



Supply Chain Performance Program Instructions



VERSION #	REVISION CHANGES HISTORY
05	<p>Revisions and enhancements made throughout, and subject matter has been reorganized</p> <p>Revision Change History – moved to last page</p> <p>Additions/enhancements include and appear in the following order:</p> <ul style="list-style-type: none"> • SCP Deduction Coding section – added reference table listing deduction codes as they appear on payment remittances • Payment Offsets Managed by Other Groups section – added link to Vendor Contact list • Charge Notifications for OTIF, ASN, and SP section: <ul style="list-style-type: none"> ○ Subsection II – addition of Rule Numbers table applicable to Weekly Compliance Summary ○ Subsection III – addition of OTIF PO Detail Monthly Reporting • Reference Materials and Resources (new section): <ul style="list-style-type: none"> ○ Subsection II – addition of Collect Routing Calculator ○ Subsection II – addition of Syncrofy portal ○ Subsection IV – addition of 856 856 ASN Spec Guide ○ Subsection V (E) – addition of SOP for Obtaining & Interpreting Appt Details within Traverse portal • ASN Compliance Program section – enhanced compliance details for all noncompliance parameters • Obtaining Charge Details for OTIF,, ASN, & Small Parcel Charges section: <ul style="list-style-type: none"> ○ Subsections I & II - added step by step instructions for obtaining and interpreting charge details for all three programs and enhanced information for all Exclude Reasons found on the OTIF Charge Support reports ○ Subsection III – appointment details transitioned from eAppointment to Traverse ○ Subsection IV - added reference tables containing list of CVS’s required information for PLs & BOLs • Supply Chain Performance Noncompliance Disputes section: <ul style="list-style-type: none"> ○ Subsection II - addition of ASN noncompliance dispute process ○ Subsection II (A & B) - addition of detailed information pertaining to dispute comments and supporting documents for OTIF, Small Parcel, and ASN noncompliance disputes
06	<p>Small Parcel Compliance – beginning May19, 2025, the maximum number of cases allowed to ship via <i>Collect</i> small parcel ground has been reduced from 30cs to 15cs bringing it inline with Prepaid small parcel/ground policy</p>
07 04.08.2026	<p>Changes throughout for new OTIF Simplification</p>

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Introduction

CVS Health is committed to becoming the nation’s most trusted health and wellness destination. To do so, we are focused on ensuring our supply chain operates at the highest level of effectiveness and efficiency to provide our customers and patients with a superior shopping experience. Our Supply Chain Performance Compliance Programs are a critical component to achieving our customer service objectives and remaining competitive in the industry.

New OTIF Simplification rollout - On Time Delivery and Fill Rate

On 2/13/26 we announced changes to the OTIF (On Time In Full) compliance program beginning with PO first receipt dates on 3/1/26.

These enhancements were implemented with the clear goal of driving greater simplicity and improving overall supply chain efficiency across our partnership network. By refining our OTIF approach, we aim to streamline operational processes, foster more efficient collaboration, and ensure our far-reaching supply chain can meet evolving market demands with agility and confidence.

The new On Time and Fill Rate parameters have been outlined throughout the sections dedicated to OTIF compliance in the following instructions.

Supply Chain Performance Program Descriptions

Each program is described in further detail in the sections that follow.

Performance Metric	Definition	Penalty
Fill rate	Measure of the extent to which a vendor delivers the original items and quantities ordered on a purchase order.	5% of non-compliant quantities
On Time Delivery	Measure of the extent to which a vendor’s merchandise deliveries meet CVS’s scheduled delivery requirements, based on the original purchase order ship-to-arrive (STA) date and the applicable freight terms and shipping mode.	5% of non-compliant quantities, adjusted for weekly delivery performance

Performance Metric	Definition	Penalty
Appointment Integrity (AI)	<p>Measure of ability to honor warehouse delivery appointment(s). Failure triggered by one of the following events (<i>do not include weekends or holidays</i>):</p> <ol style="list-style-type: none"> 1) Arrival beyond 30 minutes of scheduled appointment 2) Cancellation or Reschedule request with less than 24 hours prior to approved appointment, or 3) Failure to arrive for scheduled appointment (i.e. No Show and Rescheduled/Cancelled after appointment date/time) 	<p>Chargeable penalties are per occurrence</p> <ol style="list-style-type: none"> 1) \$100 2) \$275 3) \$500
Bill of Lading	Missing or Inaccurate Bill of Lading	\$100 per load
Packing List	Missing or Inaccurate Packing List	\$100 per load
Small Parcel (SP)	<p>Measure of adherence with case limits for small parcel/ground deliveries into the CVS distribution network:</p> <ol style="list-style-type: none"> 1) Collect and Prepaid Delivery: 15 Cases 	\$5 per case over the limit, up to \$150
Advance Ship Notice (ASN)	<p><u>Missing ASNs</u> (includes either of the following scenarios)</p> <ol style="list-style-type: none"> i. Vendor failed to send an ASN with warehouse shipment/delivery by one calendar day prior to the receipt of inventory ii. Vendor fails to send an ASN in a readable format (997 Rejection) iii. Vendor fails to provide the business-critical segments. <p><u>Late ASNs</u></p> <ol style="list-style-type: none"> i. Vendor failed to send an ASN by one calendar day prior to the receipt of inventory. <p><u>Inaccurate ASNs</u></p> <ol style="list-style-type: none"> i. Vendor sent an ASN in a readable format however all of CVS technical specifications were not met. 	<p><u>Missing ASN or ASN Rejection (997)</u> \$100 Per PO</p> <p><u>Late ASN</u> \$75 per PO</p> <p><u>Inaccurate ASN (824)</u> \$50 per PO</p>

Supply Chain Performance Deduction Coding

Chargeback expense offsets are assessed as deductions against future invoice payments. The following is a listing of the deduction codes as they will appear on payment remittances.

Compliance Program	Code	Expense offset referenced on payment remittance	Example
Fill Rate	Begins with "SCP" Ends with "FR"	SCP, followed by charge #, ending with FR	SCP1234567FR
On Time	Begins with "SCP" Ends with "OT"	SCP, followed by charge #, ending with OT	SCP1234567OT
Small Parcel	Begins with "SCP" Ends with "SP"	SCP, followed by charge #, ending with SP	SCP1234567SP
ASN	Begins with "SCP" Ends with "AS"	SCP, followed by charge #, ending with AS	SCP1234567AS



Appointment Integrity	Begins with “AI”	AI, followed by vendor #, followed by month, ending with year	AI12345MAY2023
Packing List	Begins with “L”	L, followed by ticket #, followed by DC Code, ending with PO #	L12345CH12345
Bill of Lading	Begins with “M”	M, followed by ticket #, followed by DC Code, ending with PO #	M12345NA1234567

Deductions Managed by Other Groups

For deduction codes not listed above, refer to the Vendor Contact List

- Click on the following link: [Vendor Contact List](#)
- Download the document entitled *Vendor Contact List*.
- Click on the *Deduction Guide Reference* tab.
- Scroll down to locate the deduction code (i.e. Invoice # Beginning with “DSB”).
- Click on the hyperlink in the *Department* or *Contact Name* column.

Compliance Management for On Time, Fill Rate, ASN and Small Parcel Programs

The following compliance programs are managed utilizing a third-party compliance portal, Traverse/SPS Commerce

- On Time Delivery
- Fill Rate
- ASN
- Small Parcel

Portal Utilization:

The Traverse portal provides access to:

- Charge details
- Archived Weekly Summaries (charge notifications)
- Delivery appointment details
- Dispute submittals

Portal Access:

Reach out to supplychainperformance@cvshealth.com and provide the following information in the body of your e-mail:

- Supplier / Broker Name
- Contact Name (first & last)
- CVS 5-digit vendor number (all applicable numbers)
- Contact Email Address

Assigned Portal Admins also have the ability to create portal accounts for other individuals for any vendor number they have access to. Admin Instructions can be found in the Learning Center of the Traverse portal (choose Portal Help Documents, scroll down to “Admin User”).



Automatic portal deactivation:

- Accounts are automatically inactivated when idle for more than 90 days.
- **Inactive accounts will continue to receive report distribution directly from Traverse HOWEVER inactive accounts will not receive reports and communications distributed directly from the Supply Chain Performance team**
- To keep accounts active, log into Traverse every 90 days.

Charge visibility:

Charges are accessible in the Traverse portal one business day after charge approval. Charges are approved on Thursdays each week.

Components of Fill Rate and On Time Compliance

The programs are designed to ensure performance excellence in two supply chain performance metrics:

1. **Fill Rate receipts** within the guidelines measured against the original PO items and quantities ordered.
 - a. Analysis is measured against the PO content at the time of PO creation. **Adjustments to items and/or quantities are not applicable.**

2. **On-Time Delivery** within the guidelines measured against the original PO STA (ship to arrive) date
 - a. Analysis is measured against the STA date assigned at the time of PO creation. **Updated STA dates are NOT applicable.**

Additional compliance details for both programs are outlined throughout the following sections.

