

Semper Fit and Exchange Services Division (MR) HQ MCX

9 February 2012

SUBJECT: NOTICE TO THE MCX VENDOR COMMUNITY SHIPPING MCX PAID SHIPMENTS

Dear Valued Vendor Partners,

The Transportation Management System (TMS) provides routing direction for all MCX paid shipments. This routing direction includes the <u>ship to address</u>, the <u>carrier the shipment must be routed thru</u>, and the <u>shipping service level (in the case of small parcel shipments)</u>.

When reconciling carrier invoices, it is apparent that some vendors/shippers are not complying with their TMS routing direction. Examples of this noncompliance include: shipping via FedEx when the direction was to ship via UPS, shipping overnight thru small parcel when the direction was to ship ground or 2nd day, and shipping ground to K-Bay when the direction is to ship 2nd day. And in some cases, not entering the shipment into TMS and shipping based on previous instructions.

The TMS will calculate the optimal shipping method and service level and the vendor/shipper must comply with this routing direction or MCX incurs additional shipping cost. For example, shipping UPS ground to K-Bay costs MCX more than shipping 2nd Day to K-Bay due to negotiated government tenders.

Effective with all shipments originating February 13, 2012 and later, instances where TMS shipping guidance is not followed will result in reversal of full shipping charges back to the vendor/shipper. If the vendor/shipper is unable to comply with their shipping direction, they must contact Landair and have the direction changed in the TMS to avoid this charge reversal.

Additionally, continued noncompliance with the TMS shipping direction may also result in noncompliance fees being levied in addition to the shipment charges be reversed back to the vendor/shipper.

Thank you for your continued support in our efforts to reduce costs and become more efficient, minimizing price increases that could eventually be passed on to our customer.

Sincerely,

Jennifer Ide Director-Logistics and Corporate Communications HQ USMC Business Operations