



PRIMARY CONNECT

PART OF THE WOOLWORTHS GROUP



Description of Operations for Proposed Fresh Phase 3 (Sydney Fresh)

Version 3.1

Reviewers List

Name	Position	Role	Date
Don Yeaman	Head of Network Development - TC	Reviewer	
Ben Gordon	Senior Project Manager	Reviewer	
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1. Project Overview

The objective of this project is to support Supermarkets business growth strategy while optimising the NSW Chilled and Fresh network.

- The NSW Chilled and Fresh network is growing in complexity and cost with SRDC TC capacity in significant breach; 230k OM/wk volume is now managed via a 3PL.
- The overflow volume is located at AMC Arndell Park which itself will breach by FY23 requiring an additional site in the network.
- Transport and DC costs, and store deliveries have increased with the addition of the Arndell Park operation, and will further increase with a further overflow facility and volume post 2023. This is impacting store service levels.
- The current Sydney TC / Fresh Supply Chain is unable to support business range expansion strategy

Our response to the current Supply Chain and broader business requirement is the proposed Fresh Phase 3 (FP3) DC project. This project will establish a co-located Fresh and Chilled operation at Wetherill Park, with a planned go live date of July 2023 and design year of FY39, subject to internal ‘Corporate Advisory Services’ and ‘Board Approval’.

The DC will be a multi-level, manual site.

This project is aligned with the Supply Chain strategy to “Radically revise fresh” and is seeking approval by the Woolworths Board.

All figures and operational processes have been prepared on the basis of current ‘work practices’ being applied to anticipated ‘Year 2035 Forecast Operational Volumes’ & ‘Year 2039 Employment Forecasts’.

Project Benefits

The new combined Fresh and Chilled DC will deliver a number of benefits for our stores and customers, including:

- Increased range and range flexibility to support the customer first strategy
- Improved cold chain integrity improving quality and freshness of products; reduced shrinkage
- Reduced lead time with fewer touch points and enhanced capability to support flow-through activity increasing freshness and reducing supply costs
- Capability from the outset to utilise 2/3 pallets, making things simpler for stores
- Reduction in store deliveries by consolidating Fresh with Chilled, making things simpler for stores
- Greater capacity supporting promotional stock builds, on shelf availability and peak demand
- Reduced transport movements
- Greater capacity to support business growth

Site Shift Patterns:

Shift Name	Start Time	End Time
Morning (Shift 1)	5.00am	1.00pm
Afternoon (Shift 2)	1.00pm	10.00pm

Night (Shift 3)	10.00pm	5.00am
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2. CAR PARKING

Parking Requirement:

Labour Head Count Peak day Average Week		FY39		
		FRESH	CHILLED	SUMMARY
Shift Headcount				
First Shift (Circa 5:00AM to 1:00PM)		285	140	425
Second Shift (Circa 1:00PM to 10:00PM)		139	68	208
Night Shift (10:00PM to 4:00AM)		88	2	90
Carparking				
90%	Day shift + Afternoon shift	382	187	569
	Truck Drivers	60	30	90
	Transport Support Staff			10
	Maintenance			8
	Security			8
	Contractors			6
	QC			6
	Visitors			10
Combined Carpark Capacity		442	217	707

90% Car-Parking Demand - We assume that through car-pooling and the use of public transport that we will only need to provide 90% of the anticipated building population at shift change with a car parking space.

707 Car-Parking Requirement - We assume that the car-parking requirement will actually be equal to the discounted (90%) of the sum of the two shifts. The reasoning behind this is that the shift changes are actually staggered creating an abnormally high parking requirement between 12:00PM and 2:00PM. Added to the combined shift numbers is the requirement for support and transport staff parking

Car Parking (Seasonal Peaks) - The afore-mentioned numbers are for 'Average Weeks'. During Christmas and Easter Seasonal Peaks staff numbers will increase, and team shifts extended to deal with the increased volume.

The proposed car park provides 764 spaces and has been sized to accommodate the seasonal peak parking requirements.

Shift Times - Whilst the First, Second and Night shift times note a hard shift time above of 5AM, 1:00PM and 10:00PM changes, team members actually change overs could be up to 1:00 hour either side of this time. For instance the 'change-over' between the First and Second shift would start at 12:00PM and end at 2:00PM.

This strategy for staggered shift change-over means:

- a) Better car-park functionality
- b) Off-set meal breaks (for team lunch-room & canteen operations)
- c) Improves continuity of operations at the dock-faces & within the warehouse.
- d) Social distancing benefits through all utility areas.

- e) Smoothing of 'Opportunity Charging' electrical demands for Materials Handling Equipment in the Distribution Centre.
- f) Ability to work-with team members for one-off &/or specific shift-time needs.

3. TRANSPORT OPERATIONS

Transport Operations are broken into 3 separate components:

- a. Primary Freight
- b. Secondary Freight
- c. Returns and Waste Management

A. Primary Freight

Primary Freight describes all deliveries of goods to the Distribution Centre. This also includes 'line haul' trucks working within the Woolworths Distribution Network. 'Line haul' operations include trucks that are moving from our Brisbane and Melbourne 'Meat Processing' facilities and the National Chilled Network of Distribution Centres.

Processing of Primary Freight

All 'Primary Freight' will be received on the 'Basement Chevron'. All trucks have rigid delivery windows for arriving at the DC. Whilst some inter-state trucks may arrive significantly ahead or behind programme, average wait times on the Chevron are less than 20 minutes.

