

## WAREHOUSING & DISTRIBUTION



*Synergy at your service®*

**Concarga** is a one-stop service provider. From managing the inputs to your JIT (just-in-time) manufacturing line to ensuring that your customers have their supplies from our distribution centre, we can manage all aspects of your supply chain.

As professionals we can evaluate your logistics requirements and recommend the optimal strategy for your business. We offer a wide range of services in nearly all segments of the logistics industry.

**Concarga** is geared to provide public and contract warehousing services throughout Southern Africa.

Warehouses are equipped to handle a variety of consumer goods, with all facilities scalable in its capacity to handle pick / pack operations and other custom services.

Varied material handling equipment and rolling stock is employed and operated by well-trained, experienced and certified operators.

**Concarga** can provide custom packaging services, which requires calibrations, integrations or the purchase of necessary equipment to meet the customer's unique requirements.

### SPECIALISED WAREHOUSING SERVICES

- ❖ Public & Contract Warehousing
- ❖ Pick & Pack Operation
- ❖ Consolidation service
- ❖ Freight management services include pre and post audit studies
- ❖ Transportation cost studies and distribution analysis
- ❖ Cartage Service - RSA
- ❖ Cross border haulage
- ❖ Supply chain architecture

### SERVICES

Potential clients frequently ask what public warehousing is and how we can assist them. The following is some information that will answer many of your questions about **Concarga** and our industry.

- ❖ What are the advantages of partnering with **Concarga**?
- ❖ How do you measure **Concarga**'s 'value added' advantages?
- ❖ How does **Concarga** create 'added value'?
- ❖ What are the other types of warehouses?
- ❖ What are **Concarga**'s facilities like?
- ❖ What customised services does **Concarga** offer?

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- ❖ Exactly what does **Concarg** do for you?
- ❖ Does **Concarg** also offer distribution alternatives?

**Concarg**: an independent warehousing & distribution specialist who offers professional storage services to multiple depositors. **Concarg** does not own the merchandise stored.

## **PURPOSE OF PUBLIC WAREHOUSING**

To 'add value' to the Depositor's company maximising efficiencies within the storage component of the logistics discipline, inventory deployment.

## **WHAT ARE THE ADVANTAGES OF PARTNERING WITH CONCARGO**

- ❖ Conservation of capital, since no investment in facilities, equipment or personnel is required.
- ❖ Improved accommodation of peak / dip requirements.
- ❖ Closely matches storage costs to volume resulting in clear fixed costs per unit sold.
- ❖ Short-term agreements offer increased flexibility to deal with changes in market conditions or experiment with more effective distribution systems.
- ❖ Depositor can adjust space needs up or down on a monthly basis.
- ❖ Depositor's distribution system is insulated from labour disputes.
- ❖ Warehouse safety, worker's compensation, and regulatory pressure are not the Depositor's concern
- ❖ Reduced risk exposure to changes in technology or changes in the business patterns.
- ❖ Costs associated with storage and handling are well defined and predictable.
- ❖ Security is provided by **Concarg**.

## **HOW DO YOU MEASURE CONCARGO'S 'VALUE ADDED' ADVANTAGES?**

- ❖ Improved reliability of services
- ❖ Improved customer service and satisfaction
- ❖ Quality improvement
- ❖ Cycle time reductions
- ❖ Productivity improvements
- ❖ Reduced waste
- ❖ Reduced capital and labour costs
- ❖ Enhanced goal setting
- ❖ Increased accuracy
- ❖ Increased Return on Investment (ROI)
- ❖ Greater flexibility = Faster response to changes in market conditions

## **HOW DOES CONCARGO CREATE 'ADDED VALUE'?**

By providing high levels of product availability at the lowest levels of inventory and cost through the efficient and effective practise of:

- ❖ Inventory management
- ❖ Minimising throughput costs
- ❖ Distribution centre location
- ❖ Minimising distribution centre costs

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- ❖ Cross docks
- ❖ Enhancing customer service
- ❖ Quick response systems
- ❖ Integration of the supply chain

**and through the effective use of technologies such as:**

- ❖ Specialised Distribution & Transportation Software
- ❖ Computer-aided warehouse design
- ❖ Custom-tailored storage and retrieval systems
- ❖ Cellular communication & satellite tracking

These practices and technologies provide the necessary support for high-speed and low-cost throughput and efficient warehouse operations.

