

## 2011 Cummins Power South, LLC Dealer Policy Manual

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**Note:**

It is at Cummins Power South's discretion to change policies or terms of this Dealer Policy Manual.

Current edition will be published on Cummins Power South's Dealer Advantage website. See [www.CumminsPowerSouth.com/dealer\\_advantage/](http://www.CumminsPowerSouth.com/dealer_advantage/). Published version supersedes all prior versions.

Passwords are available from your local Dealer Support person. For contact names, see [www.CumminsPowerSouth.com](http://www.CumminsPowerSouth.com) > **Contact Us** > **Sales and Rental Contacts**

## Dealer Requirements

**Sales Staff** - A Dealer agrees to maintain a sales force (parts & new engines) that actively solicit the sale and promote the advantages of Cummins products.

**Parts Staff** - A Dealer agrees to provide personnel with the skills & training to properly identify the Cummins Genuine New and ReCon Replacement part(s) needed to fulfill all customer requests for the Cummins products for which the dealer is certified.

**Service Staff** - A Dealer agrees to maintain the competency level of its personnel by having one or more service technicians complete and pass training for the Cummins products for which the dealer is certified.

**Parts Inventory** - A Dealer agrees to maintain a 45 day supply of parts for the Cummins product they are authorized to support. This volume should be consistent with the sales volume of Cummins parts in the most recent (12) month period.

**Annual Minimum Parts Purchases** – Dealers are expected to purchase a minimum dollar amount of parts and ReCon engines annually. Annual parts and ReCon engine purchase volumes will be set based on market size and estimated engine population.

**Tooling** - A Dealer shall provide & have available for use at its facility the special tools and equipment required to service the Cummins products for which the dealer is certified.

**Signage** - Signage is required based on products and dealer certification level. Signage shall be arranged in a dominant or equal position to the signage of any Cummins competitor.

**Parts and Service Information** – Dealers are obliged to purchase and/or subscribe to up-to-date parts and service information as required in accordance with Cummins dealer certification requirements.

**Contract** – All dealers will be required to execute a contract with Cummins Power South.

## Dealer Payment Terms

Statement balance is due in full on the 20th day of each month. Dealers may not deduct core charges from their balance. If payment is not received by the 20th of the month, the account is put on Wholesale Price until payment is received. If payment is not received by the 25th of the month the account is placed on a "Cash Only" basis and Wholesale Price until payment is received.

Cummins Power South charges a \$25.00 return check fee on all returned checks.

## Parts Ordering Procedures and Policies

### Order Types

<u>Type</u>	<u>Location</u>
Stock	10-CPW
Daily	10-CPW or Service Center
Emergency	10-CPW
Warranty	10-CPW
Onan Stock	10-CPW

### Stock and Onan Stock Orders

Stock orders are to be placed through Web CUMPAS on the Central Parts Warehouse (CPW) in Atlanta.

Stock orders will be delivered in 3-5 days.

Stock orders may qualify for discount programs (see **Stock Order Discounts** page 7).

### Daily Orders

Daily orders are to be placed through Web CUMPAS on the Central Parts Warehouse (CPW) in Atlanta.

If the order is received by 5:00 pm, it will ship to arrive in 1-2 days.

Daily orders do not qualify for discount programs.

Service Center orders (*Daily Orders only*)

- The local Cummins Power South Service Centers are available to support the immediate parts needs of the dealer. Stock Orders and Daily Orders should continue to be placed on the Central Parts Warehouse (CPW). The intent is to allow the dealer to take care of an immediate customer need, not to provide stocking quantities.
- Dealers are not to order parts from the local Service Center if the part is not in the local Service Center inventory. The Service Center cannot process a back-order.

### Emergency Orders

An Emergency parts order should be placed when the current availability cannot meet the customer's need. Web CUMPAS order type: Emergency.

Cummins Power South may ship Emergency parts from the Central Parts Warehouse or direct ship from the Cummins Distribution Center in Memphis, Tennessee (MDC).

Orders received in the Central Parts Warehouse before 4:00 pm will ship same day.

See the "Freight Charges" section for details pertaining to Premium Freight charges.

### **Warranty Orders**

Once order type: Warranty is selected, the dealer is prompted to supply an Engine Serial Number (ESN).

