



Supply Chain Security: C-TPAT

Orchard Supply Company

Welcome!

歡迎

Jeff Morse
December 10, 2013
Tracy, California

Welcome to Orchard!

A Brief Overview

Part 1: Introduction to Orchard

Part 2: Orchard's Partners and Receiving Process

Part 3: IT and HR

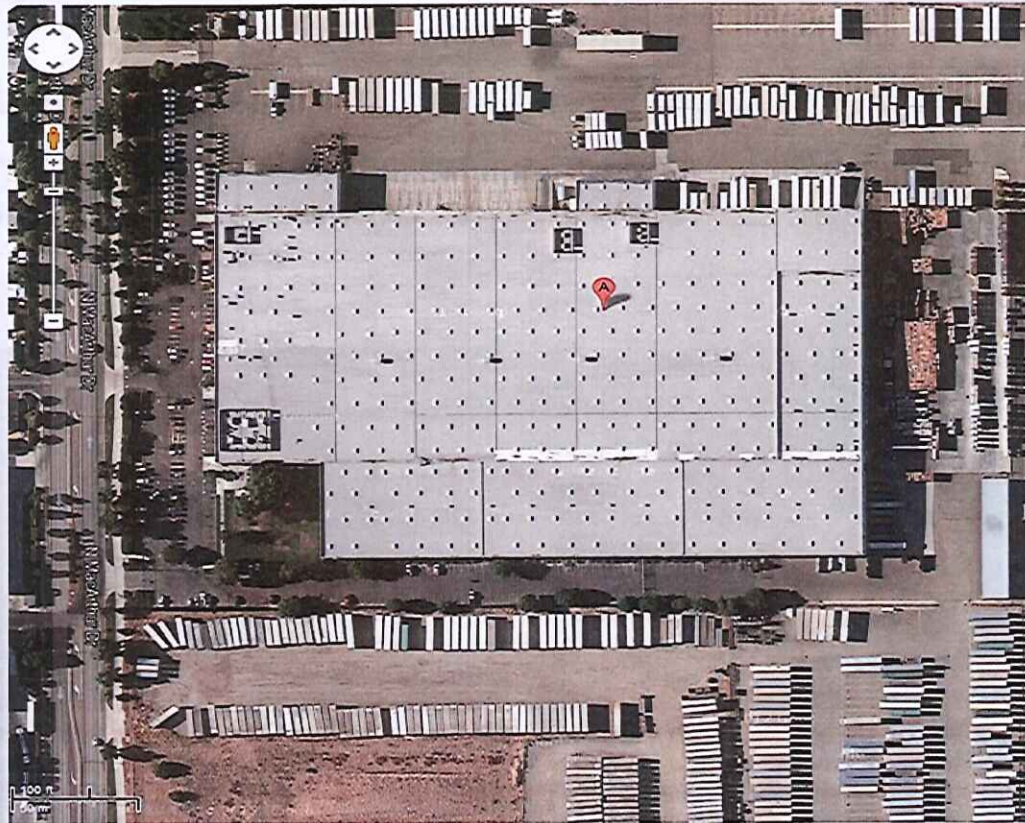
Orchard Supply Company, LLC

- ❖ Was founded in 1931 in San Jose, Ca
- ❖ Is a West Coast hardware company with 70 retail stores in Ca & 2 stores in Oregon, over 5,000 employees and sells over 45,000 items
- ❖ Imports approximately 2,000 FEU per year via Port of Oakland
- ❖ Acquired by Lowes on September 1, 2013
- ❖ Operates as a standalone brand and business from Lowes.
- ❖ Orchard's C-TPAT and Customs Compliance programs are independent from Lowe's Customs Compliance programs.



