

PS 8270.02 CUSTOMER SERVICE CENTER MANUAL-UNICOR



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# Change Notice

**DIRECTIVE AFFECTED:** 8270.02  
**CHANGE NOTICE NUMBER:** 8270.02  
**DATE:** 2/18/98

1. PURPOSE AND SCOPE. To revise UNICOR's Customer Service Center Manual by removing certain information related to the pricing of UNICOR products. This information will be contained in a new Program Statement on Pricing Procedures - FPI.

2. SUMMARY OF CHANGES. There are two changes from the previous edition of this Manual. Both relate to pricing information for UNICOR products.

The first is the removal from Chapter 2 of a section that called for updating prices twice yearly.

The second change eliminates a part of Chapter 5 which defined how the "market price" is determined since UNICOR products cannot, by law, exceed the current market price.

3. ACTION. File this Change Notice in front of the Customer Service Center Manual - UNICOR.

/s/  
Kathleen M. Hawk  
Director



# Program Statement

OPI: FPI  
NUMBER: 8270.02  
DATE: 2/18/98  
SUBJECT: Customer Service Center  
- UNICOR

1. PURPOSE AND SCOPE. This Program Statement and the accompanying Manual prescribe standards and include procedures for order management, pricing, factory loading, coordination of customer inquiry and complaint resolution and all related activities at Federal Prison Industries, Inc.'s (FPI) Customer Service Center (CSC), located at the Federal Medical Center, Lexington, Kentucky.

2. PROGRAM OBJECTIVES. The expected results of this program are:

a. System performance and market accessibility will be enhanced through accurate sales reporting across Product Groups.

b. Customer delivery dates will be met.

c. Customer assistance and complaint resolution will be provided expeditiously.

3. DIRECTIVES AFFECTED

a. Directive Rescinded

PS 8270.01      Customer Service Center Manual - UNICOR  
(5/16/95)

b. Directives Referenced. None.

4. STANDARDS REFERENCED. None.

5. INTERNAL MANAGEMENT PROCEDURES. The Assistant Director, Industries, Education, and Vocational Training, shall issue internal management procedures for the CSC's operation. These procedures shall implement the requirements of this directive. A copy of the CSC's internal management procedures shall be distributed to each FPI work site to enable customer service-related staff at the work site to coordinate CSC activities.

6. ACTION REQUIRED. Staff who work in any aspect of FPI customer service activities shall follow the procedures and meet the standards set forth in the accompanying Manual.

Staff who write, review, and approve program review guidelines for the Central Office, Regional Offices, and institutions may include objectives and steps to ensure compliance with this directive.

/s/

Kathleen M. Hawk  
Director

Chapter 1

**ORDER ENTRY AND SPECIAL ORDER MANAGEMENT PROCEDURES**

This chapter specifies guidelines and procedures regarding order management, delivery dates, lead times, factory loading issues, and the processing of Federal Prison Industries (FPI) orders with the goal of eliminating all delinquencies.

The Customer Services/Marketing Productions Branch is responsible for ongoing communication with customers on ordering from FPI (i.e., catalogs, customer handbook, newsletters, etc.). The Sales Branch assists in this endeavor by educating and advising customers on ordering from FPI through on-site meetings and trade shows.

Order numbering and order entry shall be standard for all Product Groups. Exceptional handling and systems furniture procedures are detailed below.

**1.1 Order Numbering**

A universal customer master numbering system has been established, based on the requirement to provide accurate sales reporting across Product Groups. Sales placed through an intermediate agency (GSA or DOD) need to be tracked by the actual ordering customer to improve system performance and marketing accessibility.

The numbering scheme used in SYMIX is an 8-digit, all-numeric "smart number" that assigns an i.d. number to a customer based on the department or agency and any bureaus under that department. Following is a breakdown of the customer master numbering system.

<u>Digits</u>	<u>Definition</u>
1,2	identifies department/agency
3,4	identifies a bureau/office within a department/agency
5,6,7,8	assigned sequential number

## 1.2 Order Processing

Order entry shall be performed at the Customer Service Center consistent with its internal management procedures.

Note: Veterans Administration (VA) customers are assigned a number based on a list the VA provides. Also, overseas "Ship To" destinations are recorded differently (see "Customer Addresses").

## 1.3 Textiles

When a Blanket Purchase Agreement (BPA) is received from another UNICOR entity, the purchase order (P.O.) number (BPA#) is entered into the contract field. The Purchase Request number is entered into the P.O. field. The requisition number is used as the P.O. number because it is the only number that changes on each release. The BPA number would be the same on each release since BPA's are regarded as contracts.

AMTRAK and Fleet Industrial Supply also have contracts that issue P.O. releases. The releases have either delivery order or requisition numbers that are to be used in the P.O. block.

All other Order Entry procedures for Textiles would be the same, except military orders in which the "blanket" format would be used.

## 1.4 Electronics

When a contract is received and the NSN is not in the Item Master, submit an Engineering Request to Englewood immediately. A work order number will be assigned even if the NSN is not in the system.

