



Private Brand Domestics

Quality Compliance

2018

Introduction

This compliance manual is to provide Bluestem Brands, Inc. private brand domestics vendor’s direction on the procedures that are in place to assure quality of private brand domestics products. We require all vendors who sell domestics to Bluestem Brands Inc. to comply with the requirements on the following pages. Failure to comply with these procedures can result in delays in shipment, chargebacks and/or cancelation of open purchase orders.

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Bluestem is currently partnered with three 3rd party organizations

- Bureau Veritas Consumer Products Service (BV) is a testing facility that conducts all of Bluestems domestics protocol testing.
- Modern Testing Services, LLC (MTS) is a lab that helps by providing final random inspections.
- Omega Compliance is an audit specialist that completes all Bluestems Social accountability audits.

These three 3rd party entities will be helping Bluestem Brands in facilitating the procedures explained in this manual, by conducting the testing, inspections and audits as required.

***Domestically produced private brand products will need to follow the same testing requirements as is explained in the following pages. Inspection and audit will be handled differently, for more information on these contact you quality assurance product manager.**

Bid Sheets

When bidding on any private branded domestics item you will need to complete a Bluestem bid sheet for that specific item. There is a Bluestem bid sheet for all private brand domestics' items. Only one item can be bid on per bid sheet.

When completing a bid sheet make sure to complete all blue fields of information relevant to the product. Specification for the product you are bidding on are listed on the bid sheets and cannot be changed. If you are quoting a different specification than what is on the bid sheet make sure to enter it in the vendor comments for review.

All domestics private brand bid sheets can be found in the Private Brand Information and Requirements Link at the back of this book and in the link in Jason and Megan's email signatures.

***Specs listed and information requested in the bid sheets do change, make sure to always go to the link and use the newest bid sheets when quoting on a new item.**

Product Standards

Our product standards do change as we strive to stay current with the market. It is the vendor's responsibility to know the Bluestem standards and specifications of the items they are bidding on. The most current specification will be listed on the bid sheets and in our product standards. If there is ever a question about a specification you are providing in the bid sheet, review the product standard to make sure it fits the quality requirements for the brand you are quoting on.

All domestics private brand standards can be found in the Private Brand Information and Requirements Link at the back of this book and in the link in Jason and Megan's email signatures.

Product Cost Breakdown/Technical Specification Worksheets

PCB worksheets are required on all awarded domestics business and will need to be completed immediately after business is awarded to you. The PCB worksheets will be used to analyze costs, get better view of the overall quality being supplied to us and to do better inspection of product being shipped to us.

PCB worksheets need to be completed fully; all components need to be listed, fields completed and all costing needs to be accurate. All PCB worksheets have a total cost at the bottom that will automatically calculate based on costs listed for each item. Piece cost need to be accurate so that total costs at the end of the PCB match the costs listed on the bid sheet originally provided.

All domestics private brand product cost breakdown/technical specification worksheets can be found in the Private Brand Information and Requirements Link at the back of this book and in the link in Jason and Megan's email signatures.

Brand Inserts and Labels

All private brand domestics products will need to be shipped with a branded insert and a branded care label. To make sure that you are using the correct inserts and labels, you will need to submit electronic Images of all inserts and labels to the project manager for review and approval.

Depending on the product and the brand the trade mark designation can be different. It is important that the correct trade mark designation is used for legal compliance. If you do not know if you should be using the circle R (®) or the TM (™) designation make sure that you ask the quality assurance product manager.

All domestics private brand logo's, style guides and insert templates can be found in the Private Brand Information and Requirements Link at the back of this book and in the link in Jason and Megan's email signatures.

Bluestem Brands Private Brands Testing Requirements

Bureau Veritas and BV OneSource

Bureau Veritas is Bluestem Brands partner for all domestics testing. All testing will be done with BV or reviewed by BV for all domestics private brand items.

All testing needs to be completed and passed by the 13th week prior to the set date that the product has been selected for. Ship dates are not taken into account for testing purposes and if a ship date is going to cause issue with getting fabric and protocol tests completed on time you need to inform your Bluestem team.