Orchard Tracy Distribution Center: Safe and Secure

- Established in 1988
- 473,000 square feet
- Over 300 associates
- 2 access points- controlled by security guards



Orchard's DC C-TPAT Team leaders

Arnold Monize- Loss Prevention Supervisor

- Guard supervisor
- Conducts C-TPAT training for DC employees
- Responsible for day to day DC security

Greg Krause- DC Human Resources Director

- DC Employee hiring and on-boarding procedures

Jeff Morse- Imports and Compliance Manager

- Responsible for company wide implementation of C-TPAT program

Orchard's Int'l Transportation Partners have C-TPAT Status Verified through the C-TPAT Portal

MONITOR OTHER PARTNERS' STATUS

	<u>C-TPAT PARTNER</u>	<u>STATUS</u>	<u>BUSINESS TYPE</u>	<u>DATE ADDED</u>	<u>LAST MODIFIED DATE</u>
<u>Delete</u>	<u>ANL Singapore Pte Ltd.</u>	Certified	Sea Carrier	1/17/2013 12:06:04 AM	1/17/2013 12:06:04 AM
<u>Delete</u>	<u>China Ocean Shipping (Group) Co.</u>	Certified	Sea Carrier	11/29/2012 7:59:04 PM	11/29/2012 7:59:04 PM

Arriving in the U.S.- Port of Oakland

- ❖ UPS SCS clears Orchard's shipments through U.S. Customs
- ❖ UPS notifies Orchard & it's trucker AM&S that the shipment is cleared & released
- ❖ Orchard schedules deliveries with AM&S- and notifies receiving what containers are scheduled to be delivered

Vessel	Container #	Seal #	PO #	Vendor	ETA	Available	LFD	Appts	OTB	
CMA CGM CENTAURUS	CGMU4951696	B8389876	1570606630	PRODUCT DESIGN CANOPY LTD	9/5/2013	9/6/2013			9/1/2013	R
CMA CGM CENTAURUS	CMAU4030409	B6112910	1570606916	LAWN & GARDEN INTERNATION	9/5/2013	9/6/2013			8/30/2013	O
CMA CGM CENTAURUS	CMAU8161686	B7504719	1571600608	PD HOME & GARDEN	9/5/2013	9/9/2013			8/30/2013	R
CMA CGM CENTAURUS			1570606779	PD HOME & GARDEN	9/5/2013	9/9/2013			8/30/2013	R
CMA CGM CENTAURUS	ECMU4409870	B5033321	1570606915	LAWN & GARDEN INTERNATION	9/5/2013	9/9/2013			8/30/2013	O
CSCL ZEEBRUGGE	EMCU5203327	EMCG82792	1570103305	AMES TRUE TEMPER INC.	9/5/2013	9/6/2013			8/30/2013	
CSCL ZEEBRUGGE			1570606834	ZHEJIANG YAYI METAL MFG	9/5/2013	9/6/2013			9/6/2013	F
COSCO THAILAND	EGSU9123424	EMCEMT6552	1570103400	QINGDAO HUATIAN HANDTRUCK	9/6/2013	9/9/2013			9/6/2013	
COSCO THAILAND	EMCU5230934	EMCFMX1152	1570606691	GERSON COMPANY, THE	9/6/2013	9/9/2013			9/10/2013	R
COSCO THAILAND			1570606741	DAN DEE INTL LTD	9/6/2013	9/9/2013			9/13/2013	R
COSCO THAILAND	GATU8812756	EMCEMZ7082	1570103400	QINGDAO HUATIAN HANDTRUCK	9/6/2013	9/9/2013			9/6/2013	
COSCO THAILAND	IMTU9059270	EMCFMT6212	1570103400	QINGDAO HUATIAN HANDTRUCK	9/6/2013	9/9/2013			9/6/2013	
COSCO THAILAND	TCLU8754812	EMCFMT5782	1570103400	QINGDAO HUATIAN HANDTRUCK	9/6/2013	9/9/2013			9/6/2013	
COSCO TIANJIN	IMTU1011095	EMCKHZ5872	1570606637	SIENNA INT'L (HK) LTD	9/6/2013	9/9/2013			9/10/2013	R
COSCO TIANJIN			1570606638	SIENNA INT'L (HK) LTD	9/6/2013	9/9/2013			9/10/2013	R
COSCO TIANJIN	LTIU3014917	EMCDGM681 2	1570606686	GERSON COMPANY, THE	9/6/2013	9/9/2013			9/10/2013	R
COSCO TIANJIN	GVCU4081395	EMCJDF0612	1571115351	OUTDOOZIE LLC	9/8/2013	9/9/2013			8/28/2013	
COSCO TIANJIN	HMCU1024780	EMCJDF0762	1571115350	OUTDOOZIE LLC	9/8/2013	9/9/2013			8/28/2013	

