



COMMUNICATIONS ALERT

October 21, 2021

The Georgia Department of Administrative Services, State Purchasing Division, would like to make you aware of the supply chain disruptions currently impacting **Cardinal Health**, the statewide contract supplier for **Generic Drugs (# SWC37455-2)**. The following is the statement received from Sarah Moore, the statewide contract primary contact at Cardinal Health describing the situation:

We are experiencing some courier issues nationally related to labor and driver shortages, which are causing some delivery delays for some customers. We have also been working through some issues with one of the depots that services the Georgia market. We learned yesterday that this depot had some turnover recently that has impacted their service. Our transportation managers have been in contact with cooperate leadership with this courier to ensure that they get this depot back on track. They have moved management in from other depots to help train the new leadership and we believe the situation with that depot will improve over the next few weeks. Below is a more information about the national issues the transportation industry is experiencing and what we are doing to try to minimize the customer impact.

We are experiencing delivery delays with our national and regional parcel providers and expect this to continue due to the continuing challenges of the pandemic including, unprecedented levels of e-commerce activity and industry-wide transportation and supply chain labor shortages.

We are currently seeing a delivery delay of 1.5 hours on average for courier shipments and 0.7 days on average for parcel ground and air shipments. Please know that we are working diligently to address these delays to get back to meeting your expectations.

What we know:

- The transportation industry is experiencing labor shortages that are impacting our national and regional parcel providers.
- Global shortage of raw materials has impacted the production of vehicles and trailers, increasing the price of equipment, and limiting how much freight providers can transport.
- E-commerce volumes related to COVID-19 have continued to increase and inundate the parcel networks.
- Recent natural disasters, including hurricanes in the south, flooding in the northeast, and wildfires in the west continue to impact delivery routes and times.

What we are doing:

- Working with our parcel providers daily to shift volume between providers and adjusting service levels within each provider to keep packages moving.
- Working to balance and shift volumes between regional and national providers.
- Evaluating our couriers to supplement package deliveries.

You have our commitment to do all we can to help our global healthcare supply chain continue to operate as safely and effectively as possible. We will continue to closely monitor these delays and will provide additional information as it becomes available.

This information has been communicated to locations that we have been notified of any issues with and I will be sending it out to every customer in the Georgia market today. Please let me know if you have any questions.

For questions regarding the status of the supply chain disruptions, please contact:

Sarah Moore

State Government Regional Leader

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QUESTIONS: For all other questions, please contact the contract administrator:

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For Team Georgia Marketplace™ related question(s), please contact the help desk:

Procurement Help Desk

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