TACOM (U.S. Army Tank Command) issues delivery orders against their contracts. The delivery order numbers are too simple to be entered as the P.O. numbers, so these orders are entered per the example below:

Example: Contract #: DAAE07-92-G-A003  
Delivery Order#: 0016

P.O. # is to be entered as follows: DAAE0792GA003/16

If the First Article is called out but it has "No Separate Price," enter it as a separate line item with quantity specified and the price entered as 00.00001. The extended price reflects 00.00, because the number is so small that the system will not recognize it as being greater than zero.

If a fee is charged for a modification and the unit prices are not affected, but the total is altered, the fee is entered into the miscellaneous field of the Order Header. This allows the total price to be accurate without affecting the unit prices shown on the contract.

## 1.5 Systems Furniture

### 1.5.1 Space Planning Orders

È An order header is created/entered in SYMIX.

È The order is verified and sent to the mailroom.

È CSC express mails the original order to the Systems Group at Central Office (or, if the order pertains to the Social Security Administration [SSA], to the Project Management Team at FCI Schuykill).

Space-planned systems furniture projects and estimates are downloaded into the Customer Service Database from OEI. The computer automatically loads all Bills of Materials (BOM) data into the Systems Furniture Product Group's Estimating Module. OEI uses the space planning work order number (site code) for transmitting the BOM via Electronic Data Transfer (EDT). The downloaded BOM is automatically given a sequential estimate number.

**Reports.** A downloaded report is generated with each transaction within the estimating module. The report is automatically printed at the CSC and Central Office. The designated Central Office Systems Representative gathers all printed estimated module data and distribute it to the assigned Project Coordinator, who reviews and monitors each BOM estimate/revision for pricing.

**Estimate BOM Project/Price Review.** Upon reviewing the Estimate BOM report, the assigned Project Coordinator verifies all line items. The Project Coordinator must identify all Unknown and Special items, verify the price, and enter the correct price into the appropriate area within the BOM.

Unknown/Special Item: Any item that shows up on the downloaded BOM, including Systems items (specials), other UNICOR products (freestanding, ADP, etc.), and transaction errors.

The Project Group Manager must review and approve all systems furniture specials (OEI Special Product Authorization form). Approved specials are then submitted to the Engineering Division (Request for Entry of Finished Goods) to be incorporated into the Engineering Corporate Item Master (ECIM), which will automatically be downloaded into the CSC Item Master as well as the factories' database. CSC will also need a copy of this request to add the appropriate work centers and pricing data.

**Final BOM Review.** The Project Coordinator reviews the Final BOM for accuracy. All pricing must be checked and verified; installation and pre-installation costs must also be incorporated into the Final BOM costs. The Final BOM's are then forwarded to the customer for approval.

1.5.2 Order Entry Transaction. The Project Coordinator must have the customer-approved Final BOM, purchase order, or written authorization before the Final BOM is copied to the order entry module. If any changes occur to the final BOM, a modification must accompany all paperwork, reflecting any changes to the Final BOM such as price discounts, special handling instructions, and progress payments. The Project Coordinator has all delivery/installation dates for systems and non-systems items coordinated/negotiated with the customer and the appropriate Program Manager or designee, if applicable, before the Production Controller copies the BOM from the estimate module to the order entry module.

The Project Coordinator then sends a Request for Order Processing (RFOP) sheet to the CSC Production Controller. The request must include the following before processing:

È Customer P.O. or written authorization to proceed with the P.O. with appropriate modifications, if necessary. (Penciled or verbal changes cannot be accepted.)

È Estimate number to be copied.

È Hard copy of the Bill of Material (BOM).

È Factory Destination (Work Center/Master Scheduler) signoff for systems factory only; all factories are designated by the CSC Production Controller.

È Delivery/Installation/Date (verified by Master Scheduler).

1.5.3 CSC Responsibility. When the RFOP sheet is received with all required attachments, the following steps are taken:

È The Production Controller transfers the Final BOM to the order entry module; a new work order is assigned with reference to the original space plan work order number.

È The unit prices, TPN/NSN numbers, and item descriptions for the non-systems items are verified on the BOM.

After review and clarification, the non-systems items are loaded to the closest factory to the Ship To location on the purchase order, keeping in mind current factory loading parameters, and, most importantly, the customer's requested due date. Items are then entered in the corresponding Product Groups databases with all cross-references noted.

If there are any discrepancies in the non-systems items, the CSC Production Controller shall contact the Project Coordinator for clarification or resolution. The Production Controller then returns the signed RFOP sheet, with a confirmation letter, to the Project Coordinator, providing non-systems work order number(s) and corresponding job sheets for the BOM. A confirming copy of the entire package is sent to the appropriate systems manufacturing location. The Production Controller ensures that all field locations receive their respective work order numbers and the appropriate documentation.

1.5.4 Systems Projects Multiple Phases/Sections. When space-planned systems projects have multiple sections, each section has a separate estimate number, resulting in multiple work order numbers for one project. The CSC Production Controller assigns a new work order number for each section. All order processing is handled as specified in the Customer Service Center's internal procedures with appropriate notations in the header text of all corresponding work order numbers.

1.5.5 Social Security Administration (SSA) Orders. Since the SSA program has been moved to FCI Schuylkill, the following procedures are applicable to all SSA systems/split orders. The project management staff sends all requests for space-planning work orders to the CSC Production Controller, who follows all procedures for such orders.