Orchard's trucker: AM&S Transportation Co.

- Based in Oakland, California
- Delivers all Orchard international containers
- Has been in business 32 years
- Has been Orchard's hauler for 14 years
- Completed Security Questionnaires in 2013 & 2014



Oakland Port to Tracy Distribution Center

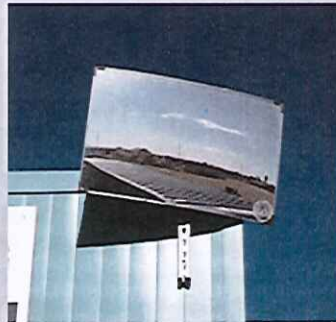


- ❖ AM&S transfers containers from Oakland port to Orchard DC
- ❖ Orchard Gate Guards check in container against scheduled deliveries



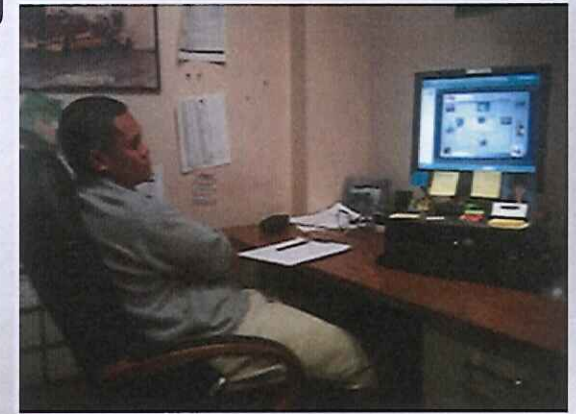
Guards check Containers upon arrival at DC

- ✓ Check container seal number against manifest
- ✓ Check seal- pull/twist/spin
- ✓ Check the outside of container:
 1. Undercarriage
 2. Outside doors
 3. Right and Left side
 4. Front wall
 5. Roof



Orchard Security Guards- the trained first line of security

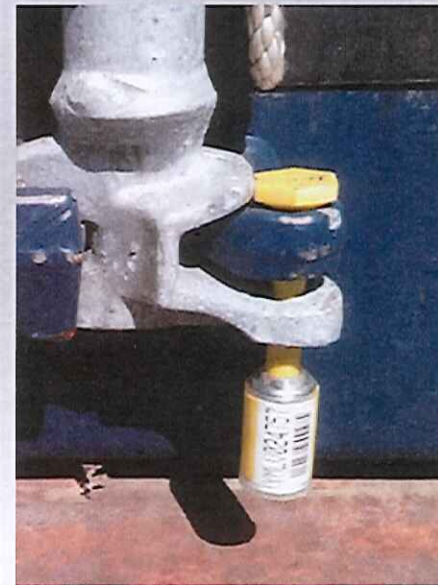
- Orchard security guards since 2012 have received 5 hours of web based specialized C-TPAT training
- Guards all receive specialized training on mail security
- Post Orders- the comprehensive manual for security guards details
 - Container inspections
 - Visitor procedures
 - Employee access and security
 - Perimeter inspections, and more



