U.K.-based Ocado Group and U.S. retail chain Kroger have signed service and operational terms for the partnership they announced in May to build e-commerce infrastructure in the North American country.

They have agreed to terms including how Kroger will order customer fulfillment centers (CFCs) and the basis on which the Ocado will now develop and operate them.

Ocado is listed on the London Stock Exchange and comprises one of the world’s largest dedicated online grocery retailers. It has developed highly automated warehouses that include a robot grid to put together customer orders.

Under the terms of the agreement, Kroger is expected to order 20 CFCs over the first three years of the agreement, with the first three orders to be made by the end of 2018.

As with other recent deals, Ocado has agreed to install and maintain modules of 'mechanical handling equipment' sufficient to provide an agreed level of throughput. The target is for Kroger's CFCs to go live within approximately two years of each order being placed.

"We are delighted to have signed this services agreement with Kroger which sets out the key parameters for our working relationship going forward," said Luke Jensen, CEO of Ocado Solutions.

"The Kroger and Ocado teams have been working hard for some time to prepare for the opening of the first CFCs in the United States. We are very excited at the prospect of helping Kroger bring new services and value to its customers and transform the food retail market in the US."

Alex Tosolini, Kroger's senior vice president of business development, said: "This is a significant step toward both solidifying our partnership with Ocado and redefining the Kroger customer experience.

"The alliance will bring to the U.S. Ocado's unparalleled innovation and technologies. This is exciting news and will help accelerate our vision to serve America through food inspiration and uplift."