

 <b>YUKON ENERGY</b> Goods & Services Guidelines GS-018	<b>DEPARTMENT:</b>		<b>INQUIRIES TO:</b>	<b>TOPIC:</b>	
	All		Corporate Services	Incoming Shipping Negotiation Guideline	
	<b>ISSUED:</b>		<b>REVIEW DATE:</b>		<b>APPROVED BY:</b>
	March 2006		February 2009		Director, Corporate Services

## 1.00 Purpose

1.01 To ensure incoming material requirements are shipped in the most cost effective manner.

## 2.00 Procedure

The following is the procedure for securing the most economic and safe shipping service for incoming shipments.

2.01 Shipping instructions should be done in conjunction with establishing the F.O.B. point. Corporate Services should clearly define the routing and mode of transportation, if the corporation is to pay the freight charges or have ownership of the goods in transit. Terms such as 'Best Way' and 'Fastest Way' are too ambiguous and indefinite and provide no control or means of tracing shipments and are to be avoided.

2.02 When the corporation bears the shipping costs and ownership of goods in transit, the following factors need to be considered in determining the best mode of transportation, selection of carrier and in establishing the routing of the shipment.

- a) Determine the type of transportation service which will best meet the delivery requirements.
- b) Review the shipment needs in terms of:
  - The required delivery date and the type of service that best meets those transit time requirements;
  - Size of the shipment;
  - Susceptibility of the commodity to damage;
  - Cost of the transit service;
  - Carrier accessorial services; and
  - Selection of adequate and safe equipment – special equipment is often needed for shipments of excessive height, width, length or weight measurements.
- c) Select a specific carrier or carriers. The factors to consider are:
  - Financial condition of the carrier;
  - Quality of service;
  - Service at supplier's point of shipment;
  - Dependability;
  - Over-the-road service;
  - Tracing and expediting shipments;
  - Loss and damage claims;

- Overcharge claims;
  - Insurance capabilities; and
  - Miscellaneous services – i.e. handling complaints, remittance of COD's, rate notifications, document handling.
- d) Perform a periodic check of the transportation service once the shipment(s) are moving.
- 2.03 Shippers will be requested to provide a 'Bill of Lading' with the shipment clearly identifying the carrier, a description of the goods and the terms for the freight charges.
- 2.04 Shippers will be instructed to provide information to the Corporation's Custom Broker so they may prepare certified invoices for customs clearance for shipments originating outside Canada.
- 2.05 Corporate Services will negotiate critical delivery of good/equipment when required.
- 2.06 Yukon Energy reserves the right to cancel the order if goods are not shipped within the period specified, at no cost to the purchaser. (This must be clearly stated on the PO and must be accepted in writing by the supplier to be enforceable and without penalty to Yukon Energy).