- The trucks are then given a dock by electronic signal (SMS).
- They proceed to and reverse onto the designated dock. At this time the trucks would usually switch off the engine on the Prime Mover, however the 'refrigeration' on the Trailer would continue to operate.
- The rear of the truck is opened and the product is checked for temperature and quality.
- Once the temperature and quality of the product is confirmed, the drivers are able to switch off the 'refrigeration'. This process on Average would take less than 10 minutes.
- The trailers are then unloaded. The unloading process for each trailer takes approximately 1 hour, with multiple trucks being unloaded concurrently.
- Upon completion of the unloading process the truck then departs via the North Western estate exit.
- During the 1st and 2nd Shift no more than 6 trucks would be being unloaded concurrently.
- During the night shift no more than 2 trucks would be being unloaded concurrently.

B. Secondary Fleet

The Secondary Trucking Fleet is made up of three truck types:

1. Semi Trailer - 13m to 19m
2. 12.5m Rigid Truck (42 units in Fleet)

During the day the Trailers are loaded and allocated to prime-movers progressively for delivery to store. Refer also the histogram at Annexure A.

Secondary Fleet Trailers - Processing

Trailers and Rigid Trucks are being progressively prepared for dispatch:

- During the Night Shift period a maximum of 35 Trailers (or Rigid Trucks) will be operating (in fridge mode on mains power) across the 3 levels of the distribution centre either being brought down to temperature requirements, being loaded, or in a holding position awaiting dispatch.
- During the night shift (& shoulder periods) the 35 Trailers in Cooling Mode will be split 25 on the Eastern Dispatch Dock Face, and 10 on the Southern Ground Floor Dock Face.
- During other times the 35 Trailers in Cooling Mode would include 25 on the Eastern Dispatch, 5 on the Southern Ground Floor Dock Face and 5 on the Level 1 Southern Floor Dock Face with the remainder in the Basement Area (up to 35).
- When the trucks are in fridge mode they are either being brought down to temperature requirements, being loaded, or in a holding position awaiting dispatch.
- Trailers and the 11m Rigid Truck Fleet are managed internally with 'Yard Tug Operations'. Yard Tugs move trailers from the 'Returns Area', 'Basement Trailer Storage Area' and the 'Ground and First Floor' trailer storage areas to dock for loading.
- The rigid trucks and trailers are loaded with electric pallet trolleys.
- During the Night Shift two (2) trailers will be being loaded concurrently at any given time.
- At all other times up to six (6) trailers will be being loaded concurrently at any given time.

Secondary Fleet Trailer Handling - Yard Tug

- This site will have four Yard Tugs.
- During the Night Shift we would anticipate that 2 of the four units would operate. During the night shift the yard tug operation would be dominated by the trailer re-fueling process on the Western elevation of the site.

- All yard tugs will be equipped with variable broadband reversing alarms, which deliver a noticeable reduction in noise emission.
- At all other times 4 units will normally operate.

The Yard Tugs will continue to operate generally in a clockwise direction across all three levels of the distribution centre shuttling the trailers from unloading (store returns), cleaning, refueling, loading, and holding positions. Generally the yard tugs are restricted to 20km/hour because of the site safety requirements.

Secondary Fleet - Prime Mover Operations

- Prime Movers are parked on site when not in use.
- Drivers arrive at the campus by their own transport means, and are allocated a trailer, with pick-up location and destination.
- Trailers are collected from the allocated position and depart the site via the North Western Gatehouse.
- Upon return from the store, drivers drop the trailer to a designated location and either proceed to park the Prime Mover or move immediately to collect their next allocated trailer requiring dispatch.

C. RETURNS AND WASTE MANAGEMENT

Waste

All cardboard, plastics and putrescible waste will be managed via the basement waste collection area. Waste collection vehicles will be allocated to normal business hours, beginning around 8am through to 10pm. All waste trucks will enter via the main Vendor Truck Entry off Redfern St and exit via the north western gatehouse back onto Redfern St.

We anticipate no more than 4 waste collection vehicle movements in any given day.

Returns

Woolworths has a constant programme for recycling Australian & ⅓ pallets, Produce Crates, Milk Crates and Meat Crates (known as returns). All returns are received either at the dedicated Returns Transfer Facility (RTF) docks, or via the Dispatch Docks.

Pallets and other ULD are dispatched from the site back to the vendor via the RTF drive-through driveway on the north side of the building. These are collected by Chep, Loscam, and other vendors during normal business hours.

4. Freight Movements

Preliminary Transport Modelling suggests that inbound and out-bound traffic movements will be split as per **Annexure A**.

5. Other Site Operations

Trailer Maintenance Operations

Trailer Maintenance Operations are limited to the regular servicing of the Woolworths Trailers. All Prime Mover and 12.5m Rigid Truck Servicing is conducted off-site.

Operating Hours for the Trailer Servicing Precinct - 7:00AM to 5:00PM Monday to Friday.

Truck & Trailer Wash Facilities

Manual Washing Facilities are maintained for the regular cleaning of the Woolworths prime mover and trailer fleet.

Operating Hours for the Truck Wash Facility is - 7:00AM to 5:00PM Monday to Friday.

ANNEXURE A - Anticipated Site Truck Movements by Hour in Year 2035

The figures below include for incremental annual growth in volumes from present volumes, based on current materials handling technologies and processes.