**WHAT ARE THE OTHER TYPES OF WAREHOUSES?**

1. **Private Warehouse:** is operated by the owner of the goods stored there. A private warehouse can be privately owned or leased facility.

**Disadvantages:**

- ❖ Inventory deployment is not the company's primary business, so its expertise and focus is not on the optimal number, best locations, best design, best practices, and best equipment and technology for its DC's. Startup is costly and time consuming, hiring and training requires expertise.
- ❖ It is often difficult for firms operating their own warehouses to determine fixed and variable costs. Cost overruns are borne entirely by private operator.

2. **Contract / Third party: Concargo** also offers a hybrid approach to public and private services. Unlike the public warehouse, which typically offers a month-to-month agreement, the contract warehouse usually has a long-term arrangement. A third party operator provides a wide variety of services for manufacturers and suppliers who decide to outsource part or all of their inventory deployment operations, including packaging, assembly or other extraordinary activities. In such cases, the contract warehouse provides an element of stability in procuring services.

**Advantages:**

- ❖ Inventory deployment is their core competency. This results in optimal logistics channel efficiency.
- ❖ They can often relieve their customers of DC management concerns such as labour, safety, damage and obsolescence while representing the customer in the marketplace.
- ❖ System or procedural changes necessary for inventory deployment efficiencies are more readily accepted and implemented by an outside expert who is not constrained by levels of internal corporate approval.
- ❖ The learning curve and investment associated with new technologies is absorbed by the third party operator and allocated across its client base.

- ❖ A full service third party operator with expertise can provide a totally integrated logistics system for the customer, including transportation management and inventory deployment.

### **CONCARGO'S FACILITIES ARE:**

**Dry Goods / general merchandise:** Used by manufacturers, distributors, or customers for storing any kinds of dry, non-perishable products.

### **CONCARGO OFFERS THE FOLLOWING CUSTOMISED SERVICES:**

1. **Stockpiling** is the use of the warehouse as a reservoir to handle production overflow. This overflow is needed to balance for seasonal / level production and seasonal / level demand.
2. **Product mixing** provides an opportunity for manufacturers which have product-orientated factories in different locations to use a warehouse to combine items in the entire line.
3. **Product logistics** serves the need to stockpile semi-finished products. One use of warehousing in production logistics is the principle of "JIT", that requires closely coordinated well-organised warehousing and precise loading of vehicles.
4. **Consolidation** is the use of warehousing to gather goods that have been picked to fill a unique customer order. This way the products can be shipped to final destination in a more efficient way.
5. **Distribution** is the reverse of consolidation. It involves the push of finished products by the manufacturer to the market, whereas consolidation involves the pull of supplies by the customers.
6. **Customer service** is, at times, the only motive for establishing and inventory. The warehousing options considered earlier all relate to production, marketing and transportation costs. Yet, at times a warehouse stock is justified only by the demands of the customer.

### **EXACTLY WHAT DOES CONCARGO DO FOR YOU?**

1. **Receiving activities include:**
  - ❖ The orderly receipt of all materials coming from the inbound carrier into the warehouse at the receiving dock bay
  - ❖ Verifying the quantity of goods received
  - ❖ Assuring the quality of the materials as ordered
  - ❖ Inspecting the merchandise for damage
  - ❖ Documenting their receipt and processing receipt documents
  - ❖ Adjusting the inventory count for received goods
  - ❖ Attaching license plates (bar code serial numbers used to track the movement of the items)
  - ❖ Finally routing the goods to their next destination
2. **Prepacking (optional)** may be performed in a warehouse when products are received in bulk from a supplier and subsequently packed singly, in merchandisable quantities or in combinations with other parts to form kits or assortments. An entire receipt of merchandise may be processed at once, or a portion may be held in bulk form to be processed later.

