



Dear New Vendor,

The following is a re-cap of the key points reviewed in New Vendor Orientation regarding on-site inspections. Please review the user guide as well as a tutorial to help you submit requests for on-site inspections. You can find these on the Partner Portal under Partner Support/Reference Materials/QA On-Site Inspection Training Tools.

QA On-Site Inspections

Our QA On-Site Inspection Program has had a tremendous impact on improving the quality of the products we sell. Designed to facilitate early detection of quality issues upstream in the factories, the program has helped proactively manage product failures before the order is shipped to HSN, or worse, to our customers. The types of POs eligible for on-site inspections include high dollar/high risk POs: Today's Special, Key Items, New Brand Launches/Events, Import POs, Letter of Credit (LOC) terms, and New Partners. Additionally, we will continue to initiate on-site inspections when customers voice recurring concerns with product quality and/or there are habitual issues with production timeline management.

On-Site Inspection Booking Process

If your purchase order meets one of the criteria for an on-site inspection, the QA on-site inspection team will set up a booking form that you will complete in the Partner Portal. This form is sent to all contacts listed by the partner on the Partner Portal. The booking form must be completed and submitted at least 10 days before the inspection date requested. Your inspection should be scheduled at least 3 days before the ship date. Once the inspection is scheduled, you will receive a confirmation from the Partner Portal that includes the date and time of the inspector's expected time of arrival.

On-Site Inspection Fees

POs that require an on-site inspection will be charged per PO as based upon the tables below:

1. PSFGA/Onsite Reimbursement Fees (Non-US):

Purchase Order Value		As of January 2020 Reimbursement Fee
Minimum	Maximum	
\$0	\$9,999	Not eligible for PSFGA
\$10,000	\$19,999	\$150
\$20,000	\$29,999	\$250
\$30,000	\$99,999	\$375
\$100,000	\$249,999	\$700
\$250,000	\$499,999	\$850
	≥\$500,000	\$1000

PSFGA/Onsite Reimbursement Fees (US):

Purchase Order Value		As of January 2020 Reimbursement Fee
Minimum	Maximum	
\$0	\$10,000	Not eligible for PSFGA
\$10,000	\$99,999	\$1,000
	≥\$100,000	\$1,500

NOTE: HSN reserves the right to conduct a product inspection at the factory on any PO.



HSN assesses a fee for missed and failed inspections as defined below.

On-site inspection Penalty Fees (penalty fees are in addition to the above shared fees)	Penalty Fee
Failed On-Site Inspection	\$1,000
Vendor misses a scheduled On-Site Inspection	\$1,000
Late Cancellation of an Inspection (<2 business days)	\$1,000

Fees for missed/failed inspections are **in addition to** the standard shared fee associated with the inspection occurrence. E.g.) if you cancel an inspection at 3pm on the day before the inspection is scheduled, you will be subject to the appropriate shared inspection fee PLUS the \$1,000 late cancellation fee.

These fees can be avoided by cancelling/rescheduling no less than 2 business days prior to the scheduled inspection and having the product 100% produced and at least the minimum percentage packed at the time of inspection (5% Jewelry, 80% for non-jewelry).

NOTE: if you confirm and accept a scheduled inspection that requires airfare for the inspector to reach the location, but later cancel, HSN reserves the right to charge you a fee to offset these costs. This would occur when the inspection cancellation forces the inspector to cancel a flight or other transportation. Extra fees are not charged for inspection travel by car.

Note: A passing on-site Inspection does not automatically mean your product is approved. The reports must be reviewed by HSN PSFGA Coordinator. Only HSN PSFGA Coordinator can officially approve your item to ship.

Key Contacts

Joann Witmer | Sr. Manager, Global PSFGA | 484.701.3248 | joann.m.witmer@qvc.com

Ellen Mashura | PSFGA Supervisor, QXH | 484.701.8618 | Ellen.Mashura@qvc.com

Karen Workman | PSFGA Coordinator | 727.872.5350 | Karen.Workman@hsn.net