When the OEI/BOM load report is received at the CSC, the Production Controller either express mails or faxes the load report to the SSA Project Coordinator for review and approval. All procedures in "Estimate BOM Project/Price Review and Final BOM Review" apply, with the exception of the approval of the systems special items (approved by the Associate Warden).

The SSA Project Coordinator sends the RFOP sheet authorizing the Production Controller to copy the estimate to the order entry module. Once the estimate is copied, the Production Controller signs the RFOP sheet and faxes it to the SSA Project Coordinator.

OEI sends the Final Bill of Materials to the assigned Project Coordinator, who forwards a final copy of all paperwork, including the acquisition order, so that updates can be done.

Any changes to an SSA order are handled by the SSA Project Coordinator, who shall ensure that CSC has copies of modifications and corresponding documents for record purposes.

The field location enters all shipping information into SYMIX once the order has been shipped.

1.5.6 Modifications for Systems Furniture Orders. Any systems furniture modifications received directly at the CSC are distributed to the Central Office Project Coordinator. Upon receipt at the CSC, the corresponding work order number(s) are

identified; the modification is then given directly to the Production Controller. The Production Controller verifies the modification to see if it pertains to any non-systems items. If non-systems items are involved, the Production Controller makes appropriate changes and informs the factory.

If the modification pertains only to systems furniture, it is noted in the header text that the modification was received at the CSC and forwarded to the Project Coordinator and designated systems manufacturing factory (Note: only if systems project has already been downloaded into order entry).

In all cases, a copy of the modification is kept at the CSC and forwarded to the factory. The original is forwarded to the Project Coordinator.

1.5.7 Dollar Capacities/Factory Load Procedures. The CSC Production Controller maintains and updates Systems Furniture dollar capacities (buckets) monthly. Factory loading shall be under the direction of the Central Office Master Scheduler through the Production Controller.

1.5.8 Verification Reports. Each month, a factory verification report shall be sent to systems factories for verification of receipt of orders. Any discrepancies are reported to the Support Services Specialist for action.

## **1.6 Blanket Purchase Agreements (BPA) and Requirements Contracts**

The CSC Order Processing Group maintains copies of all BPA's, requirements contracts, or other Memorandums of Agreement (MOA) that include negotiated arrangements involving UNICOR products or services. The CSC shall follow terms and conditions of a signed contract (prices, delivery schedules, FOB point, etc.). Program Managers and factories must inform the CSC of any modifications to existing contracts or agreements, and include support documentation.

All Product Groups, except Textiles orders, are entered as regular orders, since no other Product Groups have fixed-quantity BPA. BPA's with no fixed-quantity orders are entered with one work order; each call is annotated in text with corresponding line items by order entry group.

## **1.7 Customer Initiated Changes (Modification and Amendments)**

Customer initiated changes include:

- E cancellations;
- E change in item;
- E change in quantity;
- E changes of due dates;
- E change in "ship to"; or
- E change in invoicing "bill to."

Any change the customer initiated requires approval by the Center (in concert with the factories and Program Management). For cancellation or changes, a factory and/or Program Manager may negotiate with a customer for restocking fees. Official modification is not required for change to a "ship to" and/or "bill to" address.

The CSC handles modifications dealing with minor errors requiring clarification (color, price, NSN). Modifications involving considerations or pricing renegotiation are primarily handled by the Program Managers (who will work with the Production Controllers for ultimate loading).

## **1.8 Order Verification Reports**

The CSC prints an order verification report for each factory weekly. It is the Factory Manager's responsibility to reference this list against actual orders received, and report any discrepancies to the CSC within five working days.

## **1.9 Reassignment of Orders**

Once an order is loaded in a factory, it may not be arbitrarily changed. Any reassignment of work center (factory) locations must have the concurrence of the factories, the CSC, Program Managers, etc.

## **1.10 Monthly Production Plans**

Factories submit a status of orders report to the CSC by the 5th day of each week. Information included shows backlogs and projected production plans by product family. This requirement

will be waived once the Factory Loading system is fully operational for all factories.

### **1.11 Entry of Shipping Status**

Until all factories are linked with their respective Program Manager database via EDT, the CSC enters all shipment activities manually. It is imperative that the Program Manager and factory databases are synchronized so that the CSC accesses the most current order status information and to ensure the integrity of Corporate summary reports. When the EDT link has been established, the factory will be relieved of the requirement to report shipment activity. However, it is critical to identify orders that were earmarked for a factory, but have not been received, and to verify that order information the CSC enters agrees with the purchase order or contract. Delinquencies due to lost, incomplete, or inaccurate orders shall be avoided at all costs. To serve these purposes, the Factory Job Verification Report shall be used to synchronize the distributed databases even after EDT hookup.

Each month the Support Services Specialist mails a Job Verification Report to each location. Each non-EDT factory uses the Verification Report to detail all shipment activities, including partial shipments. Required information is: quantity, date, GBL or UPS reference, and carrier. The report is submitted to the CSC each week.

Each factory, including those linked via EDT, reviews the report to verify the accuracy of order information and ensure that all orders assigned to the factory have been received. Discrepancies and missing orders need to be clearly indicated on the report. The DEU follows up on such cases within three working days of notification.

