

STORAGE OVERVIEW

# Pricing: Competitive regional storage

Storage costs are calculated based on warehouse use and are built into your fulfillment solution.

Please reach out to us for a free custom quote: [www.ingrammicroservices.com/contact](http://www.ingrammicroservices.com/contact)

## Location-based pricing

Operating costs and market rates vary by region. We rate storage per warehouse to provide fair pricing based on the location(s) you use.

### Monthly storage

Monthly storage rates are calculated based on your average daily product volume within a monthly billing cycle.

#### Per Cubic Foot

Every product stored is measured by cubic footage. There is a minimum cubic footage requirement per product that varies by warehouse.

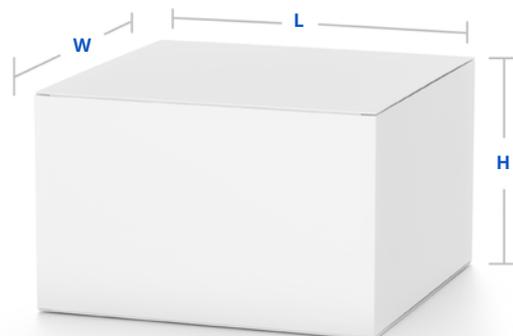
#### Average Storage Usage

We document your daily storage use (in cubic feet) at the end of the each day, local time, and use it to calculate your average daily usage within a monthly billing cycle.

#### Calculated Storage Charge

To calculate your total storage charge, we multiply your Average Storage Use with the rate per cubic foot at a given warehouse. If you're using multiple locations, the Calculated Storage Charge of each warehouse is added to determine total cost.

## SKU volume Calculated by Length x Width x Height

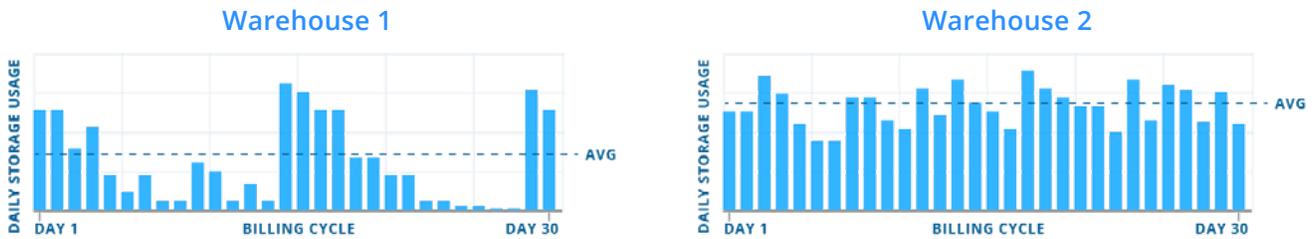


**Example** Customer has products in 2 warehouses.

### Average Monthly Storage Use

We calculate average storage used within a monthly billing cycle based on your daily storage usage.

If we receive a new product from you, we include that within the daily storage measurements.



### Total Monthly Storage Charge

At the end of the month, we take your average storage use and multiply that by the storage rate per warehouse.

(Average Storage Use in Warehouse 1) × (Warehouse 1 Storage Rate) = Calculated Storage Charge for Warehouse 1

+

(Average Storage Use in Warehouse 2) × (Warehouse 2 Storage Rate) = Calculated Storage Charge for Warehouse 2

**Grand Total =** (Calculated Storage Charge for Warehouse 1) + (Calculated Storage Charge for Warehouse 2)

**Long-term storage** In order to ensure continued capacity, long-term storage fees are charged when product has not been shipped/been idle for 6 or more months in the warehouse.

Along with monthly regional storage charges, we also charge monthly long-term storage fees. Long-term storage will only be charged to 10 items or more.

Long-term storage fees are in addition to standard storage charges and are priced as follows:

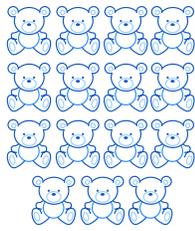
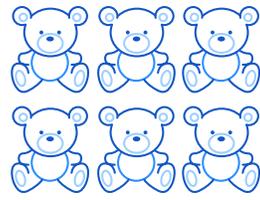
- An add-on fee of \$1.70 per cubic foot of storage will be applied to inventory stored longer than 6 months and up to 12 months
- An add-on fee of \$3.40 per cubic foot of storage will be applied to inventory stored longer than 12 months.

