



8.2 Pending Vendor Acceptance (PVA) Process Guide

Purchase Order (PO) Acknowledgement, Negotiation and Acceptance

- ◆ PO Acknowledgment (*Electronic Data Interchange (EDI) model 855*) is a required transaction.
- ◆ EDI model 855 serves several purposes; acknowledgement from the Supplier that they have received the PO, acceptance of the terms and requirements as listed below, enables Suppliers to start negotiation by using the Reject PO Condition of the 855.

PO Negotiation Process

This section outlines the negotiation process and responsibilities for both Supplier and Home Hardware.

The Supplier must acknowledge that they have reviewed the PO and accepted the terms and conditions as follows:

- ◆ The PO can be shipped by the Requested Ship Date. This means that the entire order will be In-Transit no later than that date. Any Shipments sent more than seven (7) days early will be subject to a Non-Compliance fee. Transportation arrangements will need to be planned for in ADVANCE of this date.
- ◆ Each item and quantity ordered is available in full to ship by the Requested Ship Date. ****See note below.**
- ◆ Each item will match UPC, model and/or Manufacturer number.
- ◆ Each item unit cost is accurate.
 - Special Deal items for promotional events will have an adjusted deal cost and PO will contain a suffix of PB, PR or LL. The PO comments will post the event # associated with the promotional deal. ****See note below.**
 - Items purchased as part of our Market program will have a PO with a suffix of MK, FM or SM. Comments will be posted on the PO that indicate the PO is a Market Order (Pre-Market or Post Market). ****See note below.**
 - Special Deals and/or payment terms that are outside of Promotional or Market activity will be noted in the PO comments for the Supplier.
- ◆ PO Payment terms.
 - Will pick up regular terms based on our Supplier agreement.
 - Any changes to payment terms will reflect either market or promotional or special activities as agreed to by Supplier and Home Hardware and will be posted using appropriate suffix and PO comments as listed above for Special Deal or Market.

Where an item cannot meet any of the above, the Supplier is required to move the PO to a negotiation process by using the Rejected status and include comments.

- ◆ A response from a Supplier must be transmitted within six (6) calendar days from the transmission date of a new PO. This may be a PO Acceptance or a PO Reject.
 - PO Accept sent via EDI 855, meaning all above conditions may be met.
 - PO Reject may only be issued if there are issues with meeting the requirements of the PO. If there are discrepancies the Supplier may reject the PO by issuing an EDI 855 reject. Details and comments as to why the PO is rejected must also be sent with the EDI 855. This will then be regarded as PO negotiation between issuer of the PO and the Supplier. The PO may not be rejected or in PO negotiation status longer than seven (7) calendar days.



****** If there are item(s) that cannot meet the requested ship date and require a new PO created specifically for those items Home Hardware will consider that any Supplier minimums have been met with the initial Purchase Order.

******* If there are discrepancies due to pricing, Supplier must validate that special deal pricing is not applicable (as listed above) before rejecting a PO. (It is the Supplier's responsibility that ALL departments within their company are aware of special pricing and payment terms.)

- ◆ Once PO negotiation between Supplier and issuer of the PO is complete Supplier must provide EDI 855 Acceptance.
 - The 855 will be confirmation that the Supplier can meet the requirements of the PO and Supplier will be held responsible for complete, accurate, on-time shipments of the PO.
 - All orders will then require an Advance Ship Notice (ASN) submitted at the time the order has left the Supplier facility. See notes [section 8.3 Advance Shipping Notice \(ASN\) \(EDI 856\)](#).

Failure to provide an 855 PO Accept or fulfill PO requirements will be subject to a non-compliance submission and will be at risk as a non-compliance charge back to Supplier.

Any PO adjustments, delays or item changes AFTER an 855 Acceptance has been received will be subject to a non-compliant review and potential fee.

8.2.1 Order Lead Time

It is the Supplier's responsibility to advise the issuer of a Purchase Order of any anticipated changes in order lead-time. Unanticipated changes in order lead-time cause service level problems at our Dealer Support Centres. By having advance notice of shipping delays, we will be able to accurately adjust our forecasts. See also [section 8.2 Pending Vendor Acceptance \(PVA\) Process Guide](#).

8.3 Advance Shipping Notice (ASN) (EDI 856)

- ◆ The primary purpose of the ASN is to provide HHSL with an electronic copy of a Supplier's Bill of Lading or Packing Slip so we can receive your shipments as efficiently and accurately as possible.
- ◆ The ASN must arrive at HHSL before your shipment arrives. This enables Home Hardware to be as prepared as possible when your product arrives at our DSCs. **It should not be sent before the shipment leaves your facility.**
- ◆ Each ASN must be represented by a unique ASN number for each shipment. It is possible to combine multiple Purchase Orders within a single ASN or shipment.
- ◆ The ASN number(s) must be clearly stated on the Bill of Lading or Packing Slips.
- ◆ License Plate Numbers (LPN) or Serialized Shipping Container Codes (SSCC) should be attached as per [section 9.2.2 Serialized Shipping Container Code \(SSCC-18\) Labelling](#).