Upon receiving the completed report, the DEU attaches a route slip to the document so that it can be tracked through the data entry process. The route slip is initialed and dated by each data entry clerk who handled the order, and used to document problems or questions concerning report contents.

The Data Entry Specialist maintains a log designed to track factory reporting performance. Any factory not submitting the

Verification Report by the 10th of the month is contacted immediately by telephone. If reports are not received by the 15th of the month, a written request is sent to the factory with a copy to the Program Manager. Continued non-responsiveness must be brought to the Order Processing Group Manager's attention for follow-up.

All information that can be processed is entered. If discrepancies are encountered during data entry, the clerk clearly outlines the problems(s) on the route slip and highlights the report. Reports requiring follow-up are placed in a Problem Resolution file. Otherwise, the report is sent to the Data Review Unit for 100 percent verification.

### **1.12 Order Document Control**

Each manufacturing location is sent a copy of the order and supporting documents (including drawings and specifications). Program Managers are not normally be sent a copy unless they specifically request it. Work order files are retained in the electronic filing system for two years after completion. After this period, file contents may be discarded.

A check received log is maintained for all checks received at the Center. A fax received log is also maintained. A log is maintained, by Product Group, for orders over \$50,000.

### **1.13 Purchase Card Order Processing**

1.13.1. Agency Participation Agreement. The Chief, Material Management Branch, is FPI's Purchase Card Coordinator (PC). This official approves and oversees the technical administrative aspects of the Master Agreement with the Department of Treasury. The PC is FPI's point of contact between the Treasury Department and the financial institution.

Administration of government purchase card orders from FPI shall be the joint responsibility of the Business Manager and the Administrator for the CSC located at FMC Lexington.

1.13.2. Definitions.

# Cardholder. The individual government employee granted a written delegation of cardholder authority to use the commercial purchase card for federal government purchases.

# Financial Institution. A depository and financial agent of the U. S. Government authorized by the Department of Treasury Financial Management Service to perform card collection services for FPI.

# Authorization Center. A business entity contracted by the financial institution to verify the validity and or limitations of a cardholder's purchase card.

1.13.3. Order Limitations. FPI's acceptance of the government purchase card as a payment method is subject to the provisions outlined in the Agency Participation Agreement between Treasury's Financial Management Service and the designated financial institution.

# Purchase Card Authorization. The acceptance of the purchase card as a method of payment for a customer order requires CSC staff to comply with the provisions outlined in the master agreement relating to all card transactions. CSC staff shall obtain pre-authorization for QuickShip orders through the purchase card processing center (authorization center) upon initial receipt of the customer order. For all other orders, the card shall not be pre-authorized.

# Cardholder Purchase Limits. CSC staff shall not accept orders for an amount in excess of the cardholder's purchase limit. If authorization difficulties occur, CSC staff shall contact the National Data Center to determine if there is a problem with the customer's card or purchase limit.

# Products/Late Deliveries/Discounts. A cardholder may purchase any FPI product or service with a government purchase card. Products that are included in FPI's QuickShip catalog will be shipped within 30 days of the order receipt or a 10 percent

discount credit of the total amount of the order shall be given to the customer. The discount amount shall be charged to the factory responsible for the delinquency. The discount amount shall be equally divided among all factories responsible should more than one factory be involved.

# Inter-Industry Orders. FPI locations shall not use the purchase card for products ordered from other FPI factories. The existing Form 5 process shall be used to properly record and account for inter-industry sales to avoid purchase card processing fees.

1.13.4. Processing Customer Orders. Most customer orders are processed at the CSC. Purchase cardholders may order FPI products by telephone, facsimile, EDI, mail and via the electronic catalog. Orders received directly at factories shall be routed through the SYMIX Order Entry Module before processed at the factory.

# Security of Purchase Card Numbers. Inmates shall not have access to purchase card numbers under any circumstances.

Regardless of the mode of submission, most orders are processed through the CSC. To ensure the integrity of purchase card numbers, customers calling the CSC's automated answering system shall be advised to connect with the appropriate civilian staff. Customers are also advised, through catalogs and other FPI publications, to send purchase card orders to a separate facsimile and/or post office box located in a secured area.

# Data Entry. CSC staff shall input the customer order into the SYMIX Order Entry Module in accordance with established CSC procedures. The purchase card number shall not be entered into the SYMIX system under any circumstances. Civilian CSC staff shall enter other data for telephone orders into the SYMIX system while the customer is on the phone. A card swipe reader shall be used to obtain purchase authorization from the financial institution's authorization center. CSC staff shall enter the purchase card number, sales price, and the card expiration date into the reader. Upon receiving authorization from the center, CSC staff shall give the customer the order number the SYMIX system assigned and the delivery date.

The same data entry procedures for mail or facsimile purchase card orders shall be followed. Notification of mail or facsimile order confirmation shall be accomplished in writing.

# Rejection of Purchase Card Orders. The authorization center shall reject a purchase card order if the card is found to be invalid or the customer's specified monthly card limit has been exceeded. The customer shall be notified immediately if authorization is rejected (if ordering by phone) or in writing if the order was received by mail or by facsimile. If the phone number is available on the written order, CSC staff shall notify the customer telephonically. The CSC staff person shall request an alternate payment method from the customer to complete order processing.