Fill Rate Charge Analysis Timing

POs are evaluated for Fill Rate 10 *calendar* days from the first receipt day (including first receipt, weekends, CVS DC Holiday Closures).

April 2026						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1 PO 1st or Initial Rcpt Date			
5	6	7	8	9	10 PO Analyzed for Fill Rate (10 calendar days from 1st Rcpt)	11
12	13	14	15	16 Charges Approved Transmitted to AP Dispute window opens (Ends in 45 calendar days)	17 Charges visibility to vendors in Traverse	18
19	20 Charges appear in Weekly Compliance Summary	21	22	23	24	25

Fill Rate Requirements

Fill Rate Evaluation

- POs are assessed at the line level.
- Original PO content must be received within the 5-day receipt window
 - Receipt window is first receipt date + the following 4 business days
- Each line must have a fill rate of 98% or higher.
 - An overall PO Fill Rate of 98% or greater will generate a charge if any individual line has a fill rate below 98%.

Fill Rate Calculations

- Penalties are calculated at 5% of the merchandise that was not delivered or received within the receipt window for each PO line.
- Charges for individual lines are totaled and processed as a single charge for the entire PO.

Example 1: Overall Fill Rate **82%**, Penalties **\$26.50**

Fill Rate (FR) target = 98%											
PO #	SKU #	Order Units	Order Cost	Receiver #	Fill Rate	Rcpt Units	Rcpt Cost	Rcpt Date	Non Compliant FR Cost	Charge Amt	Status
1#####	####1	100	\$1,000	1	N	50	\$ 500.00	3/9/2026	\$ 500.00	\$ 25.00	Partial Receipt
				2	N	25	\$ 300.00	3/20/2026	\$ 300.00	\$ 15.00	outside 1st rcpt window
						25	\$ -		\$ 200.00	\$ 15.00	Not received
Total		100	\$1,000			100	\$ 800.00		\$ 1,000.00	\$ 55.00	FR % = 91.6%

Example 2: Overall Fill Rate **98%**, Penalties **\$5.00**

Fill Rate Target = 98%								
SKU #	Order Units	Order Cost	Rcpt Units	Rcpt Cost	Fill Rate	Not Fulfilled	Penalty (5%)	
####1	200	\$2,000	200	\$ 2,000	100%	\$ -	\$ -	
####2	200	\$2,000	190	\$ 1,900	95%	\$ 100	\$ 5.00	
####3	200	\$2,000	200	\$ 2,000	100%	\$ -	\$ -	
	600	\$6,000	590	\$ 5,900	98%	\$ 100	\$ 5.00	

On Time Charge Analysis Timing

- After individual PO assessment, POs are grouped together based on their first common receipt date and assessed weekly to determine the overall performance percentage
- Charges are waived if the percentage is 90% or higher
- The calculation is determined by dividing the cost of merchandise received on time by the total cost of merchandise receipts.

April 2026						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
29	30	31	1	2	3	4
POs with a 1st or Initial Recept Date grouped together for OTD Performance Evaluation						
5	6	7	8	9	10	11
12	13	14	15	16	17	18
			Wk 1 OTD Performance Evaluated: OTD Rates >= 90% - Charges waived OTD Rate < 90% - Charges approved	Charges Approved Transmitted to AP Dispute window opens (Ends in 45 calendar days)	Charges visibility to vendors in Traverse and Distribution of Initial/Final Weekly Timeliness Performance Summaries	
19	20	21	22	23	24	25
	Charges appear in Weekly Compliance Summary					

Example - On Time Delivery Summary - Initial						
On Time Delivery Rate					Approved Charges	\$ 440.84
Receipt Cost	\$ 20,380				Charge Transmit Date	XX/XX/XXX
On Time Receipt Cost	\$ 11,564					
OTD Rate:	57%					
Target	90%					
Charge Eligible						
POs with a first receipt date from 03/01/2026 to 03/07/2026						
PO Num	First Receipt	STA Date	Receipt Cost	Initial On Time Receipt Cost	Post-Evaluated Charge	Charge Number (If Applicable)
1#####	3/2/2026	3/1/2026	\$ 9,981	\$ 9,981	\$ -	
2#####	3/5/2026	2/27/2026	\$ 1,799	\$ -	\$ 89.93	#####1
3#####	3/3/2026	2/27/2026	\$ 1,518	\$ -	\$ 75.89	#####2
4#####	3/4/2026	2/27/2026	\$ 1,612	\$ -	\$ 80.58	#####3
5#####	3/5/2026	2/27/2026	\$ 1,506	\$ -	\$ 75.31	#####4
6#####	3/6/2026	2/27/2026	\$ 2,383	\$ -	\$ 119.14	#####5
7#####	3/2/2026	3/7/2026	\$ 1,583	\$ 1,583	\$ -	
			\$ 20,380	\$ 11,564	\$ 440.84	

Overview of On Time Delivery (OTD) Requirements

On Time Delivery Evaluation

Requirements are specific to freight Terms and shipping mode:

Prepaid LTL and TL Shipments

1. Deliveries that fall on the Ship to Arrive (STA) date or up to 4 business days before it.
2. A *Requested* delivery date that falls on the STA date or up to 4 business days before STA date

Prepaid and Collect Small Parcel Ground

- Delivery dates must fall on the STA date or up to 4 business days before STA.

Collect/CVS Managed Freight

- Both the Routing Request date and the Shipment Ready date must fall within the routing entry guidelines

Detailed guidelines for each are outlined further in this document

On Time Delivery Requirements - Prepaid LTL/TL Freight Terms

Important Note:

- On Time compliance is measured against the original PO STA (ship to arrive) date noted on the initial EDI PO transmission

Prepaid LTL and TL Shipments: are measured in one of two ways:

1. Deliveries that fall on the Ship to Arrive (STA) date or up to 4 business days before it.
2. A *Requested Delivery* date that falls on the STA date or up to 4 business days before STA date
 - a. The requested delivery date is captured in the scheduling system and is submitted by the carrier or vendor. This date represents when the merchandise is available to deliver to the corresponding DC.
 - b. Appointment details are available with access to the Traverse portal (refer to the SOP for obtaining appointment details [Supply Chain Performance](#))
 - c. For more information about scheduling refer to the CVS Routing Guide Instructions [Supply Chain Performance](#)

DC Holiday Closure dates are not considered business days. Closure dates are listed here [Supply Chain Performance](#)

It is the supplier's responsibility to notify the demand planner if a DC Holiday Closure Date will result in a non-compliant delivery. Closure dates are located here [Supply Chain Performance](#)

Compliant

May 2026						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
10	11	12	13	14	15	16
		Appointment Submitted		Requested Delivery Date		
17	18	19	20	21	22	23
	Approved Appt & Trailer Arrive date 3 business days before STA			PO STA		

Compliant

May 2026						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
10	11	12	13	14	15	16
		Appointment Submitted			Requested Delivery Date 4 business days before STA	
17	18	19	20	21	22	23
				PO STA	Approved Appt & Trailer Arrive date	

Non-Compliant – If the First Approved Appointment is on the STA date or prior to STA, when applicable, compliance is measured against the next Requested Delivery date

May 2026						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
3	4	5	6	7	8	9
		Appointment Submitted		1st Requested Delivery Date		
10	11	12	13	14	15	16
		1st Approved Appt prior to STA	PO STA		2nd Requested Delivery date after STA	
17	18	19	20	21	22	23
			2nd Approved Appt date			

On Time Delivery Requirements - Collect/CVS Managed Freight (TL & LTL) Terms

Prior to All routing submissions:

- Utilize the **Collect Routing Calculator Tool** to obtain routing entry dates that fall within OTD compliance and routing entry guidelines,
 - The Routing Calculator is in the MercuryGate Portal News and Information section

NOTE: The Routing Calculator is **not applicable for prepaid CPU managed freight** [routing entry for CPU freight is covered in a later section)

Best Practices:

- Utilize the routing calculator **prior to All routing submissions**
- Enter routing information into the calculator on the same day POs are available to route within the MercuryGate routing portal (one business day after PO EDI transmission)
- Enter the routing information (obtained from the calculator), on the same day the POs are available to route in the MercuryGate portal.

Refer to CVS Routing Guide Instructions for additional utilization guidelines for both the Collect Routing Calculator and MercuryGate portal - available here [Supply Chain Performance](#)

Important Notes:

- On Time compliance is measured against the original PO STA (ship to arrive) date noted on the initial EDI PO transmission
- Compliant routing entry dates are determined based on Business Days.
 - DC Holiday Closure dates and weekends are not considered Business Days and should be excluded from the business day calculations.
 - DC closure dates are available here [Supply Chain Performance](#)

If a Holiday Closure Date falls within the Routing Request Date calculation:

- Adjust the Routing Request Date back by 1 business day

If a Holiday Closure Date falls within the Shipment Ready Date calculation:

- Adjust **BOTH** the Routing Request Date and Shipment Ready Date back by 1 business day



It is the supplier's responsibility to notify the demand planner if a DC Holiday Closure Date will result in a non-compliant delivery. Closure dates are located here [Supply Chain Performance](#).