To begin testing with BV for Bluestem Brands you will need to be set up in the BV OneSource. Set up with BV OneSource can take up to 6 weeks, so if you are not set up begin working with Ryan Setlock at BV as soon as you are awarded business.

Megan Bunn – megan.bunn@us.bureauveritas.com

Making Contact with BV Labs

Using the lab contact sheet found on the below BV Docushare site locate the nearest lab to the facility that will be submitting samples for testing. Work with that lab on the submission procedure for your product and any question you may have about the process.

BV Docushare Site

<https://docushare.cps.bureauveritas.com/docushare/dsweb/Login>

Login Information

User Name: vendor@bluestem

Password: blue0615

Testing Protocol Review

The Docushare site also hold all of Bluestems testing protocols. Before submitting your samples for testing review the protocols you will be testing your product to. If you have any questions about anything on the protocols you can contact BV or your product manager.

Domestics Grouping Request Forms

- *All domestics items being submitted to BV for testing need to be accompanied by a grouping form.
- *All samples being submitted with the grouping form need to be listed on the grouping form.

Products that are similar aside from color can potentially be grouped provided they are produced in the same factory, have the same construction and are made of the same material. Grouping can eliminate the need to test each item to the full protocol, decreasing testing time and expense. The vendor will complete a Bluestem Brands domestics grouping request form and submit the form to the Bluestem product manager.

Grouping forms can be found in the Private Brand Information and Requirements Link at the back of this book and in the link in Jason and Megan’s email signatures.

Grouping Request Form Instructions

Vendor Information Portion

All blue fields will need to be completed in this portion of the grouping form.

Vendor Information

Vendor Name:		Date:	
Vendor Contact:		Factory Name:	
Factory Address:			
Did Bluestem agree to pay for this testing?		Has the factory been audited for Bluestem?	

- **Vendor Name:** The vendor name that Bluestem does business with and is on official documentation
- **Date:** The date you are completing the form.
- **Vendor Contact:** Name of the person submitting the grouping form for approval
- **Factory Name:** Name of the factory producing the goods listed on the grouping form
- **Factory Address:** Address of the factory producing the goods

The two questions below are listed with a drop down yes or no answer. Make sure that you answer them correctly so as to not cause issues later in the process.

- **Did Bluestem agree to pay for this testing?** – Did the product manager that you work with agree to pay for the testing of all items listed on this grouping form?
*All testing costs are the responsibility of the vendor unless otherwise arranged in writing/email with the Bluestem product manager.
- **Has the factory been audited for Bluestem?** – Has the factory listed on this document been audited by Omega or has Bluestem accepted previously completed audits for this factory?

Requested Grouping Portion

<p>If full protocol testing has been completed previously and you would like to use that for the construction of these items list the test report number here for reference. </p>	
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To group products with an existing passed BV Bluestem test report you will need to list the test report number in this blue field. If no report number is listed it will be assumed that full protocol testing has not been completed in the last 2 years for anything we are receiving from this factory and full protocol testing will be required.

***Only one row will need to be completed for each pattern that is being grouped.**

***Any row with an item listed will need all blue portions completed.**

Image(s) of main components of the product	Bluestem Product Description	Bluestem Product Codes	Reasons these products should be grouped	Number of different fabrics in set	Testing required for the product	Production Samples Required for Bluestem

- **Images of main component of products** – What we are looking for here is one or 2 images that will help to identify the item or set. You do not need an image of every component in the set.
- **Bluestem Product Description** – Use the description Bluestem is using; the same description you would find on a PO. We only need one description to cover all sizes and accessories.
- **Bluestem Product SKUS** – List all bluestem product SKUS here. We need all sizes and accessories listed that would be covered by the colorway testing done in this row.
- **Reason these products should be grouped** – Explain why the products on this form should be grouped together.
- **Number of different fabrics in set** – List the number of all different types of fabric in the set. Every different color/print and different type of fabric should be accounted for.

***Both section of the grouping form need to be completed as stated above or the document will be returned to you to be finished.**

When both sections are fully complete send the grouping form in the original excel format to the product manager. The PM will review and indicate the testing protocols and productions samples required for each row. The PM will then sign and date the product and send to you a scanned copy of the form to be submitted with the test request form.