3. **Putaway** is the transfer of goods from the receiving dock or the sorting area to storage or to other specific areas for value-added activities such as breakbulk, product mixing, kitting, or other shipping preparation to be performed at a later time. Putaway includes both transportation and a placement component.
4. **Reverse order picking** is the optional separation of merchandise ready to meet the customer, prior to putaway, according to advance orders.
5. **Storage** is the physical containment of merchandise while it is awaiting a demand. The form of storage will depend on the size and quantity of the items in inventory and the handling characteristics of the product or its customer.
6. **Order picking** is the process of removing the appropriate items from storage in the right quantity to meet a specific demand. Items can be individually picked to fill specific customer orders or batched before picking to fill several customer orders. It presents the basic service that the warehouse provides for the customer, and is the function around which most warehouses designs are based. Picking is sometimes done in two stages: in the first stage, *forward picking*, the inventory is moved from a reverse or bulk storage location to a primary picking location. Order processing patterns are analysed to determine the minimum and the maximum levels of stock to be kept in the primary picking location. As stock levels reach the minimum, stage two, items from the bulk storage are picked – not to fill orders but to re-stock the primary picking area. This is called *replenishment*.
7. **Consolidation** includes the sortation of batch picks into individual orders, and accumulation of distributed picks into single orders, when an order has more than one item and the accumulation is not done as the picks are made. During the process of consolidation, the set of above-mentioned value-adding activities might be performed. A bulk load may be broken into smaller units for shipment (*breakbulk*). Products arriving from different manufacturers may be mixed to fill one customer's request (*product mixing*). Or a unique item may be created from a group of other specific individual items, which are packed together in the container the customer will handle (*kitting*).
8. **Packaging (optional)** may be done as an optional step after the picking process. As in the prepackaging function, individual items or assortments are boxed for more convenience use. Waiting until after picking to perform these functions has the advantage of providing more flexibility in the use of on-hand inventory. Individual items are available for use in any of the packaging configurations right up to the time of need.
9. **Pricing** is current at the time of sale. Prepricing at manufacture or receipt into the warehouse inevitably leads to some repricing activity, as price lists change while merchandise sits in inventory. Picking tickets and price stickers are sometimes combined into a single document.
10. **Packing and shipping** may include the following tasks:
  - ❖ Checking orders for completeness
  - ❖ Packaging of merchandise in a appropriate shipping container

- ❖ Preparation of shipping documents, including packing list, address label, and bill of lading
- ❖ Weighing of order to determine shipping charges
- ❖ Accumulation of orders by outbound carrier
- ❖ Loading trucks (Provided by **Concarga**)
- ❖ Third party logistics

#### **CONCARGO ALSO OFFERS DISTRIBUTION ALTERNATIVES:**

**Logistics:** Logistics is the cost-effective process of planning, implementing and controlling efficient movement and storage of raw materials, finished goods, services and related information from point of origin, through warehousing and distribution to the end user for the purposes of conforming to customer requirements.

**Cross Dock (“No Storage” Alternative):** With a cross dock, manufacturing components, customer orders, or other products are received and then sorted and shipped without ever being stored. This method results in the highest velocity of inventory turnover since it eliminates intermediate storage, it reduces inventory-carrying costs, and a number of inventory processing steps are also eliminated. Information technology is the key to cross docking.

The Pick and Pack division also provides the following additional services:

- ❖ Product inspections
- ❖ Attaching price tickets etc
- ❖ Sorting
- ❖ Unpack Repack
- ❖ Folding for catalogue programmes
- ❖ Printing and labels
- ❖ Storage of pallets / cartons

#### **TRANSPORTATION**

**Concarga** provides integrated transportation services through its third party based companies, which operates within a radius for consistent on-time services. **Concarga** provides national coverage beyond the radius at competitive rates by utilising a group of core carriers to provide the same consistent and reliable service to and from the longer haul points throughout the nation and beyond its borders.

