



July 17, 2014

Re: **Wood Pallet Quality**

**To: Safeway Supply Chain partners, Category specialists, Safeway Corporate Traffic, All Safeway Vendors and suppliers that provide Wood Pallets as part of the delivery expectation to the Safeway Tracy Distribution Center.**

In an effort to more clearly communicate the wood pallet expectations for product that is received here at the Tracy Distribution Center I wanted to pass on this memo that you may use as reference.

All palletized product that is received on wood pallets at Safeway must be of an acceptable level to accommodate both traditional and automated crane and racking systems. Pallets must be either CHEP/PECO pallets or GMA Spec 48X40 Grade #1 or unrepaired #2 white wood.

Pallet condition will be scrutinized at the time of receiving and if the quality of the pallet is identified as unacceptable quality, the product will need to be unstacked and restacked on to a higher quality pallet at the expense of the deliverer. The Distribution Center and the onsite Lumping service will make available the labor and replacement pallet if needed. This will pertain to all deliveries to this Distribution Center both live unload or drop trailer programs.

There may be additional costs associated with restacking of product that overhangs the dimensions of the delivery pallet as well as costs associated with unstacking and removal of slip sheets that overhang the dimensions of the pallet.

Please pass on this information to all of your vendors and delivery partners, and thank you for your attention to this update.

Jack Mixey

Director of Distribution