

WAC 296-17A-2103 Classification 2103.

2103-00 Fulfillment centers

Applies to businesses engaged in operating facilities called fulfillment centers. Fulfillment centers in this rule are defined as businesses that:

- Have an online marketplace to sell their own merchandise and third-party sellers' merchandise;
- Sell their own name brand merchandise retail online;
- Offer warehousing and order fulfillment services for third-party sellers;
- Use automated vehicles and robotics within the facility;
- Emphasize quick timelines and monitor employees for speed; and
- Offer same-day or two-day delivery options.

These businesses store, sell, and ship a wide variety of goods. Types of goods for sale may include, but are not limited to:

- Appliances;
- Arts/crafts/sewing;
- Automotive;
- Baby products;
- Beauty products;
- Cell phones and accessories;
- Clothing, shoes and jewelry;
- Collectibles and fine art;
- Computers;
- Electronics;
- Grocery/gourmet foods;
- Home and kitchen;
- Health and personal care;
- Industrial and scientific;
- Office products;
- Pet supplies;
- Patio, lawn and garden;
- Sports and outdoors;
- Tools and home improvement;
- Toys and games.

Operations may include, but are not limited to:

- Customer service centers;
- Logistic operations, coordinating customer orders with the closest fulfillment center and planning transportation needs;
- Warehouses - Pick, pack, and ship customer orders. Some warehouses may be specifically for large items like furniture;
- Sortation centers - Customer orders are sorted by final destination and consolidated on to trucks for faster delivery;
- Specialty centers - Designed for specific item categories or for seasonal use;
- Receiving centers - Take in large orders of types of inventory expected to sell quickly and allocating to other locations;
- Third-party vendor services - Services include order, payment, and returns processing. Fulfillment centers also offer warehousing and order fulfillment to third-party sellers;
- Specialized, automated or mechanized tools or equipment or systems - Used to speed sorting or delivery or processing including, but not limited to, robotic vehicles, or mechanized equipment.

Work activities may include, but are not limited to:

- Using automated or mechanized tools, equipment, systems or vehicles and/or robotics;

- Unpacking and inspecting incoming goods;
- Placing goods in storage and recording their location;
- Quality assurance;
- Picking goods from computer recorded locations to make up an individual shipment;
- Sorting and packing orders;
- Shipping.

Equipment and machinery may include, but are not limited to:

- Bins;
- Forklifts;
- Computer devices;
- Conveyors;
- Handheld scanners;
- Mailing machines;
- Packing machines;
- Robots (small and large);
- Trucks or vans.

Special Notes:

• This classification differs from subclassification 2102-00 Warehouses in that businesses in subclassification 2102-00 store merchandise that they do not own, usually store merchandise for long periods of time, and do not fulfill orders placed by individual retail customers.

• This classification differs from classification 6407 Wholesale stores in that businesses in classification 2103 meet the definition of "fulfillment centers" at the beginning of this rule and businesses in classification 6407 do not meet all of the criteria to be classified as fulfillment centers.

Exclusions:

• Delivery drivers (other than those involved in transferring inventory between facilities owned by the business) are reported separately in classification 1101;

• Warehouse operations that store products for others, do not own any of the products being stored, and are not in the business of selling the goods they store are classified in 2102;

• Businesses selling a specific category of goods are classified in the store classification applicable to the products sold;

• Wholesale distributors that do not operate automated and robotic fulfillment centers that sell both retail and wholesale of products for themselves as well as third-party vendors are classified in 6407.

[Statutory Authority: RCW 51.04.020 and 51.16.035. WSR 20-24-093, § 296-17A-2103, filed 11/30/20, effective 1/1/21.]