# NETS PLUS Software Package. The system used by the authorization center for the authorization, processing, and settlement of purchase card orders is referred to as NETS PLUS. The NETS PLUS software package also includes a history file of completed purchase card transactions. After authorization of a purchase card purchase through the authorization center, CSC staff shall print one copy of the Transaction Form which is forwarded to the local safe deposit box monthly. This form (generated by NETS PLUS) is FPI's documentation for each completed sales transaction submitted to the financial institution for collection. The Transaction Form contains the following information:

- ! Purchase Card Number
- ! Expiration Date
- ! Card Type
- ! Transaction Type
- ! Approval Code
- ! SYMIX Order Number
- ! Selling Price

# Transfer of Purchase Card Orders to the Factory. Purchase card orders entered into the SYMIX Order Entry Module are transferred to individual factory locations via electronic data transfer (EDT) daily. This ensures that purchase card orders are received at the factory 24 hours after the CSC actually received the order. Transfer of purchase card order hard copies is not required (except for Graphics orders where a proof, sample,

drawing, or other supporting documentation is attached and/or required). Systems Administrators at factory locations shall forward the transmission to the appropriate Factory Manager/ Production Controller, who shall place the order in the production schedule in time to meet the scheduled delivery date.

# Modified Purchase Card Orders. When a customer wishes to modify an existing purchase card order, the CSC shall contact the factory to verify that shipment has not yet occurred and shipping transactions have not been entered into SYMIX. If a customer requests to modify a line item on an existing purchase card order (i.e., to increase or decrease the quantity or change the color, etc.), and the original order has not yet been shipped, the CSC shall cancel the original order in the SYMIX Order Entry Module and establish a new delivery date to reflect the modification of the order.

If the order has been shipped and the customer still wishes to modify the order, CSC staff shall negotiate an appropriate order modification with the customer. Factory staff shall also be notified via established SYMIX customer order entry procedures for modified orders.

# Canceled Purchase Card Orders. The individual factory shall absorb any additional costs resulting from a canceled order or a reduction in quantity ordered after production has occurred. These items shall be placed into finished goods inventory and made available for shipment on subsequent orders.

1.13.5. Security Requirements. Inmate access to any data file or hard copy document that contains references to customer purchase card numbers shall not be permitted.

## Chapter 2

### PRICING

#### **2.1 Price Quotes**

It has been recognized that many of the Corporation's delinquencies are due to price discrepancies on the customer purchase order; a direct result of using outdated catalogs or word-of-mouth practices. Corporate Management is reviewing the current catalog production process and will evaluate the resources available.

2.1.1 Price Quote Procedures. The Customer Service Center refers the Request for Quotes (RFQs) for custom pricing requests to Program Managers who coordinate pricing with the Product Support Center, if necessary. Pricing adjustments in the Item Master database are handled predominantly with the approval of the Program Manager for that product and the Customer Service Center will implement these adjustments. The Customer Service Center handles special pricing, discounts, and contract items to the extent possible. Some cases of special pricing, however, the CSC may have to refer to Program Managers.

2.1.2 Reports of Current Prices. To reconcile all existing SYMIX prices for catalog items, the Customer Service Center runs a report of all current products and prices, and Program Managers work with the factories to confirm/adjust the information. The Management Information Systems Division develops any SYMIX price screen enhancements, to clarify prices, discounts, special "sales", etc.

2.1.3 Catalogs. A schedule will be set to ensure that all catalogs are updated with the most current prices available. Catalogs shall be updated regularly and price list inserts will have expiration dates.

General lead times for FPI products shall be published in all catalogs and other related communications.

## **2.2 Quotes and Pre-Negotiated Contracts**

When orders are received against existing quotes, the Production Controller verifies its existence against the Estimating Module. Lexington Estimate Transfer System (LETS) is used to convert the quote to an order (refer to the LETS Manual for instruction). At this stage, all pre-award negotiation should have taken place between the Program Manager and the customer, with the quote being a "best and final" offer. If any modifications are needed, it is the Program Manager's responsibility to conduct negotiations, inform the CSC, and provide support documentation.

When contracts are received against open solicitations, the original contract is forwarded to the Program Manager for final review and acceptance. The Program Manager provides the CSC Order Processing Group Manager with a copy of the final signed contract. If any modifications are made, it is the Program Manager's responsibility to inform the CSC and provide support documentation.

All loading, delivery schedules, and pricing are taken directly from the final contract.

## Chapter 3

### FACTORY LOADING AND ORDER MANAGEMENT

#### **3.1 Factory Loading/Capacity Management**

These procedures address how factory loading decisions are made. Because of the integrated nature of factory loading and manufacturing, close coordination and cooperation among the CSC, factories, Program Managers, and the customer are required.

The responsible Production Controller reviews all orders for accuracy and completeness. Orders that contain a discrepancy will have an Order Header record created in "Planned" status by the Factory Loading Unit, and **line items will be added with "HOLDWC" Work Center.**

#### **3.2 Requested Delivery Date**

The CSC loads all FPI factories with orders and sets delivery dates based upon information the field provides. Factories will have three working days to accept or contest order loading parameters and delivery establishment dates from the Center. The factory manager or individual acting on his/her behalf, will have the authority to accept or reject the order delivery dates the Center sets.

