UPS Undergoes Major Healthcare Facility Enhancements To Meet Growing Service Demands

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UPS (NYSE:UPS) today announced major upgrades to its healthcare-dedicated warehouse and distribution network. This includes adding 1.3 million sq. ft. of total distribution space in key U.S. markets. In addition, UPS received European Unionâ€™s Good Distribution Practice (GDP) compliance certification for its healthcare operations in France and Germany.

Altogether, U.S. healthcare warehouse and distribution space will total 4 million sq. ft. by 2020. Among the largest upgrades include a new 450,000 square-foot facility near the healthcare campus by UPS's Worldport® air hub in Louisville. A new center in Harrisburg, PA, will measure 315,000 sq. ft. and strategically located near UPS's local transportation hub that has the capability of reaching key Northeast markets in one day. The center is also near UPS's Swedesboro, N.J., healthcare operations. This Swedesboro facility, opened in 2015, is the first in the UPS network to offer medical device services such as autoclave capabilities, decontamination and replenishment of surgical kits, and instrument inspection, among other services.

"UPS offers top-notch healthcare supply chain services that can meet specialized customer needs," said Darren Cockrel, UPS president of global logistics. "By increasing warehouse and distribution space and optimizing multi-client facilities, our customers have greater opportunity to reduce supply chain costs, and get their shipments to the right places globally at the right time and in full regulatory compliance."

Key features in the new facilities include climate controls and validated coolers and freezers for customer products requiring strict temperature environments. Secured, special-access cages and vaults help protect high-value specialty pharmaceuticals. The upgrades meet international guidelines - including cGMP, cGDP, and PDMA regulatory mandates - and maintain applicable government accreditations and licenses. Adherence helps maintain quality assurance to reduce risk and ensure compliance across various geographies.

Other cities with expanded healthcare warehouse space will include: Atlanta, GA; Columbus, OH; Reno, NV; and Tracy, CA.

"We align our healthcare distribution network to deliver a broader 1-2 day coverage, giving

customers transit time benefits and later pickups they need to provide competitive advantage, said Dan Gagnon, UPS vice president of global healthcare and life science strategy.

To further enhance its healthcare distribution network, UPS recently received EU Good Distribution Practice (GDP) certification for pharmaceutical shipping in France and Germany. The European Union's stringent healthcare-product distribution guidelines are set by the European Medicines Agency, describing the conditions that a wholesale distributor must meet to ensure the quality and integrity of medicines throughout the supply chain.

This GDP certification validates the France and Germany networks as following proper standards for shipping pharmaceuticals, diagnostic products (including reagents), and stable blood products.

"This additional accreditation further demonstrates our commitment to the healthcare and life sciences segments," said Tom Page, vice president of UPS Supply Chain Solutions healthcare compliance and quality assurance. "Our long-term strategy is built around four pillars that will continue to drive UPS's success in handling critical healthcare and life science goods: quality assurance, visibility, control and customer experience."

UPS's healthcare warehouse network is built on integrated solutions across air freight, distribution, small package and ground freight with the ability to access patient populations in markets around the world. Service technology and expertise include customs brokerage, FDA-validated warehouse management systems, repackaging, kitting, stock rotation, box density optimization, returns management and more.

The facilities expansion and region certifications are part of UPS's strategic growth plan to better address the unique, priority-handling needs for healthcare and life science shipments. UPS recently announced a new healthcare product line, UPS Premier, which leverages UPS's Smart Global Logistics Network package tracking capabilities, combined with new, next-generation, on-package sensor technology to enable priority flow paths, sortation, contingency actions and delivery services for critical healthcare shipments. The line is part of an expansive effort to retrofit UPS's facility network with smart, IoT systems to track healthcare packages. UPS also formed the new business unit called UPS Healthcare and Life Sciences, and redesigned its quality management system for storage, inventory management and distribution of healthcare products.

Source: UPS

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