Collect On Time Delivery compliance:

- On-Time compliance for CVS managed freight **is based solely on routing entry dates.**
- No other factors apply (late pickup, delivery issues, appointment dates after STA, etc.).
 - **If both the Routing Request Date and Shipment Ready Date** fall within the following guidelines, the PO will meet the On Time parameters.

On Time Routing Entry Guidelines:

1. **Routing Request Date:** This date represents when the routing information is entered into the MercuryGate routing portal (Portal Entry Date).
 - a. Routing entries **must be no less than 4 business days before the Shipment Ready date** (first available pickup date). This lead time is crucial for CVS Transportation teams to execute efficient load management.
2. **Shipment Ready Date:** This date represents the first available pickup date (Early Pickup Date).
 - a. The available pickup date **must be no less than the required transit days before the PO STA date.**
 - For example, if transit is **4 business days**, the **Shipment Ready Date must be at least 4 business days before the PO STA date.** Required transit days are outlined in the Transit Matrix within the CVS Routing Guide Instructions [Supply Chain Performance](#) (**the Transit Matrix is not applicable when utilizing the Collect Routing Calculator**)

Collect example - with DC Holiday Closure date

Key Dates		Rule
DC closure date	<i>Wed</i> 5/25/2026	Exclude from business day calculations
Routing Request Date (Portal Entry Date) <i>account for 4 <u>business days</u> before Shipment Ready date</i>	<i>Fri</i> 5/15/2026	Adjust back 1 business day to account for holiday
	3 Transit days	business days
Shipment Ready Date (Earliest Pickup) <i>account for number of transit days before STA</i>	<i>Thur</i> 5/21/2026	Adjust back 1 business day to account for holiday
PO STA	<i>Wed</i> 5/27/2026	



On Time Delivery Requirements - Prepaid CPU (CVS managed Customer Pick Up)

Important Notes:

- On Time compliance is measured against the original PO STA (ship to arrive) date noted on the initial EDI PO transmission
- Compliant routing entry dates are determined based on Business Days.
 - DC Holiday Closure dates and weekends are not considered Business Days and should be excluded from the business day calculations.

This section refers to Prepaid freight that is picked up and managed by CVS.

NOTE: The Routing Calculator is *not applicable* for prepaid CPU managed freight CPU On Time Delivery compliance

- The On Time portion of OTIF compliance for Prepaid CPU freight is **based solely on the Shipment Ready date entered into MercuryGate by the supplier**. No other factors apply (late pickup, delivery issues, appointment dates after STA, etc.).
 - If the Shipment Ready Date falls within the guidelines below, the PO will meet the On Time parameters.

Routing Entry Rule:

- ✓ **Shipment Ready Date: Must be no less than 4 business days before the PO STA date.**

CPU example – calculations with DC Holiday Closure date

Key Dates		Rule
DC closure date	Wed 5/25/2026	Exclude from business day calculations
Routing Request Date (Portal Entry Date)	Mon 5/18/2026	
Transit Days	N/A	
Shipment Ready Date (Earliest Pickup) <i>account for 4 <u>business days</u> before STA</i>	Wed 5/20/2026	Adjust back 1 business day to account for holiday
PO STA	Wed 5/27/2026	

Important Notes:

- On Time compliance is measured against the original PO STA (ship to arrive) date noted on the initial EDI PO transmission
- Compliant routing entry dates are determined based on Business Days.



- DC Holiday Closure dates and weekends are not considered Business Days and should be excluded from the business day calculations.
- DC closure dates are available here [Supply Chain Performance](#)

If a Holiday Closure Date falls within the Routing Request Date calculation:

- Adjust the Routing Request Date back by 1 business day

If a Holiday Closure Date falls within the Shipment Ready Date calculation:

- Adjust **BOTH** the Routing Request Date and Shipment Ready Date back by 1 business day

On Time Delivery Requirements - Small Parcel Ground (Prepaid and Collect)

On-Time compliance for small parcel/ground shipments is measured against the delivery date.

The delivery date must be on the PO STA Date or the 4 business days before the PO STA date.

The delivery date is captured in the scheduling system and noted in the Requested Delivery Date field on the appointment details. Appointment details are available with access to the Traverse portal (refer to the SOP for obtaining appointment details [Supply Chain Performance](#)).

Examples	STA	Delivery Date	Results
#1	4/17/2026	4/13/2026 <i>compliance indicator</i>	COMPLIANT falls 4 business days before STA
#2	5/27/2026	5/20/2026 <i>compliance indicator</i>	COMPLIANT falls 5 business days before STA to account for 5/25/26 DC closure date

Examples	STA	Delivery Date	Results
#1	4/17/2026	4/10/2026 <i>noncompliance indicator</i>	NONCOMPLIANT falls MORE THAN 4 business days before STA
#2	5/27/2026	5/21/2026 <i>noncompliance indicator</i>	NONCOMPLIANT falls LESS THAN 4 business days before STA does not account for 5/25/26 DC closure date



Note:

Collect small parcel/ground shipments will appear in the Traverse portal with "Prepaid" Bill Type. Only POs routed within the MercuryGate portal are recognized as Collect within Traverse.

On Time Delivery Calculations

- Compliance is measured at the PO receipt level and evaluated based on quantities received within the first receipt window charges per PO are calculated at 5% of the noncompliant merchandise cost

Example for a single PO

PO #	SKU #	Order Units	Order Cost	Receiver #	On Time	Rcpt Units	Received Units On Time	Rcpt Cost	Received On Time Cost	Non Compliant Rcpt Cost	Charge Amt	Charge Reason
1234567	12345	100	\$1,000	5461234	N	50	0	\$500.00	\$0.00	\$500.00	\$25.00	OT1 -Prepaid not On Time
Total		100	\$1,000.00			50		\$500.00	\$0.00	\$500.00	\$25.00	

ASN Compliance Program

The purpose of the ASN program is to ensure accurate ASN transmissions, otherwise known as EDI document number 856, accompanying distribution Center purchase order deliveries into the CVS DC network. Accurate ASN transmissions are the gate way to precise, real-time DC capacity planning, proactive inventory and ordering management through advanced notification of ordered v shipped discrepancies, and promotes expedient, exact, receipt reconciliation and payment invoicing.

Each ASN sent to CVS must meet the following requirements to adhere to this program:

1. All warehouse shipments/deliveries must be accompanied by an ASN received no later than one calendar day prior to the receipt of goods, *and*
2. All ASNs transmitted to CVS must be in a readable format containing all mandatory elements in accordance with the CVS technical specifications found at:
 - a. 856 ASN Specification Guide (refer to Reference Materials and Resources)

Nonadherence will result in ASN chargebacks for the following noncompliant parameters:

1. ASN Missing – includes any of the following scenarios:
 - a. Failure to send an ASN with warehouse shipment/delivery no later than one calendar day prior to the receipt of goods, *or*
 - b. Failure to send an ASN in a readable format (997 Rejection)
 - c. Failure to provide the business-critical segments (824 Application Advice) as follows:
 - i. BOL (Bill of Lading) number
 - ii. Valid warehouse code
 - iii. Valid vendor number
 - iv. SSCC bar codes

- v. CVS SKU number
- vi. Case Pack
- 2. ASN Rejection (997 rejection) – failure to send ASN in readable format
- 3. ASN Late – failure to send ASN no later than one calendar day prior to the receipt of goods.
 - a. Best practice – send the ASN when the truck leaves the dock and ensure accurate shipping details account for any final PO adjustments.
- 4. ASN Inaccurate – failure to meet one or more of the CVS business rules as non-business critical 824 application advice (refer to 856 ASN Specification in the Reference Materials and Resources section)

CVS is administering compliance analysis in partnership with Syncrofy*, a third-party service provider. Syncrofy's role includes:

- Analyze and measure ASN compliance as related to timely and readable ASN receipts.
- Analyze and measure ASN compliance as related to adherence with the CVS ASN Specification Guide
- Provides a platform for vendors to review shipment details and investigate discrepancies.

*For access to Syncrofy refer to the Reference Materials section.