Orchard Container & Seal Security



**Guards & Hostlers
are key to security**



**High Security
Seal in place**

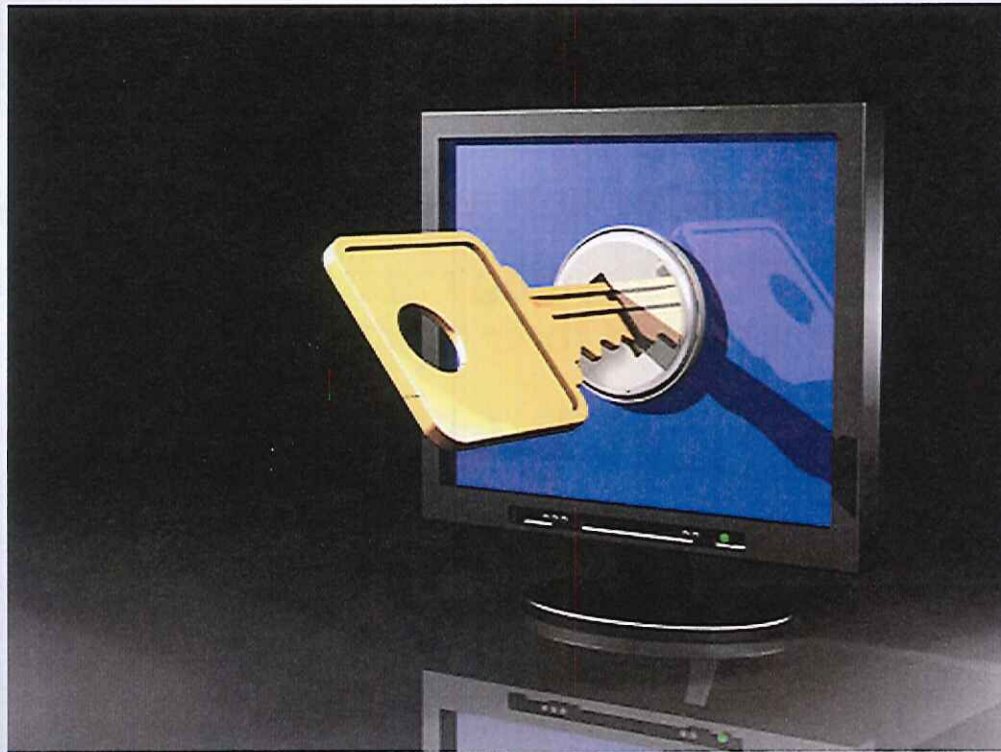
Orchard Hostler's- controlling the containers and seals

- Orchard's Hostler's move containers within Orchard's DC and bring containers to the receiving docks
- Hostler's check the seals before cutting seals and backing containers to dock
- Hostler's inspect the empty containers after unloading
- Hostler's receive C-TPAT training regarding seal security and container inspection during their hostler training.
- Hostler's receive an additional ½ hour of C-TPAT training that includes excerpts from "Seal and Container Door Inspection"