In order to determine your long-term storage fees, please review the long-term storage report in the Shipwire Platform, or on your monthly billing statement.

## Step 1: Determine if Long-Term Storage Fees Apply

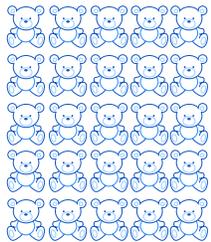
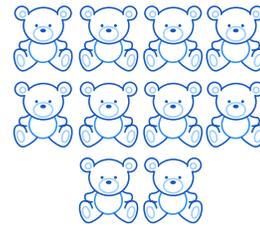
### Example 1

Customer sends two shipments of the same SKU to the warehouse

<p><b>15 Units of SKU</b> 123 Received 2/1/2018</p> 	<p><b>6 Units of SKU</b> 123 Received 6/1/2018</p> 	<p>7 Units are fulfilled on 2/12/18 + 11 Units are fulfilled on 7/4/18 = 18 Units are fulfilled on 8/31/18</p>	<p>On 9/1/2018, long-term storage fees Calculated / Billed</p>
<p>Using virtual FIFO methodology how many are subject to long-term storage fees?</p>		<p><b>ANSWER: NONE</b> 18 Units fulfilled as of 8/31/2018. Oldest units are depleted first, leaving 3 units on-hand with a receiving date &lt; 6 mos. old. Long-term storage fees will not apply.</p>	

### Example 2

Customer sends two shipments of the same SKU to the warehouse

<p><b>25 Units of SKU</b> 456 Received 7/15/2017</p> 	<p><b>10 More of SKU</b> 456 Received 2/10/2018</p> 	<p>12 Units fulfilled out of 35 total units as of 8/31/2018</p>	<p>On 9/1/2018, long-term storage fees Calculated / Billed</p>
<p>Using virtual FIFO methodology deduct shipped SKU's from the oldest received inventory.</p>		<p><b>ANSWER: LONG-TERM STORAGE FEES APPLY</b> 10 Units qualify for LTS fees within the 6 – 11 months bracket. 13 Units qualify for LTS fees within the 12+ months bracket. <i>Repeat the process for each SKU to understand what your storage fees will be.</i></p>	

## Step 2: Determine the storage space of a particular SKU

### Calculate the Storage Volume for Each SKU

SKU #456

**3** Configure

---

System of measurement

US customary units (in/lb)

Length:  in    Width:  in    Height:  in

Weight:  lb

**1**  $L \times W \times H = \text{Cubic Inches}$

$5.0 \text{ in.} \times 3.0 \text{ in.} \times 3.0 \text{ in.} = \mathbf{45 \text{ in.}^3}$

**2** Convert to Cubic Feet

$45 \div 1728 = \mathbf{.0260 \text{ ft.}^3}$

Total Cubic Feet for each SKU 456

**.0260 ft.<sup>3</sup>**

## Step 3: Calculate Long-Term Storage Fees for the SKU

### Calculate Total Volume and Fees

SKU #456

Cubic Feet per SKU 456	Inventory at 6 - 11 Mos.	Inventory at 12+ Mos.			
0.260 ft. <sup>3</sup>	10	13			
<hr/>					
Fee Per Cubic Foot	Inventory at 6 - 11 Mos.	Inventory at 12+ Mos.			
	\$1.70	\$3.40			

**1** Get Total Cubic Feet for each Bracket

$.0260 \times 10 = \mathbf{0.260 \text{ ft.}^3}$  at 6 - 11 Mos.

$.0260 \times 13 = \mathbf{0.338 \text{ ft.}^3}$  at 12+ Mos.

**2** Calculate Fees for each Bracket

$0.260 \times \$1.70 = \mathbf{\$0.44}$  at 6 - 11 Mos.

$0.338 \times \$3.40 = \mathbf{\$1.15}$  at 12+ Mos.

**3** Total Long-term Storage Fee for SKU 456

$\$0.44 + \$1.15 = \mathbf{\$1.59}$

Repeat the process for each SKU to understand what your storage fees will be.