The Center will assume that a factory has accepted set delivery dates if the factory has not notified the Center within a three working days response time, via fax or phone. This procedure will be monitored through a SYMIX exceptions report that will flag delivery date changes factories initiate within three working days.

3.2.1 Setting a Delivery Date. The Production Controller will make every attempt to accommodate the customer's desired delivery date while recognizing the needs and abilities of the manufacturing locations. Every order line item shall, therefore, be checked against the following data:

È Time Fence requirements for all work centers (factories) identified in the Item Standard Routing are compared to the order due date. If the requested due date violates the Time Fence, the Controller contacts the appropriate Associate Warden/Superintendent of Industries (AW/SOI) to determine whether the factory can compress the procurement or manufacturing cycle to meet the desired deadline.

If the factory of choice cannot meet the date, another factory will be contacted (if multiple locations are included in the Item Standard Routing). If no other factory produces the item, or if no factory can meet the due date, the Controller then contacts the customer to determine if a later date is acceptable. If acceptable, the negotiated date becomes the due date entered into the Order Entry Module. The Program Manager is contacted to follow up with the contract modification process. If not acceptable, an Order Header record will be created in "Planned" status and the purchase order referred to the Program Manager to either waive or renegotiate with the customer.

È Backlog and MOA Capacity levels for the product family will also be compared to the order due date. After the MOA is determined, the Time Fence requirement cannot be violated. The next step is to determine whether the factory's capacity has been booked beyond the requested date. If so, the Production Controller contacts the AW/SOI and possibly the customer. If the factory has sufficient capacity, the customer's due date is entered into the Order Entry Module.

3.2.2 Changes to Memorandums of Agreement. Changes to a factory's loading and scheduling will not need official authorization if the changes are within the specific factory's Memorandum of Agreement (MOA). Any factory loading changes that conflict with the approved MOA will require a Program Manager's written authorization.

3.2.3 Order Acknowledgement. The order acknowledgement letter will now clarify any price adjustments or changes in delivery terms. Items will be shipped upon completion and this will be stated on the order acknowledgement except when the customer specifies that delivery of items should not occur earlier than the requested date (i.e., new installations/buildings).

3.2.4 Validating Product Leadtimes. Manufacturing, Program Management and the Product Support Center will review, validate, and adjust leadtimes (when necessary), for all products at all factories.

3.2.5 FOB Point. This is to be checked to verify that it is Origin, unless the Program Managers have made an exception for certain customers to allow the FOB Point to be Destination. It is the responsibility of Program Managers to inform the CSC of all FOB Destination contracts and customers.

### **3.3 Split Order Coordination Procedures**

The Production Controller must coordinate split orders so that all affected manufacturing locations are aware of their responsibilities and a single location is designated to handle billing. (Single-location billing procedures are not identified; currently, designated locations bill for their portion of the order.) This information is reflected in the SYMIX text under "special instructions" and an instruction sheet is attached to all factory copies of the purchase order.

One of the main considerations is whether a customer will accept partial shipments or requires complete shipment. If shipping instructions are not included on the contract, it is assumed that partial shipments are acceptable and so noted on the Order Acknowledgement.

#### 3.3.1 Split Orders Within a Product Group.

**È Partial Shipments.** The Production Controller coordinates partial shipments. The due date for each location is used as the due date for each respective line item of the order.

**È Complete Shipments.** The Production Controller assigns one of the factories producing the order as the coordinating location. This information is entered into the Order Header Text. After coordinating with the Factory Managers, the Production Controller establishes a shipping window of 72 hours. Each factory involved is required to ship within this time frame.

**È Billing.** Each factory records sales and the corresponding receivable upon shipment of a partial or complete order. An invoice is mailed to the customer from each location.

3.3.2 Split Orders Across Product Groups. The Production Controller determines which Product Group is to be involved in producing the order, and assign one factory as the order-coordinating location. This information is entered into the Order Header Text.

**The order is entered in each affected Product Group's database as though it were a separate order, with the line items to be produced within that particular Product Group only.** (This will generate a work order number for each Product Group with line items of products only that factory location will manufacture.)

3.3.3 Partial Shipments. The Production Controller ensures each factory receives a copy of the entire purchase order. Unless noted "Partial Shipments not acceptable," different due dates shall be assigned, depending on manufacturing location.

3.3.4 Complete Shipments. After coordinating with the Factory Managers, the Production Controller establishes a shipping window of 72 hours. Each factory involved is required to ship within this time frame.

3.3.5 Billing. Each factory records sales and the corresponding receivable upon shipment of a partial or complete order. Each location invoices the customer.

#### **3.4 Factory Direct Orders (Self-Loading)**

Procedures in this section apply to all factories except Butner Optics, Boron Vehicular Repair, La Tuna Laundry and Refinishing, Maxwell Laundry, Petersburg Refinishing, and McKean Furniture.

For orders received at the factory directly from an outside customer, or from another UNICOR factory, a copy of the order is sent to the CSC for assignment of CCM numbers and entry into SYMIX. For non-EDT factories, the Support Services Specialist

(Data Entry) notifies the factory when the order has been entered and the work order number assigned. The factory maintains the original purchase order.