- An order is received using this process will be shipped freight prepaid. There is no requirement to file for freight charge recovery

Cummins Warranty includes the following programs:

- New Engine Warranty
- Extended Coverage
- Cummins Assurance Plan Coverage
- New Parts Warranty
- ReCon Warranty
- NOW Coverage

This policy applies only to Cummins Warranty parts sourced from Cummins (MDC) or Cummins Power South.

### **Order Cut-off Times**

Cummins Power South Central Parts Warehouse - Atlanta, GA (CPW)

- Emergency orders must be placed by 4:00 pm local time to insure same day shipment.

### **Web CUMPAS**

Orders placed via Web CUMPAS cannot be canceled once transmitted.

It is the responsibility of the Dealer to promptly notify Cummins Power South when an authorized user of Web CUMPAS leaves their employment. This is necessary to protect the dealership and Cummins Power South from unauthorized parts orders.

The Dealer is responsible for all orders placed through Web CUMPAS for users they have authorized until Cummins Power South has been notified to rescind their order authorization. To change the status of a Web CUMPAS user please contact Bob Walter at (813) 664-5980 or [bob.l.walter@cummins.com](mailto:bob.l.walter@cummins.com) or Teresa Bradberry (404) 765-5120 or [teresa.bradberry@cummins.com](mailto:teresa.bradberry@cummins.com).

**Invoicing Errors and Shortage Notification**

Cummins Power South's intent is to provide error-free invoicing and parts delivery. If you believe there is an error with the Cummins Power South invoice or invoiced parts not delivered, please contact Tony Hegwood at (404) 765-5168 or [tony.hegwood@cummins.com](mailto:tony.hegwood@cummins.com) within 7 days of the invoice.

Cummins Power South has implemented the following check procedures to limit instances of order shipped short:

- Redundant parts packing verification
- Actual vs. expected shipping weight

Claims for parts shortages must be submitted within 7 days of invoice.

## **Freight Policy**

### **Stock Orders**

Qualifying Stock Orders will be shipped freight prepaid. In certain areas, Stock Orders are shipped to the nearest Cummins Power South Service Center.

Qualifying Stock Orders are orders placed as "Stock" or "Onan Stock" orders via Web CUMPAS.

- Stock greater than \$5,000 (Cummins New and ReCon parts, less core charges)
- Onan Stock greater than \$2,000 (Onan parts)

Fleetguard, manuals, tools, Valvoline, fluids, Cummins Emissions Solutions, Cummins high horsepower (HHP), and Cummins MerCruiser Diesel do not qualify.

Effective: Monday, January 31

Freight on non-qualifying stock orders is the responsibility of the dealer.

### **Daily Orders**

Freight on Daily Orders is the responsibility of the dealer.

### **Emergency Orders**

Freight charges on New, ReCon, and Onan parts will have 17% of Dealer Net, up to a maximum of \$650 per line item, or a minimum of \$15, added to the invoice for inbound freight expense.

### **Warranty Orders**

Cummins and Cummins Power South will waive freight on a part ordered to complete a warranty repair. This policy applies to Cummins New and ReCon components and Engines only. Parts will be shipped to arrive next-day. Must use Web CUMPAS order type: Warranty.

Cummins has the right to audit all warranty order types to confirm ESN relates to a valid warranty claim. Bill backs will occur on all non valid ESN at Emergency Order shipping rates.

## Stock Order Discounts

Stock Orders are defined as orders for Cummins New, ReCon, or Onan parts placed as a "Stock" order:

- Stock Orders for 2007 or newer Cummins engine parts and all I/QSX engine parts (LTA) - excluding high horsepower, via Web CUMPAS receives an immediate 5% discount. Stock Orders for LTA parts greater than \$5,000 receive 6% discount, with a 7% discount on LTA parts orders over \$15,000.\*
- Parts for 2006 and older Cummins engines (Legacy) – excluding I/QSX engine parts, do not qualify.
- To reiterate: ALL I/QSX engine parts are defined as "LTA".
- Orders for Onan parts entered as "Onan Stock" order of \$2,000 or greater receives a 3% discount
- All Stock Orders are to be place using Web CUMPAS.
- Core charges do not apply towards the total order amount
- Dealer must pay the monthly statement in full. No deductions  
(A Dealer is not to deduct core charges from their monthly statement)

	Stock Order Discounts				
Part Type*	\$1 and greater Stock Order	\$2,000 and greater Stock Order	\$5,000 and greater Stock Order	\$7,000 and greater Stock Order	\$15,000 and greater Stock Order
LTA	5%		6%		7%
Legacy	0%				
Onan		3%			

\* It is at the discretion of Cummins Inc. to designate what parts are categorized under the terms "Legacy" and "LTA".