Charge Notifications for Fill Rate, On Time, ASN, and Small Parcel

Weekly Compliance Summary

Content:

- Charges approved for **Fill Rate, On Time Delivery, ASN, and Small Parcel** within the date range noted on the summary

Distribution:

- First business day of each week (within 5 business days of approval) via email from Traverse/SPS Commerce
 - Reports are distributed only if there are charges approved within a given week

CVS Health.		WEEKLY COMPLIANCE SUMMARY			
Issues below have been identified and recorded 7 days ending 4/2/2026.					
PO VENDOR NUMBER					
VENDOR NAME					
PAY VENDOR NUMBER					
Charge Date	Rule #	Charge #	Rule Description	PO #	Charge Amount
3/13/2026	3080		Timeliness non-compliance		\$506.97
3/16/2026	3080		Timeliness non-compliance		\$213.30
3/29/2026	3080		Timeliness non-compliance		\$317.70
3/29/2026	3080		Timeliness non-compliance		\$818.63
3/29/2026	3008		Fill Rate		\$186.10
3/30/2026	3080		Timeliness non-compliance		\$91.08
Total		6			\$2,133.78

Rule Number definitions

Non-Compliance Rule Number	Compliance Program Description
3040 & 3041	OTIF Non-Compliance - transitioned to rule #s 3008/3080 March 2026
3008	Timeliness Non-Compliance
3080	Fill Rate Non-Compliance
2100	Small Parcel (ground shipment case limit)
ASNMISS	ASN Missing
ASN997	ASN Rejection
ASNLATE	ASN Late
ASN824	ASN Inaccurate

Initial Timeliness Performance Summary Report

Content:

- Contains POs analyzed for On Time Delivery within the week noted on the report
- Includes Initial analysis results for On Time Deliveries and applicable charges
- On Time Delivery (OTD) charges will appear on both the Initial *Weekly Timeliness Summary* and the *Weekly Compliance Summary* if the *initial weekly OTD* assessment falls below 90% resulting in approval of OTD charges

Distribution:

- Distributed on Fridays via email from Traverse/SPS Commerce after the first weekly assessment

Initial Weekly On Time Delivery Calculations

- After individual PO assessment, POs are grouped together based on their first common receipt date and assessed weekly to determine the overall performance percentage
- Charges are waived if the percentage is 90% or higher
- The calculation is determined by dividing the cost of merchandise received on time by the total cost of merchandise receipts.

Example: One PO did not meet the On Time parameters. The Performance Score is over 90% therefore the charge is waived, and the amount is adjusted to zero.

Initial Weekly Timeliness Performance Summary

Data in Report is for POs Reviewed During the Period 03/01/2026 to 03/07/2026

PO Vendor: Pay Vendor:

On Time Performance Calculation

Total Recv as Order Cost for Performance: \$10,468.00

On Time Received As Ordered Cost: \$9,709.00

On Time Performance Score: 93 %

Approved charge \$ for period: **\$0.00**

PO Num	STA Date	First Receipt Date	Purchase Order Cost	Total Receive As Order Cost	On Time Recvd As Order Cost	Late Cost	PO Disposition	Tot Recvd Cost Applied to Performance	On Time Recv Cost Applied to Performance	Timeliness Charge	Original Charge\$	Final Adjusted Charge\$
	02/26/26	03/02/26				\$0.00			\$3,080.00			
	03/05/26	03/03/26				\$0.00			\$2,532.00			
	03/05/26	03/05/26				\$0.00			\$825.00			
	03/05/26	03/05/26				\$759.00			\$72.00	7541014	\$37.95	\$0.00
	03/12/26	03/05/26				\$0.00			\$998.00			
	02/19/26	03/04/26				\$0.00			\$1,149.00			
	02/26/26	03/04/26				\$0.00			\$1,053.00			
			\$11,266.00	\$10,468.00	\$9,709.00	\$759.00		\$10,468.00	\$9,709.00		\$37.95	\$0.00

NOTES:
 1. POs for which the Timeliness charge was denied are included in the Performance calculation as 100% OTIF compliant. These are denoted with the term "Denied Charge" in the "PO Disposition" field.
 2. POs for which an exemption was entered are totally excluded from the Performance calculation. These are denoted with the term "Exemption" in the "PO Disposition" field.
 3. All charges are adjusted to the charge minimum of \$5.00.

The Weekly Summary reports are archived in the Traverse portal for one year and obtainable utilizing the following steps:

- Click on "Vendor Tools"
- Find Scheduled Reports
- Use the drop-down arrow in "Report Name" parameter
 1. CVS – Weekly Compliance Summary – DX
 2. CVS – Initial Weekly Timeliness Performance Summary – DX
 3. CVS – Final Weekly Timeliness Performance Summary – DX



OTIF PO Detail Monthly Reports

Content:

- On Time and Fill Rate diagnostic results for POs analyzed within the previous month
- Includes POs approved for exemptions (On Time, Fill Rate or both)
 - Exempt PO diagnostics may indicate noncompliance however, the Charge Num and Charge Amt columns will be blank
 - Disputes resolved for 100% reversals are not reflected in the data. Charge numbers and amounts remain on the report.

Distribution:

- Within 14 business days after the previous fiscal month.
- Distributed via email from the Supply Chain Performance team

Note: This report should not be utilized to review / dispute charges as the dispute deadline (45 calendar days from the charge transmit date) will have passed. Charges should be reviewed/disputed shortly after receiving the Weekly Compliance Summaries.

Report Columns and Definitions

Column Header	Definition	Column Header	Definition
FISCAL_MONTH_NBR	Fiscal year/month	DC	CVS Distribution Center
PAY_VENDOR_NBR	Accts Payable Vendor number	DC_NAME	CVS Distribution Name
PAY_VENDOR_NAME	Accts Payable Vendor name	ORDER_UNITS	Original Order Units
VENDOR_NBR	PO/Category Vendor number	ORDER_COST	Original Order Cost
VENDOR_NAME	PO/Category Vendor name	RAO_UNITS	Received as Ordered Units
CAT_NBR	Category Number	RAO_COST	Received as Ordered Cost
CAT_DSC	Category Description	ONTIME_RAO_UNITS	OnTime Received as Ordered Units
PO_NBR	Purchase Order numbers	ONTIME_RAO_COST	OnTime Received as Ordered Cost
CHARGE_NUM	Charge (SCP) Number	CHARGE_AMT	Charge Amount
DIAGNOSTIC	Evaluation of the PO	RAO_UNIT_FILL_RATE	Received as Ordered Unit Fill Rate
PO_CREATE_DT	Date the PO was created	ONTIME_RAO_UNIT_FILL_RATE	OnTime Received as Ordered Unit Fill Rate
STA_DT	Ship to Arrive date	RAO_COST_FILL_RATE	Received as Ordered Cost Fill Rate
		ONTIME_RAO_COST_FILL_RATE	OnTime Received as Ordered Cost Fill Rate
Diagnostics		Definitions	
ON TIME - IN FULL	PO was OTIF Compliant		
ON TIME - NOT FULL	PO was On Time, but was not received In Full to original Item/Quantities ordered		
LATE - IN FULL	PO was Late, but received In Full		
LATE - NOT FULL	PO was both Late and not received In Full to original Item/Quantities ordered		

Obtaining Charge Details for Fill Rate, On Time, ASN, and Small Parcel Charges

The Traverse portal contains charge details and investigative tools.

- Log into the Traverse portal: <https://auth.traversesystems.com/>
 - For portal access reach out to supplychainperformance@cvshealth.com
- Click on “Vendor Tools” (lefthand side toolbar) then click “Find Charges”
- Enter search parameter (i.e. PO #, Charge #)
 - Enter only the 7-digit charge number in the Charge # field.

Search - Date filter is restricted to the past 365 days

Vendor <input type="text" value="---"/>	Debit Date - Start <input type="text"/>	Debit Date - Stop <input type="text"/>
Purchase Order <input type="text"/>	Category Desc <input type="text" value="---"/>	Rule Num <input type="text" value="---"/>
DC/Store <input type="text" value="---"/>		
Minimum Charge Amount \$ <input type="text" value="0.01"/>	Enter charge #^s (ex.123456,123457,...) <input type="text"/>	

- Click on charge number hyperlink to open the Charge Detail Screen

Results

Dispute	Charge Number	Charge Type Desc	PO	Amount	Reversed Dollars	Transmitted	Cust. Rule	Rule Description	Rule	Category Desc
Create	[Link]	Violation		\$81.74		8/1/2024 2:00:11 PM	3041	OTIF non-compliance < 85%	3041	On Time in Full
PO STA Date: 07/15/2024; PO Ship To: U1; PO Ord Units: 1464; PO Ord Cost: [redacted]; PO 850 Sent: 06/27/2024; PO Fill Std: 01; Audit Date: 07/29/2024 21:02:08										

- Scroll down to the Related Information section, click on the Report tab and report hyperlink

Related Information

Trouble Issue Data Audit Issue Data Appointment Inquiry Docs & Pics **Reports** Email

Q Filter Results...

File Name

CVS_-_Timeliness_Charge_Support_-_DX.pdf

Fill Rate and On Time Charge Investigation/Interpretation

Fill Rate Investigation

The Fill rate portion of OTIF compliance is the same for all freight bill types and shipment modes.