Part 3

Information Technology and Human Resources



Orchard IT Security

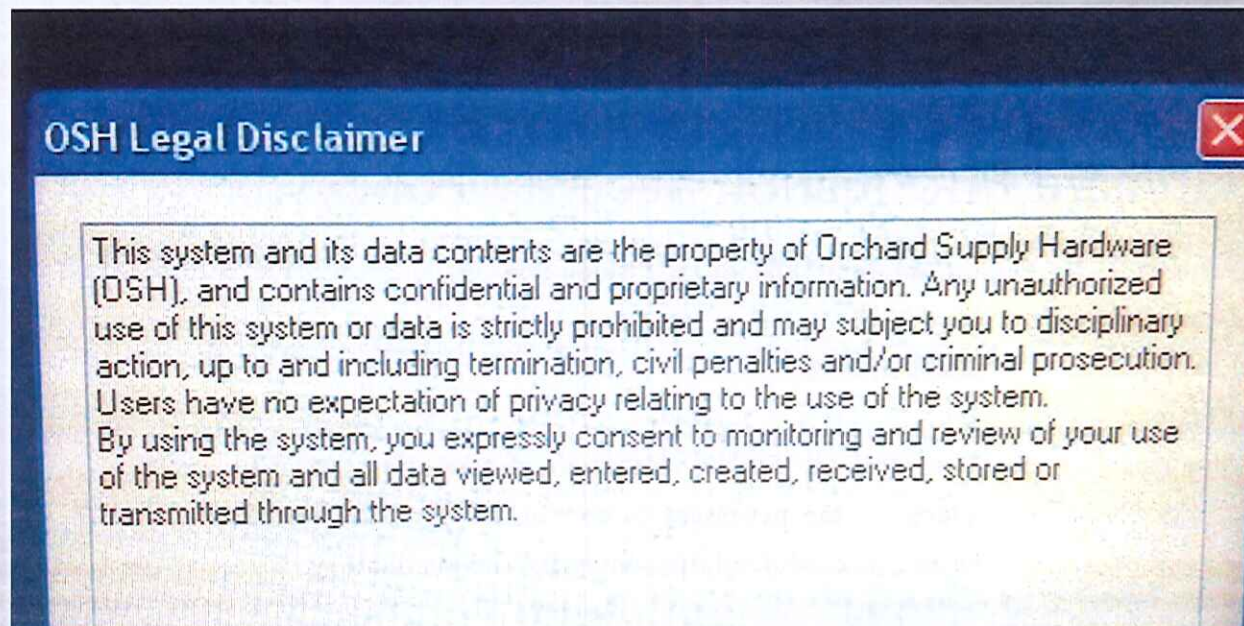
- **Controlled by Orchard's IT department**
- **All Orchard IT security is documented and distributed**
- **Orchard has an online IT Security Policy**

Orchard Information Security Policy

Author: Information Technology / Moon Son
Creation Date: May 2012
Last Updates: October 2013
Version: 1.1
Synopsis: The Orchard Supply Hardware Information Security Policy addresses the necessary protection of Company information to ensure its confidentiality, integrity and availability.

