Packard PARTS and ACCESSORIES BULLETIN

49P-19, Dealer 14

To: REGIONS, ZONES AND DEALERS

June 10, 1949

Subject: PACKARD PARTS CONTROL PLAN AND
GOLD SEAL CONTRACT AGREEMENTS AND AMENDMENTS

The Dealer's parts activity is of such specialized nature that Packard has endeavored to supply such authentic information and suggested procedures that if followed will insure the maximum profit with the minimum hazard to invested capital.

To these ends, the PACKARD PARTS CONTROL PLAN was developed. We are, therefore, vitally concerned in regard to the following basic points.

1. That Dealers confine their stock selections to star items signalled in the numerical index of the V-534, INVENTORY AND ORDER RECORD PAD.

2. That Dealers balance supply and demand for parts by proper and actual use of the V-534, INVENTORY AND ORDER RECORD PAD, to insure proper turnover of invested capital and reduce excess stocks caused by guesswork.

3. That Dealers use the Zone warehouse selections of slower moving parts to supplement their own stocks.

To further improve the Dealer's parts investment and guide him in the right direction, we enumerate the following portions of the Golden Anniversary Dealer Sales Agreement.

Paragraph 13, page 5 (Amendment): It is a Gold Seal Requirement that Dealer make such conversion in Dealer's Packard Parts Control Plan system as may be recommended by Manufacturer from time to time for all Dealers of a like class.

Paragraph 14, page 5 (Amendment): A Gold Seal Amendment requires that Dealer maintain and keep currently up-to-date Packard Parts Control Plan Six Months Inventory and Order Record, Form V-534.

Paragraph 20, page 6 (Amendment): It is a Gold Seal Requirement that Dealer carry an inventory of Packard Parts, selected in accordance with the Packard Parts Control Plan, equal to Dealer's requirements for ninety (90) days, at Dealer cost. For purposes of determining Dealer's initial qualification with regard to this Requirement, based on latest figures available at the time of execution hereof, the following computation is made:

(a) Registered Packard Owners in Dealer's Zone of influence _____

PRINTED IN U.S.A.

(b) (Multiplied by) Zone Average parts sales per Registered Owner, at Dealer's Cost of Sales, year-to-date $_____

(c) (Equals) Dealer's Monthly Parts Sales based upon Zone Average of all Packard Dealers $_____

(d) (Multiplied by) 3 to equal three (3) months' sales as computed in (a), (b) and (c) above X_____3

(e) (Equals) Dealer's Gold Seal Requirement for Packard Parts Inventory at Dealer's Cost of Sales $_____

Paragraph 41, page 10 (Agreement): Dealer is privileged to return new and unused parts, accessories or supplies purchased by Dealer from Zone Office independent of and detached from new automobiles, for stock or merchandising purposes, or purchased by Dealer or shipped by Zone Office in error, for full credit at net prices in effect at time of receipt of materials by Zone Office in accordance with the policies set forth in paragraphs 42 to 47, inclusive; provided that Dealer may be required to furnish complete evidence of good title thereto, free and clear of all liens and obligations and that any bankruptcy, insolvency, bulk sales or other law has been fully complied with.

Paragraph 42, page 11 (Agreement): Dealer is privileged to return materials shipped by Zone Office in error within thirty (30) days after invoice date.

Paragraph 43, page 11 (Agreement): Dealer is privileged to return materials revealed by Dealer's receiving inspection to be defective upon receipt and before installation on a car, other than for shipping damage, within thirty days after invoice date.

Paragraph forty-four (44) of the Dealer Sales Agreement requires maintenance of the V-534 Inventory and Order Record Pad to qualify for return privileges which apply to EXCESS quantities of items listed and designated by a star in the numerical cross index of said pad.

(a) EXCESS quantities to be computed from the review of the monthly entries recorded in the column headed "Inventory" and "Quantity to Order" of said V-534 pad.

(b) EXCESS quantities are considered to be the amounts which are more than the total purchases during the ninety (90) days immediately preceding the AFA request; but such excess shall not exceed the ninety (90) day purchases.

(c) No more than one AFA request may be submitted in a calendar month.

Paragraph 46, page 11 (Agreement): Dealer is privileged to return Packard parts, accessories or materials purchased under this Agreement and not covered by paragraphs 42 to 45 inclusive, but they must be submitted to Zone Office on forms provided for permission to return (Form V-522). Zone Office will notify Dealer as promptly as possible of any items which Zone Office will accept and the price at which they will be accepted.