If all line items on the Charge Support are either blank or have a “Y” in the “On Time?” column, the charge is associated with Fill Rate noncompliance

Chargeback Detail for Charge Number: [REDACTED]

Charge Information

Create Date: 3/12/2026 Transmit Date: 4/2/2026 Charge Amount: \$5.00

Customer Rule: 3008 - Fill Rate

Current PO/Receiver Information as of Print Date

PO Number: [REDACTED] STA Date: 2/27/2026

Audit Information

Audit Date: 3/12/2026

Comments: PO STA Date: 02/27/2026; PO Ship To: M1; PO Ord Units: 620; PO Ord Cost: \$5,797.00; PO 850 Sent: 02/19/2026; PO Fill Std: 01; Audit Date: 03/12/2026 21:02:21

Audit Detail Information

Issue	CVS SKU#	UPC	Item Description	Order Units	Receive Units	Units short	Order Cost	Received Cost	Shortage Cost
1	[REDACTED]	[REDACTED]	[REDACTED]	72	68	4	\$673.20	\$635.80	\$37.40
2	[REDACTED]	[REDACTED]	[REDACTED]	188	184	4	\$1,757.80	\$1,720.40	\$37.40
*** End of Chargeback ***					Total Shortage	8	\$2,431.00	\$2,356.20	\$74.80

Chargeback Detail contains only SKUs and quantities not received within the 5-day compliance receipt window (first receipt date + 4 business days)
Complete receipt information is available in Related Information in Charge Detail / Fill Detail tab



The Fill Rate report shows **ONLY** the SKUs and quantities not received within the 5-day compliance window (1st receipt date + 4 business days after 1st receipt).

- Refer to Receive Units and Units Short columns
 - Units Short are the quantities received outside the 5-day Fill Rate receipt window
- The charge is calculated at 5% of the total Order Cost
- Fill rate compliance is measured against the original PO content (items/quantities contained on initial EDI transmission)
 - **PO adjustments made after initial PO creation are not captured in Traverse and are not utilized for OTIF analysis.**
- All items and quantities may have been received complete after the Fill Rate compliance window closed.
 - To obtain complete receipt information:
 - Find Charge
 - Scroll down to Related Information
 - Click on the Fill Detail tab

On Time Delivery Investigation

If all line items on the Chargeback Support are either blank or have a “N” in the “On Time?” column, the charge is associated with On-Time Delivery noncompliance

On Time compliance varies based on freight bill type and/or ship mode.

Exclude Reason - Prepaid Not On Time (LTL shipment example):

Example: The Requested Delivery Date was after the PO STA date

CVS Receiver Number	Carrier Party Name	SKU	Order Units	Total Recvd Units	Order Cost	Received On Time Cost	On Time?	Receiver Status	Non Compliant Cost	Exclude Reason
5962685	Fedex-Sunnyvale		32	32	\$437.76	\$0.00	N	Not on Time	\$437.76	OT1 - Prepaid not On Time
5962685	Fedex-Sunnyvale		48	48	\$656.64	\$0.00	N	Not on Time	\$656.64	OT1 - Prepaid not On Time
5962685	Fedex-Sunnyvale		32	32	\$437.76	\$0.00	N	Not on Time	\$437.76	OT1 - Prepaid not On Time
5962685	Fedex-Sunnyvale		32	32	\$437.76	\$0.00	N	Not on Time	\$437.76	OT1 - Prepaid not On Time
Appointment Sub-Total			144	144	\$1,969.92	\$0.00			\$1,969.92	Requested Delivery Date from Receiver Number 2/27/2026 11:00 AM



Refer to the Requested Delivery Date and the PO STA date. Noncompliance occurred for one of two reasons:

1. **The Requested Delivery date was after the PO STA date**
 2. **The Request Delivery date was more than 4 business days before the PO STA date**
- The Requested Delivery date is entered by the carrier and represents when the trailer is ready to deliver.
 - **DC approved appointments are not utilized to measure On Time compliance**
 - Appointment information is available in the Traverse portal:
 - Click on Vendor Tools, Appointment Inquiry
 - Search by desired criteria (PO #, Charge #)
 - Sort Modify Date in ascending order. Additional information is available in the *SOP for Obtaining Appointment Data within the Traverse* located in the Traverse Learning Center (Information and Documents)

Appointment information exported to Excel from Traverse

Appointment Number	Carrier Party Name	Modified By Name	Modify Date	PO Number	PO STA	Requested Delivery Date	Appointment Date
5962685	Fedex-Sunnyvale	External ClientMan (Carrier)	2/25/2026 10:38:45 PM	9168214	2/25/2026	2/27/2026 11:00:00 AM	2/27/2026 11:00:00 AM

- **The date the request was ‘submitted’ in the scheduling system (highlighted in blue) is NOT applicable when measuring On Time compliance**
 - Compliance is measured against the date entered as the Requested Delivery date (highlighted in yellow)

Exclude Reason - Prepaid Not On Time (small parcel/ground shipment example – collect & prepaid)

Note: The PO Bill Type for Collect ground shipment is captured as Prepaid because POs are not entered in the Mercury Gate routing portal.

Example: The delivery date (captured as Requested Delivery date) was more than 4 business days before the PO STA date

CVS Receiver Number	Carrier Party Name	SKU	Order Units	Recvd On Time Units	Order Cost	Received On Time Co	On Time?	Receiver Status	Non Compliant Cost	Exclude Reason
5969396	ExpressDoor Parcel		80	80	\$560.00	\$0.00	N	Not on Time	\$560.00	OT1 - Prepaid not On Time
5969396	ExpressDoor Parcel		120	120	\$840.00	\$0.00	N	Not on Time	\$840.00	OT1 - Prepaid not On Time
Appointment Sub-Total			200	200	\$1,400.00	\$0.00			\$1,400.00	Requested Delivery Date from Receiver Number 3/13/2026 7:00 AM

Exclude Reason – Collect noncompliant routing entries (Collect shipment example)

- Refer to the Routing Request Date, the Shipment Ready Date, and the PO STA date
- Noncompliance occurred because one or both of the routing entry dates were noncompliant.**

Complete routing entry instructions are outlined in the CVS Routing Guide Instructions [Supply Chain Performance](#)

Example: The Routing Request date was only 1 business day before the Shipment Ready date

CVS Receiver Number	SKU	Order Units	Recvd On Time Units	Order Cost	Received On Time Co	On Time?	Non Compliant Cost	Exclude Reason
5961114		32	32	\$249.28	\$0.00	N	\$249.28	Collect noncompliant routing entries
5961114		32	32	\$249.28	\$0.00	N	\$249.28	Collect noncompliant routing entries
5961114		40	40	\$311.60	\$0.00	N	\$311.60	Collect noncompliant routing entries
Routing Request Sub-Total		104	104	\$810.16	\$0.00		\$810.16	

Routing Request Date: 2/18/2026 Shipment Ready: 2/19/2026 PO STA Date: 02/27/2026

Noncompliance occurred because one or both routing entry dates did not fall within the guidelines. Utilize the routing calculator (in Mercury Gate/New & Information section) to determine compliant Routing Request and Shipment Ready dates. Refer to the routing instructions in the Supply Chain Programs Instructions

Exclude Reason – CPU/Backhaul transit time failure (Customer Pick Up/ CVS managed freight example)



- Refer to the Shipment Ready date and the PO STA date
- **Noncompliance occurred because the Shipment Ready date fell less than 4 business days prior to the PO STA date**

Example: The Shipment Ready date was after the PO STA date.

CVS - Charge Support for Chargeback: [Redacted]

On Time Non-Compliance for [Redacted]

PO Number: [Redacted] Charge Transmit Date: 04/02/2026 PO Create Date: 01/12/2026 **PO STA Date: 02/06/2026** PO Bill Type: Collect

Charge Calculation = 5% of Non-Compliant Receipt Cost (minimum charge amount \$5.00) Charge Amt: \$248.35

Routing Request Date: 3/16/2026 **Shipment Ready: 3/16/2026** Origin Locaton: [Redacted] Origin State: MA Origin Zone: 1A Transit Days: 4
 Dest State: TN Dest Zone: 2

CVS Receiver Number	SKU	Order Units	Recvd On Time Units	Order Cost	Received On Time Co	On Time?	Non Compliant Cost	Exclude Reason
5970968	[Redacted]	1,248	1,248	\$4,967.04	\$0.00	N	\$4,967.04	OT5 - CPU/Backhaul transit time failure
Routing Request Sub-Total		1,248	1,248	\$4,967.04	\$0.00		\$4,967.04	

Noncompliance occurred because one or both routing entry dates did not fall within the guidelines.
 Utilize the routing calculator (in Mercury Gate/New & Information section) to determine compliant Routing Request and Shipment Ready dates.
 Refer to the routing instructions in the Supply Chain Programs Instructions

Small Parcel Compliance (Ground shipment case limit)

The purpose of the Small Parcel Program is to help reduce the number of small parcel/ground shipments into our distribution network. Small parcel/ground deliveries are more costly and take longer to receive, thereby increasing the time for the product to be available to ship to our stores to support our customers.

As part of the implementation of this program, CVS has restricted the number of cases permitted for small parcel/ground deliveries throughout the distribution network (see below).

This includes but is not limited to shipping with UPS Ground or FedEx Express. Cases delivered in excess of the limit will be subject to expense offset deductions between \$5 and \$150. Any cases consolidated into a master case will be counted individually towards the case limit (the case count is based on the number of cases received, not including master shipping carton).