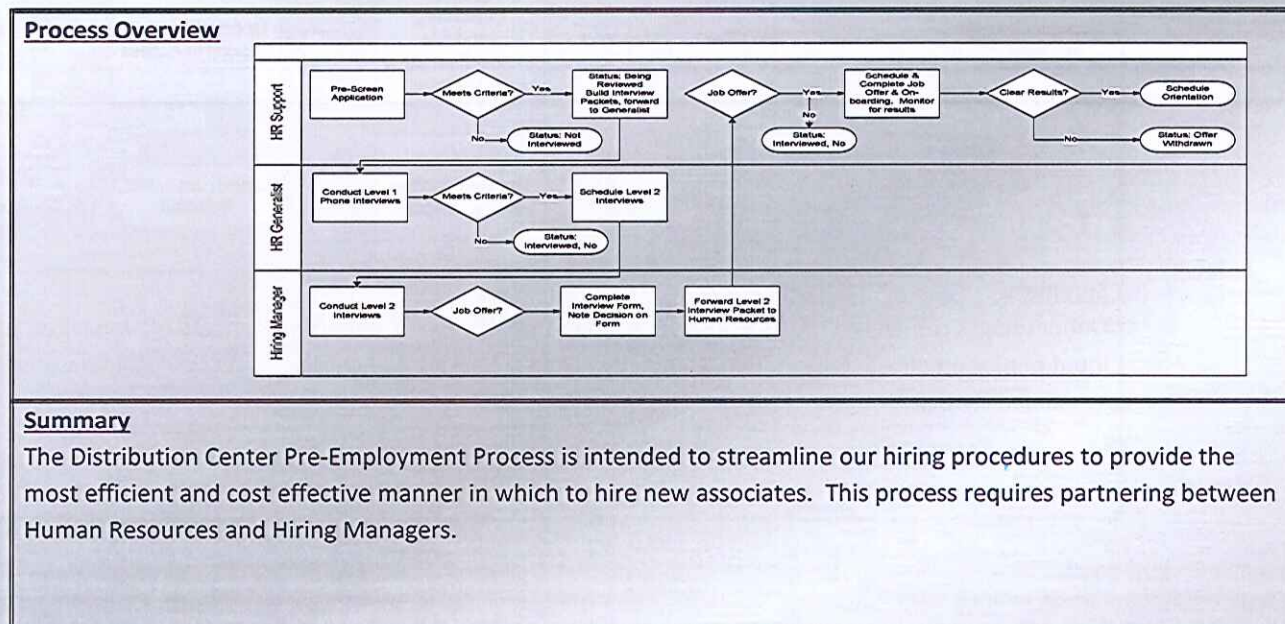
Orchard IT Security

- **Orchard employees may be subject to disciplinary action for violations**
- **Sign on disclaimer for employees:**



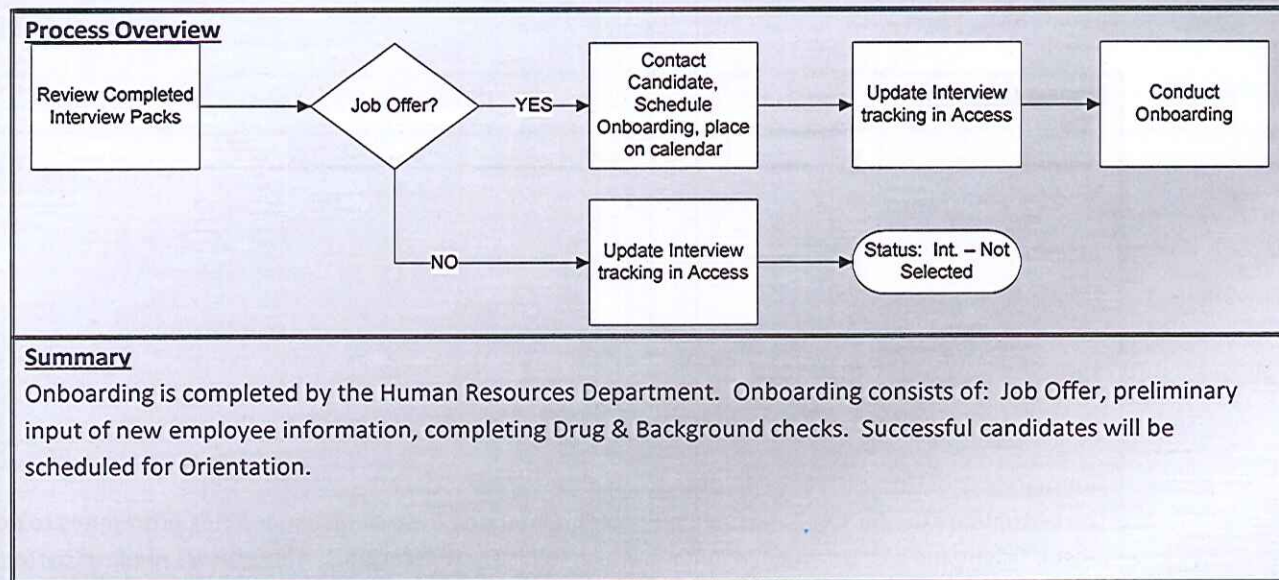
Orchard DC Human Resources

- Human Resources screens potential new hires
- Documented multiple step hiring process that includes back ground checks & drug testing



Orchard DC Human Resources

- **Human Resources conducts 'onboarding' of new hires as part of the hiring process**





Full Documentation for all the processes, procedures and training in this presentation have been uploaded onto the C-TPAT Web Portal

Thank You. Xie Xie (謝謝)

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Orchard Supply Company

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