkbox"/>	085000003817	<input checked="" type="checkbox"/>	BRANDY E&J VSOP 750ML	70	12	41.0	1.33	840	2870.0	93.1	840	0	Pending
<input type="checkbox"/>	085000003862	<input checked="" type="checkbox"/>	BRANDY E&J VSOP 50ML	14	120	18.19	0.1	1680	254.66	1.4	1680	0	Pending

Events

Done

Trusted sites 100%



- › **Shippable order is validated against TMS PO database**
 - › Valid PO and a line must exist in TMS
 - › Release quantity can NOT exceed the order quantity (Zero Tolerance)
 - › Order can not be released past the contractor ship date
 - › A vendor must release the shippable order in TMS 72 hours prior to the first available ship day



- › **Order will be sent through an optimization process that considers consolidation, pickup times, and available carriers**

- › **Optimization criteria:**
 - › Pickup greater than 48 and less than 96 hours in the future
 - › All US and Canadian postal codes
 - › Shipment that have not been tendered



- EDI vendors will receive routing via EDI transaction 754
- Vendors using web based interface will receive email notification listing assigned carrier
- Notification may include stops for other vendors on route
- Shipper Reference number should be listed on all Bills of Lading
- For all shipments less than a truckload, vendor responsible for contacting carrier for pick-up



- Ability to track and trace orders available for all identified Exchange users
- Alerts, notifications, and updates can be sent via email to vendors and carriers
- All orders have event log to track from creation of order through delivery
- Information is available real time allowing people to be proactive instead of reactive





Supplier's TMS POC
zzlgtms@aafes.com



› Small Package

- › FEDEX Ground (CONUS only as specified on PO)
 - › 1-800-GO FEDEX (463-3339)
- › US Postal Service (OCONUS only as specified on PO)
 - › Prepay and add to merchandise invoice

› Less Than Truckload

- › Matson LTL
- › UPS Freight



- › AO Easley
- › CH Robinson
- › Command
- › Covenant
- › COX
- › CRST
- › Dupre
- › Fepco
- › HA Logistics
- › Landstar
- › Matson
- › Mid-Way
- › Overdrive Logistics
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Questions?