Fleetguard, manuals, tools, Valvoline, fluids, Cummins Emissions Solutions, Cummins high horsepower (HHP), and Cummins MerCruiser Diesel do not qualify for Stock Order discounts. Additionally, parts for 2006 and older Cummins engines (Legacy) do not qualify.

Effective: Monday, January 31

## **Core Policy**

Standard Core Return Components (*Parts and ReCon Engines*)

### **Standard Return Core Credit (non 365-day Core Program)**

- 0 to 45 days from purchase: 100% core credit
- 46 to 75 days from purchase: 95% core credit
- 76 to 120 days from purchase: 90% core credit
- Greater than 120 day from purchase: no credit

To receive core credit, the core must meet ReCon Core acceptance return standards.

- Cores are to be inspected by the returning dealers and properly identified and packaged.
- Core charges are not to be deducted from the Dealer's monthly statement. Core charges are to be paid in full.

### **365-Day Core Return Program**

Dealers who meet the guidelines of the 365-Day Core Program will have one year to return cores for 100% credit.

*ReCon Engines do not qualify for 365-Day Core Program*

Guidelines:

- Dealer agrees to purchase, use, and sell 100% Genuine New and ReCon parts
- Dealer agrees to use the Core Bank program
- Dealer agrees to pay all core charges - No deductions from the monthly statement
- Monthly parts statements must be paid in full

All standard Core Return Guidelines apply:

- Core must meet ReCon Core Inspection Guidelines
- Core must be properly identified and packaged for cross dock to ReCon

Please contact Julie Indessi at (813) 664-5966 or [julie.a.indessi@cummins.com](mailto:julie.a.indessi@cummins.com) with core questions.



## Parts Return Policy

### New and ReCon Parts Excess Return Policy

Cummins Power South allows all qualified Dealers to make one return per year. This policy covers excess parts. *Obsolete or superseded parts are not eligible for return.*

Return Allowance:

- Cummins and ReCon Parts - 3% of previous year New and ReCon parts purchases through Web CUMPAS
- Onan Parts – 3% of previous year Onan parts purchases

Notification: Cummins Power South will notify all dealers with their parts return allowance, as well as return deadline.

Handling Charge: 10%

Acceptance / Conditions: All return parts will be subject to inspection. Parts must be in New Condition in original carton. Cummins Power South cannot accept the following items:

- Unsealed kits or loose items taken from a packaged kit
- Rubber items not in the original packages
- Electrical components, connectors, wiring harnesses

All items must have been purchased from Cummins Power South within the past 2 years to qualify for return.

Submit email return request on attached Excel file to:  
[returns@CumminsPowerSouth.com](mailto:returns@CumminsPowerSouth.com)

Once reviewed, Cummins Power South will provide a list of accepted items with an RGA (Return Goods Authorization) number to identify your return. Cummins Power South will inspect return items when received. The RGA number must be visible on all boxes/ skids with correct quantities listed. This will insure prompt and accurate issuance of credit.

Transportation: Ship freight pre-paid to

Cummins Power South  
Central Parts Warehouse  
5125 Hwy 85  
Atlanta, Georgia 30349

or deliver to the closest Power South facility.

## Cummins Warranty

Cummins RapidSERVE is the Cummins warranty authorization and claim process. RapidSERVE must be contacted prior to repairing a Cummins engine under warranty. Cummins Power South supports the warranty process in the following ways.

### Warranty Credits

After a warranty repair has been closed with RapidSERVE, credit is typically received by Cummins Power South the next business day. Credits are issued to the Dealer within three (3) days of receiving payment from Cummins.

Note: If you have not received credit for a claim within 2 weeks of closing a repair, please contact:

- Cummins: Debbie Cole at (404) 527-7805 or [debbie.cole@cummins.com](mailto:debbie.cole@cummins.com)
- Onan: Steve Martin at (813) 664-5858 or [steven.d.martin@cummins.com](mailto:steven.d.martin@cummins.com)

### Date-In-Service/Extended Coverage

Date-in-service and extended coverage verification may be obtained from RapidSERVE. If you are unable to obtain this information please contact Debbie Cole at (404) 527-7805 or [debbie.cole@cummins.com](mailto:debbie.cole@cummins.com) or Steve Martin at (813) 664-5858 or [steven.d.martin@cummins.com](mailto:steven.d.martin@cummins.com) for assistance.