#### **TRANSPORTATION PROFILE**

- ❖ Expertly maintained power equipment
- ❖ Triaxle and superlink trailers
- ❖ Contract and Broker Authority
- ❖ Operational flexibility catering to custom services (ie: yard services and shuttle operations), specialist in regional “Instant Trucking” to handle emergency loads
- ❖ Family owned and operated, providing a spirit of pride and ownership in the varied transportation services performed

#### **FLEXIBLE, EFFICIENT PRODUCT CONTROL, RESPONSIBLE AND RELIABLE**

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## TERMS AND CONDITIONS

The standard conditions of trade apply to **Concargos Distribution (Pty) Ltd**, hereinafter '**Concargos**':

1. **Concargos** is not a common carrier and does not undertake the obligation or liability of a common carrier. **Concargos** may at its absolute discretion refuse to accept, carry or store any goods or any class of goods and shall not be obliged to assign any reason for such refusal. **Concargos** accepts goods for carriage, packaging and storage or warehousing only upon the terms and conditions set out herein.
2. For the purposes of these conditions, customer shall mean the customer as defined in the credit application to which these conditions are attached and in the absence thereof, the party with whom **Concargos** contracts.
3. These conditions are for the benefit of **Concargos** and its servants, agents and subcontractors. No amendment of these conditions nor agreed cancellation of any contract between the parties shall be of any force or effect unless agreed to in writing and signed by **Concargos**.
4. Apart from duly authorised directors, no agent or employee of **Concargos** has any authority to alter, vary or qualify in any way these terms and conditions, nor enter into any contract on **Concargos** behalf, nor sign any receipts or documents that have not been previously submitted to and approved in writing by **Concargos**.
5. All work done, services rendered or warehousing carried out in terms of any contract between **Concargos** and the customer, including the transportation, the loading, off-loading, packing, storing and/or safekeeping of any and all goods, is done at the exclusive risk of the customer. **Concargos** is not responsible for any loss and /or damages, including consequential damages and loss of profit, which the customer may suffer arising out of the performance or non-performance of work or services by **Concargos** in terms of any contract whether attributable to the negligence of **Concargos** or not.
6. Unless otherwise agreed, the customer shall be obliged to obtain insurance cover in respect of all loss or damage with respect to the customer's goods. If requested **Concargos** will endeavour to obtain insurance coverage on behalf of the customer provided the prescribed premium payable in respect thereof is received together with any necessary completed proposal form prior to execution of the relevant contract by **Concargos**.
7. The failure of **Concargos** to require performance of any provision of these conditions or any contract with the customer, shall not affect its right to require performance of that provision or any other provision in the future. No waiver by **Concargos** with respect to a breach of any provision of a contract with the customer shall be construed as a waiver with respect to any continuing or subsequent breach of that provision or as a waiver of any of the other rights of **Concargos**.
8. Quotations exclude customs dues, clearing charges and / or fines and unless otherwise stated on the quotation, charges in respect of airfreight, sea freight, railage, dock dues, landing fees, consulate documents, permits or any other charges over which **Concargos** has no control, or are incidental to the carrying out of the work. Furthermore, unless otherwise stated, quotations do not include the cost of dismantling and / or erection of fittings and fixture or any other goods or articles of whatever nature; or of any extraordinary packing which may be necessary to secure safe transport or storage of particularly fragile articles. If such work or any work not specifically stated in the quotation is done these conditions apply

thereto, and an extra charge to cover **Concargo** additional expenses and /or any loss suffered by **Concargo** shall be paid by the customer.

