

# Pack Product

## PACKAGING SUPPLIER AGREEMENT

### **SERVICE:**

Discuss service expectations such as:

- ✓ Ordering process
- ✓ Standard lead-times for the packaging, design services, samples and quotations
- ✓ Return policy
- ✓ Overrun/underrun policy

### **PRICE:**

Does the price include:

- ✓ **Shipping** costs to your facility?
- ✓ **Pallets** or are they billed separately? Is there a pallet return program? If so, what are the particulars?
- ✓ **Tooling**, or are there extra costs for dies, moulds, and/or printing plates? If so, what is the life expectancy of the tooling and will there be future costs in this regard?
- ✓ **Samples?** If so, how many are included in the cost? If you require a larger quantity of samples, what is the cost?
- ✓ Rush orders, or will there be a surcharge for orders placed below standard lead-time?

### **PRICE INCREASE POLICY:**

- ✓ How much notice will you be given for price increases?
- ✓ Will the increase impact product held in storage?
- ✓ Will the increase be applied to orders in process?

### **PAYMENT TERMS:**

- ✓ What is the credit limit? Will it support your needs now and as you grow?
- ✓ What are the payment terms? How will the terms impact your cash flow?
- ✓ Are there late payment penalties? If so, what are they?

### **INVENTORY TERMS:**

- ✓ Have you established minimum/maximum quantities? What is the process for replenishment?
- ✓ How long will the packaging be stored?
- ✓ What are the storage fees?

### **MODE OF SHIPPING:**

- ✓ Will the supplier be utilizing common carriers or their own trucks? Cross contamination, particularly with food packaging is a consideration.