### Warranty Decision-maker Qualification Classes

Cummins requires each Dealer location to have a qualified warranty decision-maker on staff in order to file Cummins Warranty. If you lose your decision maker, you should contact Debbie Cole at (404) 527-7805 or [debbie.cole@cummins.com](mailto:debbie.cole@cummins.com) or Steve Martin at (813) 664-5858 or [steven.d.martin@cummins.com](mailto:steven.d.martin@cummins.com). Qualification classes will be scheduled as necessary.

### Policy Assistance

Failures that occur beyond the warranty/extended coverage period are not covered by Cummins Warranty. In some cases, the performance of the product may not have met the customer's minimum expectations. These situations are dealt with on a case-by-case basis. If you encounter a situation that you believe warrants additional consideration, please contact Debbie Cole at (404) 527-7805 or [debbie.cole@cummins.com](mailto:debbie.cole@cummins.com) or Steve Martin at (813) 664-5858 or [steven.d.martin@cummins.com](mailto:steven.d.martin@cummins.com) for assistance with the following information:

- 1) Engine Serial Number
- 2) Engine Model
- 3) Mileage/hours
- 4) Failure details

- 5) Estimation of the customer's expectations (taking into consideration the engine's age, condition, and the nature of the failure)

**Warranty Labor Rate Adjustment**

Cummins Inc. publishes limits for annual reimbursable Warranty Rate increases. Contact Debbie Cole – Warranty Administrator at (404) 527-7805 to submit a request for a Warranty Rate adjustment.

## ReCon Engines

Cummins Power South stocks ReCon engines to meet the increased equipment availability requirements of our customers and dealers. For support on engine specifications and ordering please contact:

- Randy Leach, ReCon Engine Order Specialist - (404) 765-5125 or [randy.leach@cummins.com](mailto:randy.leach@cummins.com)

### Additional Information:

- All engines are sold at "Dealer" price level
- ReCon Engines can be purchased through the Central Parts Warehouse in Atlanta or the local Cummins Power South service center
- **ReCon Engines are not to be ordered over Web CUMPAS**
- ReCon Engines are available as exchange or outright purchase
- Core Acceptance is style for style
- Prices are subject to change without notice

A direct ship program is available to ship engines direct to Dealers or the customer. Customers must reside in Cummins Power South's trade area.

The following direct ship freight charges apply for ReCon engines:

- \$325 for N, M, 6C, and ISX engines
- \$275 for 4B, 6B, and ISB engines
- \$425 for K and QSK engines
- \$275 for long and short blocks

Core must be returned within 45 days for 100% credit (see **Core Policy** on page 8).

Engines core must be returned with dry oil pans. Engines returned with oil will be invoiced an additional \$250.\*\*

Engine cores must be externally inspected to assure it is complete and castings are not visibly cracked or missing.

### Damaged Core Charges

*\*\*See Dealer Advantage for ReCon engine 2011 Core Bill Back Charges*

Visibly cracked, broken or welded blocks\*\*

All engines will be shipped on metal skids and engine cores must be returned on metal skids. Extra charges will be billed for engines not returned on metal skids.\*\*

Engine cores are accepted on an external inspection only. It is not necessary to remove the oil pan and check the crankshaft, connecting rods, or rod and main bearings.

### **ReCon Engine Warranty**

- Standard warranty for N Series, L10, M11, and ISM Automotive engines is one (1) year or 100,000 miles.
- Standard warranty ISX Automotive engines is two (2) years or 200,000 miles.
- Standard warranty for N Series, L10, and M11 Construction/Industrial engines is two (2) years or 2000 hours.
- Automotive 4B standard warranty is 24 months or 50,000 miles.
- Automotive 6B and C standard warranty is 24 months or 100,000 miles.
- Construction/Industrial B and C standard warranty is 2 years or 2000 hours.
- Extended Coverage and Extended Major Components Coverage is available

### **ReCon Engine Core Return Policy**

Standard Core Return Components Policy applies (see **Core Policy** on page 8).