Summary of Program Requirements:

- Applicable to all front store, small parcel/ground deliveries into the CVS Distribution Network
 - Excludes Pharmacy and Direct to Store Delivery
- **Case Limits*:**
 - **Collect and Prepaid Freight Terms: 15 cases per PO****
- Charge Calculation:
 - \$5 per case for each carton received over the 15-case limit, up to a of maximum \$150



*Cases consolidated and shipped in master shipping cartons will be counted individually against the case limit

**Additional requirements for both prepaid and collect small parcel/ground shipments are outlined in the CVS Routing Guide Instructions (refer to Reference Materials and Resources)

Small Parcel Charge Investigation

Example: Total receipt was 30cs cases (15cs more than the limit). 15cs x \$5 = \$75 charge.

CVS Health Chargeback Detail for Charge Number: [REDACTED]

Charge Information

Create Date: 4/1/2026 Charge Amt: \$75.00 Service Fee: \$0.00 Total Charge: \$75.00

Customer Rule: 2100 - Small Parcel Shipment

Current PO/Receiver Information as of Print Date

PO Number: [REDACTED] Dept Number: 44 STA Date: 3/30/2026

Audit Information

Audit Type: Small Parcel Shipment Audit Loader Audit Date: 4/1/2026

Comments: PO Number: 3128126, Received Cartons: 30, Audit Cartons: 15

Audit Detail Information

Issue	CVS SKU#	UPC	Item Description	Issue Comments	Carton Number	Units	Cartons
1							

*** End of Chargeback ***

Total Units/Cartons at Issue 0 0

ASN Charge Investigation/Interpretation

ASNs are the digital representation of your inbound deliveries. The accuracy and timeliness of your ASN details ensures accurate and timely receipts and invoice payments and ensures your product is in stock and in stores.

ASN accuracy:

ASN data must be consistent with original PO (document 850) and PO changes (document 860).

Data elements (case counts, case pack, labels, expiration dates, etc) must be accurate and align with master data in STIBO.

Summary of ASN Program Requirements

1. ASNMISS (ASN missing) – could encompass any one of the following noncompliant parameters:
 - a. ASN arrived after the calendar day prior to the receipt of inventory.
 - b. ASN was not sent in a readable format
 - c. ASN was missing one or more of the following business-critical segments

- i. BOL number
 - ii. Valid warehouse code
 - iii. Valid vendor number
 - iv. SSCC bar codes
 - v. CVS SKU number
 - vi. Case pack
2. ASN997 (ASN rejection) – ASN was not in a readable format
3. ASN LATE (ASN late) – ASN received after the calendar day prior to the receipt of inventory
4. ASN824 (ASN inaccurate) – ASN received in readable format however one or more of the CVS business rules were not met (refer to 856 ASN Specification Guide in Reference Materials & Resources section)

EDI notifications for nonreadable / loadable ASNs – upon receipt of ASNs, CVS will issue an EDI 997 (Functional Acknowledgment) which may contain rejection notifications. Suppliers should work with their EDI department or EDI provider to resolve the errors in a timely manner. Discrepancies and missing acknowledgments should be handled by reaching out to edi_asn_onboarding@cvshealth.com. To avoid penalties, correction must be received by the calendar day prior to the scheduled appointment.

EDI notifications for ASNs that do not meet the CVS ASN technical specifications – CVS will send an EDI 824 (Application Advice) for all ASNs received not meeting the CVS ASN technical specifications. Suppliers should work with their EDI department or EDI provider to resolve the errors in a timely manner. To avoid penalties, corrected ASNs must be resent and received by one calendar day prior to the receipt of inventory.

ASN Charge Calculation

- ❖ Charges are calculated per PO
 - an ASN containing 5 POs with ASN Rejections via 997 will generate a charge of \$500 (\$100 for each PO).
- ❖ A single PO might incur multiple ASN charges only under the following rules:
 - ASN 824
 - ASN LATE

Charge details are available in the Traverse portal:

Find Charges, click on charge hyperlink, scroll down to Related Information, open Reports tab, double click on CVS Chargeback Detail hyperlink.

Related Information

Trouble Issue Data Audit Issue Data Appointment Inquiry Docs & Pics **Reports** Emails

Filter Results...

File Name

CVS_-_Chargeback_Detail_-_DX.pdf

CVS Health Chargeback Detail for Charge Number: [REDACTED]

Charge Information

Create Date: 1/26/2026 Charge Amt: \$50.00 Service Fee: \$0.00 Total Charge: \$50.00 Adjustment Reason: Original Charge

Customer Rule: ASN824 - ASN - Errors

Current PO/Receiver Information as of Print Date

PO Number: [REDACTED] Dept Number: 96 STA Date: 1/20/2026

Audit Information

Audit Type: ASN Compliance Audit Loader Audit Date: 1/26/2026

Comments: Ship To N101,N102,N301,N403 elements are missing N301, N403

Carton Number	Units	Cartons
Total Units/Cartons at Issue		
	0	0

*** End of Chargeback ***

The reason for the charge is provided in “Customer Rule” field and confirmation can be obtained as follows:

- Review data in Syncrofy and/or consult with your EDI department*
- Obtain and review two documents:
 - Raw EDI 856 ASN data
 - Raw EDI 997 Acknowledgment.

**EDI department may include a VAN, 3PL, or EDI Provider if not maintained by the supplier company*



Appointment Integrity (AI) Compliance Program

The Appointment Integrity compliance program is designed to track and identify opportunities related to a carriers' ability to honor distribution center delivery appointment(s). The appointment process is facilitated through the Manhattan Scheduling system. This on-line application is mainly utilized by carriers to schedule delivery appointments into the CVS Distribution Centers. AI compliance is measured using the data obtained from the scheduling system.

Appointment Integrity Requirements

Vendors with prepaid freight terms should note they are responsible for the performance of their carriers. The Supply Chain Performance team recommends discussing performance opportunities with their carriers in the event the vendor is being assessed any penalties under this program.

The Appointment Integrity compliance program is not applicable to vendors utilizing a preferred LTL carrier (including CH Robinson LTL consolidation program) or loads managed by CVS (Collect, Prepaid CPU/Backhaul). Details of the preferred carrier program and a list of CVS Preferred LTL Carriers is available in the CVS Routing Guide Instructions (refer to Reference Materials and Resources).

For prepaid vendors managing their own freight and *not* utilizing a preferred LTL carrier, penalties under this program are triggered by any one of the following events:

- I. Arrival beyond 30 minutes of scheduled appointment time
 - a. Live-unload is measured to the Check-In time
 - b. Drop trailers are measured to the Trailer Arrive time
- II. Cancellation or Reschedule request occurring with less than 24 hours' notice prior to delivery
 - a. Do not include holidays, weekends or other DC closure date
- III. Failure to arrive for scheduled appointment
 - a. No Show
 - b. Rescheduled/Cancelled After Appointment Date/Time

Appointment Integrity Charge Calculation

Violation Type	Penalty
Late arrival / beyond 30 minutes of appointment time	\$100
Cancelled / Reschedule with less than 24 hours' notice	\$275
Failure to arrive / No Show / Rescheduled after appointment date/time	\$500

Appointment Integrity expense offsets are calculated monthly. Penalties are assessed per violation, meaning a single appointment can generate multiple violations/chargebacks.

A single PO could generate multiple penalties, across multiple months, because:

- A single appointment number may have multiple violations (i.e. No Show & Late) on different appointment dates, or
- the PO may have been added to multiple appointments.

If a single appointment contains several POs associated with your pay vendor number, only one of those POs will be subject to penalties against that appointment.

Appointment Integrity Charge Investigation

- Suppliers have visibility to appointment details with access to the Traverse portal utilizing the Appointment Inquiry vendor tool.
- The appointment details identify the exact date/time for each violation. The details can be exported to Excel and must be provided when submitting disputes.

Refer to the SOP for Obtaining Appointment Data within Traverse available in the Learning Center of Traverse (Information and Documents)

Appointment Integrity Charge Notification

Content:

- A list of all approved appointments dated within the previous month and applicable violations

Distribution:

- Within 14 business days from the previous month
- Distributed via email from the Supply Chain Performance team
- The email distribution list is pulled from the Traverse compliance portal **and includes only fully active portal accounts** (accounts with login history within 90 days).
- **Auto-inactivated accounts will NOT receive the monthly AI report until the account is reactivated upon request sent to supplychainperformance@cvshealth.com.**

Packing List and Bill of Lading Compliance Program

The Packing List and Bill of Lading program is designed to track noncompliance related to shipping documents:

- Missing paperwork
- Incomplete paperwork
- Inaccurate paperwork.