9. The customer shall ensure that adequate facilities are available to **Concargo** to enable it to carry out its obligations, such as the provision of lifts, free passageways and suitable access for vehicles to not further than 30m from the door of any building from, or to, which goods are to be removed or delivered. If any of these conditions are not fulfilled the customer shall be liable to pay all additional costs and expenses incurred by **Concargo** in carrying out its obligations.
10. Time shall not be the essence of any contract undertaken by **Concargo**. Whilst **Concargo** will use its best endeavours to execute its contractual obligations timeously, it shall not be liable for any loss or expense howsoever arising and whether attributable to negligence or otherwise suffered by the customer as a result of delays howsoever arising.
11. If the vehicles of **Concargo** are required to deviate from their normal route for whatever reason, such as, without limitation, damaged roads or bridges or if **Concargo** is delayed in the performance of any contract due to any act or omission of the customer, including, without limitation, wrong declarations or inability to receive goods, the customer shall be liable for all extra costs and expenses incurred by **Concargo**. In such event, **Concargo** shall have the right to unload, store or move goods all at the risk and expense of the customer.
12. The customer shall not submit for removal, packing or warehousing any dangerous, damaging, corrosive or explosive article or substance, or items of food or anything likely to encourage vermin or other pests or likely to cause infection. The customer warrants that no such article or goods will be included in any cartons or packing cases which may be submitted for removal, packing or warehousing. The customer shall make no claim and shall indemnify **Concargo** against all claims made and for any loss or damage that may be suffered by **Concargo** or any third party through the presence of any such article or substance amongst the customer's goods. If any such article or substance is discovered, **Concargo** may at its discretion, remove, sell, destroy or otherwise dispose of same and shall account for the net proceeds derived from any such disposal after setting off any amount payable by the customer.
13. Without detracting from the limitation of liability otherwise contained in these conditions, **Concargo** shall not be liable for any loss or damage caused to the customer's goods howsoever arising including, without limitation, due to damp, rust, insects, vermin, inherent vice, transportation of the goods whether authorised or not, and whether or not attributable to negligence.
14. **Concargo** shall not be liable for any damage to mechanical, electrical, or other plant or any equipment nor for the renovation or replacement of any property arising in the course of the performance of any contractual obligations by **Concargo** or otherwise. The customer indemnifies **Concargo** against all claims and expenses arising out of or in consequence of the performance by **Concargo** of its obligations in terms of any contract with the customer.
15. It shall be the customer's responsibility to ensure that all goods required to be removed and /or stored on its behalf are in fact removed.
16. The customer shall at all times ensure that it has furnished **Concargo** with a current address to which communications may be directed as well as a specimen signature or signatures of all its authorised employees.



17. Any signed inventory supplied by **Concargio** to a customer in respect of the customer's goods shall be conclusive proof of what goods have been received by **Concargio** unless the customer advises **Concargio** otherwise within 24 hours of receipt of the inventory, save that this qualification will not apply if the inventory has already been signed by or on behalf of the customer.
18. Unless otherwise agreed all amounts payable by the customer to **Concargio** shall be paid within 30 days of date of invoice, save in the case of storage charges which shall be payable monthly in advance. All amounts which are overdue for payment shall attract interest at the rate of 2,5% per month from due date to date of payment.
19. All payments of the customer shall be made without deduction or demand and no amount payable by the customer shall be capable of being set off against any liability owed by **Concargio** to the customer whether actual or claimed.
20. Where **Concargio** provides an estimate, it shall nonetheless be entitled to charge a reasonable amount for any work done and / or materials supplied whether or not this exceeds the estimate. Unless otherwise specified, estimates do not include for stripping, dismantling or disconnecting machinery and / or equipment.
21. Should **Concargio** incur or be put to any costs, charges or expenses in consequence of any claim and / or claims being made to or against any goods warehoused, or have to pay any damages arising out of any such claim, such costs, damages, charges and expenses shall be recoverable from the customer in addition to all charges.
22. At least one clear day's notice in writing shall be given by the customer for the removal of any goods from **Concargio** depository. **Concargio** shall not be bound to deliver from the depository any goods without an order in writing, signed by the customer or his or her authorised agent, who or whose agent shall be present at the time of delivery to check the inventory and give a receipt for the goods. Access to the goods and depositories must be arranged giving at least one day's clear notice in writing in respect of access being required.
23. **Concargio** shall have a general lien over all goods and documents of a customer as security for the due payment by the customer of all amounts owing by it to **Concargio** timeously. **Concargio** shall be entitled after 7 days written notice to the customer, to cause the goods which are subject to its lien, to be sold whether by public auction or private treaty, and the proceeds shall be applied in reduction of the customer's indebtedness to it. If any surplus arises as a result of such realisation, **Concargio** shall account to the customer for such surplus.
24. **Concargio** reserves the right to cancel any contract of storage upon one month's written notice to the customer, who shall upon expiry of the notice period, be liable forthwith to remove its goods subject to the payment of all outstanding amounts due by it to **Concargio**.
25. All disputes between **Concargio** and the customer may at the option of **Concargio** be dealt with in the Magistrate's Court otherwise having jurisdiction over the parties, irrespective of the amount involved in the dispute.
26. The customer warrants that the goods handed to **Concargio** for removal, transport, packing, warehousing or otherwise, are its own unencumbered property or that it has full and absolute authority of the owner or all parties interested in the goods to contract with **Concargio** in respect thereof and the customer indemnifies **Concargio** against all claims, costs, charges and expenses arising out of any claim by a third party in respect of such goods.