Bluestem Test Request Form

All products submitted to BV to be tested for Bluestem needs to be submitted with a Bluestem test request form. These test request forms can be found on the BV DocuShare site. Make sure that the TRF that you use has the Bluestem logo on it as pictured below.



TEST REQUEST FORM

The TRF is a BV form, if you have questions about completing it you can reach out to a BV contact or lab for help filling it out. There are red sections of the form that are mandatory and if they are not completed they will be sent back to you by the lab. Two section need to be completed accurately with Bluestem information, so we can correctly identify the products when we receive the test reports.

- **Sample Description:** Use the Bluestem product description that was used in the grouping form
- **Bluestem Item #:** Use the Bluestem SKUs that you have on the grouping form.

Getting a Quote from Bureau Veritas

When you have received a signed grouping request form and have completed your test request form send both with the correct amount of samples to the lab you have been in contact with to be tested. When you submit your samples, request to receive a quote from your BV contact. BV will send you a breakdown of the testing needed and the cost associated with that testing. Review the quote and make sure that it is correct and makes sense with what was approved on the grouping form. Testing will not begin until you have approved the quote and agreed to pay it. Receiving quotes can take up to 3 business days, be sure to plan accordingly.

BV OneSource Communication

As soon as the samples are received at BV with all of the required documents they will be entered into BV OneSource where you and Bluestem will be able to review their testing progress. BV OneSource is also where communication about the products testing will be done until it is completed.

Test reports are loaded into BV OneSource when testing is completed and the results will be reviewed by Bluestem. Communication on the test results will be sent through BV OneSource with one of the following disposition ratings after being reviewed.

- **Pass** – you will not get any communication and you can inspect and ship product without any more testing.
- **Conditional Pass** – The test results are a fail, but the failure will be waived with action taken by the vendor to correct the failure. With approval of actions taken from PM product can be inspected and ship.
- **Retest** – Test results are a fail and the product will need to be improved and the products testing failures will need to be retested. Product is unable to ship.

Until the product has passed testing or received a conditional pass the product will not be approved to ship.

Corrective Action Plans

All failed testing that requires a retest will need a signed CAP before retesting can be started. Complete the CAP explaining the failure, how it happened and what is being done to correct the issue. Send CAP document in to the product manager in word format for review. The document will be reviewed and if accepted it will be signed and sent back to you as a PDF. You will send the signed TRF along with your TRF and samples when submitting for the retest.

The corrective action plan for can be found in the BV Docushare Site

Accepting Vendor Testing

Bluestem will accept testing that was already done on an exact same product. For Bluestem to accept the testing the test report will need to be submitted to BV for a document review. To do this you will need to complete a bluestem TRF and in the "*Testing Outline & Other Instructions*" portion, check "*Documentation Review*". You will then send the TRF along with the test report that you want reviewed and a sample of the product to the lab you normally work with.

When the lab reviews the test report they will be comparing it to the sample supplied and the testing required from Bluestem's protocols. If no testing is found to be missing a report will be issued for Bluestem and added to BV OneSource. The charge for the document review is \$50.00US.

If there are tests found to be missing or tests not complete to the specifications of Bluestem protocols, they will need to be completed or redone to the correct specification. Depending on what is found to be missing more samples may be required to complete the testing. The cost of the extra testing will depend on the tests that are missing. You can ask for a quote before they begin the testing.

To avoid any surprises you may want to compare the test you want to use to the Bluestem protocol before submitting to know in advance if the testing is going to be sufficient to cover the testing required.

Final Random Inspections

All new products and new colors or patterns of existing products shipped to Bluestem Brands will go through a final random inspection. The initial first inspection on new patterns is paid for by Bluestem Brands. Any re-inspection due to a failure on the initial inspection will be done at the vendor's expense.

If an inspection fails it will be the responsibility of the vendor to correct the failures and have the product re-inspected until it passes the inspection.

***Waivers for failed inspections can be requested by submitting the failed report to the product manager for review.**

Until the product has passed or the failure is waived the product will not be approved to ship. If passing results are not submitted from the lab to Bluestem by the time the shipping window has closed contingency plans will be made that can include but are not limited to pulling the product from scheduled books, penalties for late shipment, chargebacks and/or cancelation of the purchase orders.