Required information for Packing Lists and Bill of Ladings

Packing List Requirements	
1. SHIP FROM:	Complete Name & Address of Shipper
2. SHIP TO:	Complete DC Address
3. DATE SHIPPED:	
4. PURCHASE ORDER NUMBER(S):	Include <u>ALL</u> PO numbers
6. CVS ITEM NUMBER(S):	
7. ITEM INFORMATION:	Per item number
a.	Packages: Quantity & Type (Cases and Pieces)
b.	Case Pack
c.	Item Description

Bill of Lading Requirements	Bill of Lading Requirements
1. SHIP FROM: Complete Name & Address of Shipper	11. FREIGHT BILLING INSTRUCTIONS: <u>Collect ONLY</u>
2. SHIP TO: Complete DC Address	The following instructions are to be noted:
3. DATE SHIPPED:	Send Freight Bills for Payment To: _____
4. PURCHASE ORDER NUMBER(S): Include <u>ALL</u> PO numbers	Freight Payment Coordinator
5. PURCHASE ORDER INFORMATION:	CVS Health
a. Packages: Quantity & Type (e.g., Units, Cartons)	MC 5035
b. Handling Unit: Quantity & Type (e.g., Units, Pallet)	One CVS Drive
c. Weight	Woonsocket, Rhode Island 02895
Note: If density is required to properly describe merchandise, show accurate density.	12. FREIGHT BILLING INSTRUCTIONS: <u>Prepaid ONLY</u>
8. CARRIER NAME:	The following instructions are to be noted:
9. SHIPPING INFORMATION:	"Shipper responsible for All Assessorial Fees."
a. Shipment Cube	13. SPECIAL DELIVERY INSTRUCTIONS: Indicate any delivery instructions received including the name of the authorizing individual
b. Commodity Description [Reference: National Motor Freight Classification (NMFC) tariff]	14. AIR FREIGHT INSTRUCTIONS: <u>Collect ONLY</u>
c. NMFC Commodity Class	When the supplier is verbally requested to ship via air freight using collect freight terms, the supplier must record the CVS person authorizing air freight, department and the purchase order number.
Note: If applicable, include the density and value of product.	15. EXCLUSIVE USE/RUSH/EXPEDITED SERVICE: <u>Collect ONLY</u>
10. FREIGHT PAYMENT TERMS: "Prepaid" or "Collect" ONLY do not use "prepaid & add" or any such verbiage	When an "exclusive use", "expedited service", or "rush" shipment is requested, the supplier must obtain and record the CVS individual name, department and the purchase order number.

Packing List and Bill of Lading Charge Calculation:

- The non-compliance fee is \$100 per incident/per appointment.
- If an appointment contains several Purchase Orders for the same supplier and multiple Purchase Orders are found to be noncompliant, the total PL and/or BOL charge per supplier/per appointment will not exceed \$200.
- A single Purchase Order can incur two \$100 fees if noncompliance is applicable to both the Packing List and the Bill of Lading.

Charge Notifications for Packing List and Bill of Lading Compliance

Charge notifications appear on payment remittances:

Packing List deduction – begins with the letter L, followed by the ticket number, DC code, and ends with the PO number

Bill of Lading – begins with M, followed by the ticket number, DC code, ends with the PO number



Upon receipt of an expense/deduction offset, email supplychainperformance@cvshealth.com to request backup. Include the deduction as it is referenced on the payment remittance (refer to Deduction Coding table in previous section)

Requests for backup must include the deduction as it is referenced on the payment remittance.

Deduction examples and DC code reference guide

Examples: L12345CH1234567 & M12345CH1234567			
L = packing list / M = Bill of Lading, Ticket # on DC form, DC code, PO #			
DC Codes			
DC Code	Distribution Center Locations	DC Code	Distribution Center Locations
CH	Chemung (Waverly), NY	NJ	Lumberton, NJ
CO	Conroe, TX	NA	Beech Island, SC (formerly N. Augusta)
EN	Ennis, TX	NO	Novi, MI
FR	Fredericksburg, VA	OR	Orlando, FL
HA	Kapolei, HI	PA	Patterson, CA
IN	Indianapolis, IN	SO	Somerset, PA
KN	Knoxville, TN	VE	Vero Beach, FL
LH	La Habra, CA	WO	Woonsocket, RI (includes N. Smithfield, RI)

Disputes for Packing Lists and / or Bill of Lading Charges

CVS does not accept disputes associated with expense offset deductions for noncompliant shipping documents.

Our distribution centers have been given very thorough instructions regarding the assessment of packing lists and bills of lading. Each violation tagged as non-compliant has undergone thorough review and the Supply Chain Performance team is confident in each violation identified. We encourage vendors to review the Packing List and Bill of Lading guidelines in the CVS Routing Guide Instructions (refer to Reference Materials and Resources) and work closely with their carriers to ensure packing lists and bill of ladings are included with your loads and are accurate.

Supply Chain Performance Disputes

Dispute review and resolutions vary based on the program the deduction was assessed under.

Disputes are reviewed on an individual PO/charge basis. CVS reserves the right to deny/dismiss reversal requests based on the information provided by all parties.

Dispute deadlines vary based on the program:

- On Time, Fill Rate, Small Parcel, and ASN programs - the deadline is 45 calendar days from the charge transmit date.
- Appointment Integrity program – the deadline is 45 calendar days from payment remittance.
- *Note: Deductions related to the Packing List and Bill of Lading Performance Programs are not eligible for dispute. The CVS Distribution Centers have been given explicit instructions with regards to the proper identification and tracking of these violations. Please work with your carriers in the event you are assessed chargebacks related to this program.*

Dispute resolutions are final. The Supply Chain Performance team will not review resolved disputes

It is imperative:

1. To utilize the tools provided throughout this document to understand the reason why the PO generated a charge
2. Submit disputes with relevant comments
3. Provide supporting documents that effectively substantiate and justify the reason for the dispute

Dispute Requirements for Fill Rate, On Time, Small Parcel, and ASN

The Dispute deadline is 45 calendar days from the charge Transmit date

Disputes are accepted only within the Traverse portal and prior to the dispute deadline (the ability to submit disputes after the deadline is disabled in Traverse)

Disputes are NOT ACCEPTED via email.

Dispute Submittal Process:

In the Traverse portal choose:

- Vendor Tools
- Find Charges
- Create hyperlink (under Dispute)
 - If the submission date falls after the dispute deadline (45 calendar days from the Transmitted date), the *Dispute Create* hyperlink is not available

Results								
<input type="text" value="Filter Results..."/>								
Dispute	Charge Number	Charge Type Desc	PO	Amount	Reversed Dollars	Transmitted	Cust. Rule	Rule Description
Create		Violation		\$16.13		3/12/2026 2:00:27 PM	3040	OTIF non-compliance < 95%
PO STA Date: 02/20/2026; PO Ship To: U1; PO Ord Units: 1988; PO Ord Cost: <input type="text"/> PO 850 Sent: 02/09/2026; PO Fill Std: 01; Audit Date: 03/05/2026 21:03:07								

Enter a comment and attach supporting documentation (click on Add File)

Attachments

All attachments must be less than 7500 KB in size. Supported file types (JPG, JPEG, PNG and PDF).

Comments

Dispute Comments

A relevant comment will guide the path of the investigation for a clean resolution in your favor.

Clearly state the reason for the dispute - Effectual comments are composed of 3 key pieces of information:

1. **The charge type**
 - a. Not On Time or noncompliant Fill Rate
 - b. Small Parcel
 - c. Missing, Rejected, Late or Inaccurate ASN
2. **The shipping mode**
 - a. Prepaid or Collect LTL or TL
 - b. Small parcel/ground
3. **The reason for the dispute**
 - a. “This is a Fill Rate charge however the PO was shipped complete. See attached packing list”
 - b. “This is an On Time Delivery charge however the ground shipment POD shows PO delivered on time. See attached POD”
 - c. Received an ASN Late charge however ASN was corrected and sent prior to PO receipt. See attached raw EDI data”
 - d. Other comments are required based on the reason for the dispute

Comments and supporting documents (or lack of documentation) not relevant to the reason for the charge will result in an *invalid dispute* resolution.

Dispute Attachments

Attach ONLY documents that are relevant to support the dispute

- Packing List is required for Fill Rate disputes
 - Must include all required information outlined in the Packing List and Bill of Lading compliance section
 - LTL and TL Bill of Ladings and Proof of Delivery are not considered acceptable for Fill Rate disputes
- POD (proof of delivery)
 - Must include all required information outlined in the Packing List and Bill of Lading compliance section
 - Ground shipment PODs must include the PO#
 - Refer to the requirements for Ground shipping labels in the CVS Routing Guide Instructions Supply Chain Performance
- Carrier tracking details (applicable transit delays)
 - Must include all transit details (pickup to delivery), the PO # and indicate transit delay (i. e. weather delay)
 - If carrier tracking details do not indicate weather delays, a comment must be entered into the scheduling system when arriving late or rescheduling a delivery appointment for reasons related to transit delays (**i.e. rescheduling due to weather delay**)
- EDI raw data (856 ASN data, 997 Acknowledgment)
 - Required for all ASN disputes
- Other documents may be applicable based on the reason for the dispute