27. **Concargo** may at any time transfer goods from vehicle to vehicle pending delivery into a place of storage, and when the goods are in store, they may remove them from one store to another. They shall also have the right to subcontract in respect of any service to be performed by them hereunder without consulting the customer.
28. **Concargo** is hereby authorised to pay any charge payable to any storage contractor from whom the goods are removed, and also to pay any charges payable to any removal contractor who brings the goods to be stored, and all such payments shall be repaid to **Concargo** by the customer on demand.
29. All removals, storage or packing contracts or any work performed or tendered for is expressly subject to the granting of the necessary permits or sanction where required of a competent authority. In the event of refusal by the competent authority, **Concargo** shall not be liable or responsible for any loss howsoever sustained. All tenders and contracts are deemed to be subject to all existing laws, by-laws and regulations.
30. The customer acknowledges that any terms and conditions set forth in the bills of lading, consignment notes or other documents issued by any participating carriers shall be accepted by **Concargo** as agent for the customer. Terms and conditions found in bills of lading, consignment notes and other documents as aforesaid shall form part of these terms and conditions, provided that should there be a conflict between these terms and conditions and those in the aforementioned documents, the terms and conditions herein contained shall prevail.
31. All matter contained in pamphlets, brochures and other advertising material furnished by **Concargo** shall not, unless expressly included in any contract between the parties, form part of the contract with the customer.
32. **Concargo** shall be entitled to give the customer one month's written notice of its intention to increase its charges for storing the customer's goods and such increase shall thereafter be due and payable on the expiration of one month's notice, unless the customer has notified **Concargo** in writing within 7 days of receipt of the notice that it wishes to withdraw its goods from storage on the expiration of the one month's written notice.
33. **Concargo** shall not be liable for the safekeeping of keys and any keys retained by it shall be entirely at the risk of the customer and **Concargo** shall not be liable for the theft or loss of any goods from any locked container under its control where the customer has left keys with it.
34. **Concargo** does not accept jewellery, precious stones, plate, furs, currency notes, coins, stamps, stamp collections or other valuables of any description, firearms, ammunition, documents, livestock, domesticated animals or pets of any description or plants for removal or storage, except by special agreement in writing and shall not under any circumstances be liable for loss, theft, damage or deterioration thereof howsoever arising and whether attributable to negligence or otherwise. The term "documents" shall include but not be limited to Deeds, Bonds, Title Deeds, Bills of Exchange, Promissory Notes, Cheques, Securities for Money, Manuscripts, Books of Account, Travel Tickets.
35. A certificate signed by a director of **Concargo**, whose authority need not be proved, as to the amount owing by the customer and as to the due date for payment thereof shall be prima facie evidence of the facts contained therein.
36. If any provision contained in these conditions is rendered void, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining

provisions shall not in any way be affected or impaired thereby and they shall continue to apply to the customer.

- 37. All contracts with the customer shall be governed by and construed in accordance with South African law.
- 38. Unless the context clearly indicates a contrary intention, words importing the singular number shall include the plural and vice versa, and words importing any gender shall include the other genders and words importing persons shall include corporate bodies and vice versa. I acknowledge that I have received, read and fully understand the contents of the Standard Trading Conditions and the Credit Application and agree, unless otherwise agreed to in writing mutually by **Concargo** and the Customer, be binding in respect of all dealings between **Concargo** and the Customer.

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Name in Capitals**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Designation**