To schedule an inspection you will contact MTS Inspection Services. You will want to make contact when you know the product/shipment will be 100% complete and 80% packed. MTS will send you an inspection booking form (IBF) that you will need to complete with all relevant information. When the IBF is complete MTS will then work with you to schedule a time for the inspection.

MTS will use an approved protocol along with the PCB Worksheet that was completed for the product to conduct the final inspection. The protocol consists of a number of different parts including: Labeling, Packaging, Construction & Workmanship and Appearance. For a complete look at the protocol please contact MTS inspection Services.

***Above and beyond what is listed above, Bluestem Brands reserves the right to have any purchase order of any product that we are purchasing inspected before it ships.**

MTS Inspection Services contact information

Joe Lam jlam@mts-global.com

Social Accountability Audits

All factories producing private branded product for Bluestem must go through a social accountability audit. The initial audit will be arranged with Omega Compliance and paid for by Bluestem Brands. Any re-audits that are done as a result of poor performance in the initial audits will be at the vendor's expense.

To schedule an audit you will need to supply the Bluestem product manager with the below information.

- Factory name
- Factory contact name
- Factory contact phone number and email address
- Factory address

The Bluestem project manager will then contact Omega to start the process.

After the contact information has been sent to Omega they will work directly with the factory to schedule and conduct the inspection. The inspection is semi-announce and the factory will give Omega a 2 week window in which to conduct the audit.

The audit with Omega will evaluate employee working conditions, labor practices and safety conditions of the factory. They will take a factory tour, interview factory personnel and look over specific documentation. When Omega arrives within the two week agreed upon window they must be allowed to do the audit as they need to. If there is any denial of entry or interference with the audit process it will be an automatic failure and the cost of the audit will be billed to the vendor. No Bluestem private brand production will be able to be done at that factory until another audit is scheduled and completed.

Charge Back List

The vendor is always responsible to understand all of Bluestem Brands private brand requirements. Below is a list of common supplier issues related to the private brand process and the chargebacks associated with non-compliance.

<u>Supplier Non-compliance Issue</u>	<u>Chargeback Amount</u>
1. Product(s) ship without a valid product and/or packaging test report. = <i>Test Report must have a passing (or waived) result and issued within the specified validity period (report expiration based on product type).</i>	\$5,000.00
2. Product(s) ship without a passing In-Factory Product Inspection (when completed). = <i>Inspection Report must have a passing (or waived) result. At minimum, each product must be inspected annually by an approved 3rd party unless waived in writing by QA Product Manager (QA PM).</i>	\$3,000.00
3. Product Test Reports are received past the deadline as identified in BSB's Timing and Action (T&A) calendar. = <i>Test reports must be due by specified timing to ensure the product can be slotted in the printed catalog. This date is independent from the ship date.</i>	\$3,000.00
4. A products manufacturing facility / location is moved without appropriate BSB Buyer and QA PM notification and written QA PM approval. =	\$3,000.00
5. The finished product is produced in a way not representative to the passing test report and/or BSB approved sample. =	\$5,000.00

In addition to the non-compliance chargeback fee, failure to the private brand process may result in the PO being canceled.

Contacts and Documents Resources

Bureau Veritas

Megan Bunn – For BV OneSource set up and other BV related questions.

megan.bunn@us.bureauveritas.com

BV Docushare Site

<https://docushare.cps.bureauveritas.com/docushare/dsweb/Login>

Login Information

User Name: vendor@bluestem

Password: blue0615

You will find: **Test Request Forms, Testing Protocols, BV Lab Contacts, and Corrective Action Plan Documents**

Private Brand Information and Requirements Link

[Private Brand Information and Requirements Link](#)

This is where you will find all of the most up to date Bluestem Private Brand information

You will find: **Bid Sheets, Products Standards, PCB Worksheets, Logo Style Guides, Templates/Logo's, and Other Useful PB Information**

MTS Inspection Contact

Joe Lam, MTS – To be contacted for final random inspections

jlam@mts-global.com

Bluestem Partner Portal

<https://partner.bluestembrands.com/merchandising/public/Pages/default.aspx>

You will find general Fingerhut vendor compliance information.