DISPUTE EXAMPLES

Fill Rate & On Time Delivery

Comment Requirements			
Charge Reason	Shipping Mode	Dispute Reason	Relevant Documents
Prepaid Not On Time	small parcel/ground	PO arrived on the STA date	POD with delivery date and PO#
Collect Not On Time	small parcel/ground	Delivery was delayed due to weather	Copy of carrier tracking details with PO #, pickup date, delivery date, and all transit events in between with a weather delay notation
Prepaid Not On Time	LTL shipment	Carrier had to reschedule due to weather delays	If carrier cannot provide tracking details as noted above, the scheduling system must contain a comment indicating a weather delay
Fill Rate	LTL shipment	PO shipped complete on the same pickup date	Packing List (must contain all required info)
Fill Rate	small parcel/ground	Exemption was approved. Quantities were adjusted due to availability issues	Copy of correspondence with CVS Planner that includes initial exemption request, exemption reason, PO #s and statement of exemption approval from CVS
Collect noncompliant routing entries	LTL load	Couldn't route within compliance because PO wasn't uploaded in MercuryGate	Copy of correspondence with Transportation team confirming delayed PO visibility
Prepaid Not On Time	LTL shipment	Planner approved exemptions. Shipping was delayed due to incorrect UPC	Copy of correspondence with CVS Planner that includes initial exemption request, exemption reason, PO #s and statement of exemption approval from CVS

Small Parcel compliance

Comment Requirements			
Charge Reason	Shipping Mode	Dispute Reason	Relevant Documents
Small Parcel charge	PO was palletized and shipped LTL	Shipping mode was misclassified as small parcel ground	Copy of LTL BOL

ASN compliance			
Comment Requirements			
Charge Reason	Shipping Mode	Dispute Reason	Relevant Documents
Missing ASN	Any	ASN was sent on [insert date]	copy of raw data (997 acknowledgment)
ASN Rejection	Any	Correct ASN was sent before receipt	copy of raw data (997 acknowledgment)
Late ASN	Any	ASN was sent on [insert date/time]	copy of raw data (856 ASN)
Incorrect ASN	Any	Correct ASN was sent before receipt	copy of raw data (856 ASN)

Dispute Resolutions for Fill Rate, On Time, Rate, ASN, and Small Parcel are visible in the Traverse portal

In the Traverse portal choose:

- Vendor Tools
- Find Charges (enter Charge #)
 - Refer to Reversed Dollars
 - For additional information click on *View All* hyperlink under Dispute

Results

Dispute	Charge Number	Charge Type Desc	PO	Amount	Reversed Dollars	Tr
View All	7452772	Violation	4754852	\$201.20	\$201.20	2/

PO STA Date: 01/26/2026; PO Ship To: I1; PO Ord Units: 228; PO Ord Cost: \$4,023.92; PO 850 Sent: 01/07/

Purchase Order Exemptions

Exemption approvals apply to isolated incidents, outside of the suppliers' control, possibly resulting in noncompliance charge(s).

It is the suppliers' responsibility to address challenges with the Supply Planner **prior to the PO STA date, obtain exemption approval, and retain approval documentation for future reference.**

Exemption Process – exemption request outside of the following process will be denied:

- Communicate issues to CVS Planner (person who manages your POs) prior to the PO STA date
- If exemption is approved, supplier will be provided with and asked complete an Exemption Template
- Upon receipt, the Planner will forward the completed Exemption template to the Supply Chain Performance (SCP) team
- SCP team will place POs on exemption to avoid OTIF charges.

Exemption requests will be declined if:

- Issues are communicated after the PO STA dates
- POs have already generated charges.

Disputes submitted with a statement of exemption approval must contain documentation containing the following:

1. Copy of the communication to CVS which includes:
 - a) Date of communication
 - b) Reason for exemption
 - c) List of applicable POs
2. Statement from CVS with intent to exempt from noncompliance charges

The Supply Chain Performance team reserves the right to override exemptions approved for reasons outside the above-mentioned criteria. **Disputes not containing all required information will result in an *invalid dispute* resolution.**

Dispute Requirements for Appointment Integrity (AI)

Appointment Integrity compliance is based solely on your carrier's ability to honor their appointment dates/times. OTIF On Time and Appointment Integrity compliance is measured against unique parameters and are not related in any way.

Appointment Integrity exemptions apply to the following criteria only:

- Suppliers whose freight is managed by CVS (collect and prepaid CPU/Backhaul)



- Suppliers utilizing a CVS Preferred LTL carrier (including CH Robinson LTL Consolidation).
 - A list of carriers is available in the *CVS Routing Guide Instructions* [Supply Chain Performance](#)

Appointment Integrity exemptions at the supplier level, for reasons other than the above, are not approved. Appointment Integrity exemptions at the PO level are reviewed on a case-by-case basis.

Compliance is captured and measured utilizing the data within the Manhattan scheduling system.

AI disputes are processed via email to supplychainperformance@cvshealth.com. Disputes are reviewed once and will be denied if the dispute email does not contain the following:

- ✓ One disputed month per email
- ✓ A completed *AI Dispute Template*
 - available here [Supply Chain Performance](#)
- ✓ A copy of the monthly Appointment Integrity report
- ✓ A copy of the appointment details obtained from Traverse for each disputed PO
 - Refer to SOP for Obtaining Appointment Information within Traverse
 - **PODs and other forms of shipping documents are not applicable.**

Prepaid vendors are responsible for penalties due to traffic delays, mechanical breakdowns, late rail issues, capacity issues, carrier rescheduling mix-ups, or similar occurrences. CVS understands these events may be out of the carriers' control; however, MISSED penalties due to such occurrences are not subject to deduction reversal. Please understand such occurrences cause hardships for CVS DCs with respect to receiving inefficiencies and increased costs; it is important to notify the DC as soon as possible if situations of this nature occur.

Reference Materials

The following documents relevant to achieving and maintaining supply chain compliance are available:

1. In the Traverse Portal (Learning Center / Information and Documents)
2. On CVSSuppliers.com [Supply Chain Performance](#)
 - a. *Periodically check for revisions*

The Suppliers are strongly encouraged to download, review and utilize all resources

DC Holiday Closure Dates

- Holiday closures are not considered business days and need to be omitted from transit time calculations and when determining routing entry dates for CVS managed freight.

CVS Routing Guide Instructions

- Comprehensive instructions and requirements including but not limited to:
- Routing instructions for Collect/CVS Managed freight and possible freight handling expense offset charges
- Prepaid & Collect ground shipment requirements
- LTL Preferred Carrier program
- Appointment scheduling requirements
- Packing List and Bill of Lading requirements
- POD handling

MercuryGate Routing Portal

- Vendors whose freight is managed by CVS are required to utilize the routing portal for all POs shipping LTL (less than truckload) and TL (truckload).
- Refer to the CVS Routing Guide Instructions for access and usage instructions.

Collect Routing Calculator

- Vendors whose freight is managed by CVS are required to utilize the routing calculator to determine compliant routing entry dates.
- The calculator is not applicable for prepaid/CPU shipments.
- Refer to the CVS Routing Guide Instructions for access and usage instructions.

Supplier and Carrier Guidelines for Prepaid LTL Shipments

- Contains best practices for shipping and managing carrier performance to meet On Time and Appointment Integrity compliance

SOP-Obtain and Interpret Appointment Data within Traverse Portal

- Appointment scheduling details relevant for reviewing OTIF and Appointment Integrity chargebacks.

Supply Chain Performance Program Instructions

- Comprehensive instructions and requirements for all Supply Chain Performance Compliance programs

Syncrofy Portal

- Vendors have the option to obtain access to the Syncrofy Portal. This portal is useful for reviewing ASN documents and investigating ASN compliance discrepancies.
- For access, send a request to EDI_ASN_Onboarding@CVSHealth.com Please include your 5-digit CVS vendor number and/or ISA/GS ID (examples: SUPPLIER_12345, SUPPLIER2_34567 or ZZ/123456789, 12/987654321) in the body of your email.

856 Advance Ship Notice – EDI Implementation Guide

- Outlines all the CVS ASN requirements.
- The document is posted on the CVSSuppliers.com
 - Search for document named *856 Advance Ship Notice (CVS-4010-856-ASN-2026-V3.1.pdf)*

856 Advance Ship Notice Supplemental Guide

- Contains:
 - Sample data
 - Guidance and Clarification
 - Error Descriptions
- The document is posted on the CVSSuppliers.com
 - Search for document named *856 Advance Ship Notice Supplemental Guide (CVS-4010-856-ASN-2026-SUPPLEMENTAL-V1.0.pdf)*

STIBO MDM System [STIBO related documents](#)

- Vendors are required to utilize STIBO to enter and maintain vendor information (e.g., PO lead time, freight terms, billing address) and item maintenance (e.g., UPC numbers, case pack).
- Vendors are required to utilize STIBO to enter and maintain vendor information (i.e. **PO lead time**, freight terms, billing address, etc) and item maintenance (UPC numbers, case pack, etc)
- **PO Lead Time Requirements:**
 - It is the suppliers' responsibility to ensure accurate PO lead times for all shipping lanes.
 - Determined based on time needed to pick, pack and ship (including transit time specific to prepaid shipping & collect routing)
 - Prepaid LTL shippers should add 4 business days to the carrier's transit time to account for trailer consolidation
 - Consult with the CVS Supply Planner to establish appropriate lead times.