For expedient processing, the factory reviews the order for accuracy, contacting the customer for any clarifications or modifications needed. This allows the CSC to respond within 24 hours of receipt.

With few exceptions (split orders, incorrect work center, inability to meet delivery schedule), the factory receiving the initial order is loaded to produce the product.

### **3.5 Inter-Factory Sales (Vertical Integration)**

All inter-factory sales for finished goods are handled by Purchase Orders and entered into the SYMIX Order Entry Module by manufacturing location.

### **3.6 Delivery Date Adjustment**

When establishing the due date, every attempt is made to meet the customer's request, or the closest date thereafter. When calculating the due date, the Production Controller factors in the current date versus the receipt date of an order (to compensate for any order processing backlog or customer delays).

Order delivery dates will be confirmed to customers in writing via an Order Acknowledgment. If shipment terms cannot be arranged within the customer's requested time frame, the Production Controller, with guidance from the Factory Manager, negotiates an acceptable alternative date or suitable outcome within 10 working days of the order's receipt.

If the customer does not contest the alternative delivery date within the 10-working-day requirement, the order is entered based upon the alternate date established and confirmed to the customer, in writing, by the CSC.

Once the delivery date has been confirmed to the customer in writing, UNICOR may not change it arbitrarily. Should an exceptional situation necessitate a shipment delay, it must be agreeable to the customer.

If the UNICOR-initiated delay is unacceptable to the customer, negotiation will be required. The Production Controller, Factory Manager, and potentially the AW/SOI and Program Manager shall be responsible for resolution.

If the order includes items involving several product families, with varying production Time Fences, the Production Controller ascertains from the customer's purchase order or contract whether complete shipments are required. If the contract specifies complete shipments, the longest lead time is used for scheduling all items. This will be stated on the Order Acknowledgement to the customer.

## Chapter 4

### PROBLEM RESOLUTION AND COMPLAINT MONITORING

#### **4.1 Problem Resolution**

Problem orders have been defined as orders that cannot be processed due to missing information, pricing errors, other errors/discrepancies, unrealistic delivery dates, etc. During the review process outlined in Order Review Procedures, if a problem is identified, CSC staff is to make every attempt to reach a resolution directly with the customer. If contact is not made with the customer within 24 hours, a letter is sent requesting the required information. The pending order is then placed in a tickler file so the customer can be recalled if no response is received within 10 working days.

If the problem cannot be resolved within the allowed time, or is complex enough to require renegotiation, the order is forwarded to the Program Manager responsible for the products.

The nature of the problem is detailed on the file route sheet and in the Order Header Text, along with the name of persons contacted, date of contact, current status, and date of resolution. Program Managers will address pre-award concerns. This is considered typical contract negotiations or quoting. The Contract Administrator addresses post-award concerns regarding negotiated contracts, with notification and modifications provided to the Production Controller at the CSC.

4.1.1 Pricing Problems. The Customer Service Center will process pricing problem orders when the correct price does not exceed the purchase order amount by more than five percent. The Center will load the factory and advise the customer of the price change as part of the order acknowledgement. If the actual price exceeds the purchase order beyond five percent, the Center will require written modification from the customer.

4.1.2 Other Problems. The following procedures apply to other problem orders:

È Single Factory. If the problem order involves one factory, the Center will enter the order into the system and send to the appropriate factory. The factory will then have the responsibility to resolve the problem (i.e., contact the customer if modifications are needed etc.).

È Multiple Factory. If the problem order involves more than one factory, the following procedures are to be followed:

- < The Center phones and/or faxes the customer immediately, to attempt clarification.
- < The order is entered into the system by the Center as "HOLDWC" (hold work center), and by the problem code which prevents the order from being loaded to any site via EDT.
- < If no clarification is obtained from the customer via fax or phone within three working days, the Center forwards a letter to the customer requesting modification.
- < The Customer Service Center mails a follow-up letter to the customer and end user, if known, after five working days have elapsed with no response. After 10 working days from the second follow-up letter, the order is returned to the customer with an explanation of why it could not be accepted. For preferred customers, however, the order will not be returned.

The order status in the SYMIX order entry module is changed to "S" (stopped) status. If a modification is received at a later date for this order, the status will be changed to "O" (ordered) status and processed with a new delivery date, based upon current loading parameters. Official modification is not required for the due date change (it will be reflected in the order acknowledgment letter as a change from the original purchase order).

## 4.2 Complaints

All customer complaints are the result of not meeting the customer's expectations. There are a variety of ways a customer complaint can be presented, including customer phone calls, letters from the contracting officer, Quality Deficiency Reports (QDR), Unsatisfactory Delivery Reports (UDR) and Quality

Verification Rejections (QV) to name a few. Customer complaints the CSC receives will be logged into the complaints database at Lexington. Customer complaints the factory receives will be logged into the complaints database by the Quality Assurance Manager or his/her designee. The Quality Assurance Manager will logon to the Lexington Customer Service Database. He/She will access the complaints menu from the Customer Service Main Menu, select (1) to add new complaint log entry and enter the required information, including: description of complaint, investigative results and action required.

#### **4.3 Complaint Response Time**

Factories are expected to enter complaint resolutions within 48 hours (two working days) from the time the complaint was logged into the database. Printing, mailing, or faxing complaints to each field location for resolution is to be eliminated.

#### **4.4 Daily Review of Complaint Reports**

Each morning, the designated field person runs a query to determine if any customer complaints were added regarding the factory site. A report is run by using the reports menu option. After logging into the database, the user should select the "Reports Menu", option 4, under the main menu.

È The next screen will describe the Complaints Data Base Reports Options. Select, "Listings --- Complaints Data Base Reports Options. Select, "Listings --- Complaint Log Records" (1). Under this next listing, select (5) "Unresolved Complaints".

È Select output; (T)erminal or (P)rinter. If (P)rinter is selected, enter printer ID, then "return".

È Type in start date (yesterday's date), then "enter". Type in end date (today's date), then "enter". Type in factory abbreviation (AWFT = Allenwood Furniture), then "enter". The number of log entries found will be displayed at the bottom of the screen.

È The report will show the factory abbreviation, the date, and the complaint number. Use the function key F9 to view all individual screens. Use arrow key to select which complaint to view and the "return" key to view the complaint.

È Send the report to either (T)erminal or (P)rinter with printer selection.

#### **4.5 Reviewing Complaint Reports**

The complaint record on screen will show all information entered on that individual customer complaint. Use (T)ext to view information on the complaint. Use (I)nvestigative results to show results of the investigation. Use (A)ction to show what action was taken. Use (U)pdate to fill in any of the above fields and close out the complaint. Press (R)eturn to select next complaint to view, repeat steps to close out the complaint after action is taken.

#### **4.6 Complaint Database Access**

To obtain access to the complaint database in Lexington, Kentucky, contact the Systems Administrator at FTS 355-7435 or commercial (606) 255-2265. A login will be assigned to each user and a printer for the field site will be identified and added to the Lexington system.

#### **4.7 Complaint Monitoring**

The Deputy Assistant Director, Industries, Education and Vocational Training, shall review complaints in the database weekly.

Chapter 5

WAIVER PROCESSING PROCEDURES

**5.1 Introduction**

Because Federal Prison Industries, Inc. is a mandatory source provider for items listed in its Schedule of Products, an ordering office must receive UNICOR's written authorization for clearance prior to placing an order for similar items through outside sources.

Waiver approval is given to government agencies when UNICOR cannot meet their needs for reasons identified below:

**Ē Delivery:** UNICOR deliveries will be consistent with the deliveries for comparable products on the Federal Supply Schedule (FSS), or with good commercial practice when the product does not appear on the schedule. When customers request delivery times shorter than those quoted for comparable products on the FSS, or than is available under good commercial practice, a letter from the contracting officer is required stating the reason for the shorter delivery and attesting to the fact that the products required are, in fact, available from an alternative source in the time frame required. Waivers will not be issued when UNICOR can meet this delivery criteria, unless an acceptable reason for the shorter delivery date is provided.

**Ē Performance Characteristics:** When a waiver is requested based on an assertion that UNICOR's product will not perform as well as another or in the manner the customer desires, the contracting officer must provide in writing, details describing the non-conformance characteristics of the UNICOR product.

**Ē Aesthetics or Matching Existing Item:** Generally, this is not an acceptable reason to grant a waiver request. However, discretion will be used. For example, when additions are being made to a building in which competitive products are installed and new products would be in close proximity to existing items, waivers may be justified. Also, waiver requests will be considered installation compatibility, as in the case of systems furniture and shelving.

## 5.2 Responsibilities

5.2.1. Customer Service Center. The waiver process involves many levels of the corporation. Inmates at the Customer Service Center enter waiver requests into the database as they are either mailed or faxed into the Center. If a waiver is received without all information necessary to process it, the inmates enter the information into the clearance database, with a note in the text stating that the waiver request lacks information to process. The incomplete waiver request is then forwarded to the Marketing Consultant responsible for the geographical region of the customer.

The Consultant has the responsibility to retrieve all information to complete the request from the customer. The files are maintained in the filing system CAN-O-FILE for back-up or appeal purposes. Once the appropriate decision maker decides to approve or deny the waiver, inmates or Customer Service Center civilian staff notify the customer of the decision by fax or mail. Customers can inquire of their request by calling (800)827-3168.

5.2.2. Marketing Consultants. The information from the requests are entered into a database accessible to the Marketing Consultants in the field and Central Office. The Marketing Consultants are responsible for reviewing these requests, contacting the customer if needed, and deciding to approve or deny the requests for waivers. If the waiver request is denied, the Marketing Consultant must contact the customer by telephone or fax, to provide reasons to the customer and document this in the clearance database. This procedure is followed for all waiver requests except for systems furniture requests valued at over \$100,000.

5.2.3. System Furniture Division. The Systems Furniture Division is responsible for reviewing and deciding on waiver requests for systems furniture projects over \$100,000. The filing procedures and customer notification procedures, as well as the appeal process, remain the same.

5.2.4. Management Information Systems Division (MISD). MISD is responsible for providing user manual instructions for those needing to use the waiver database. MISD writes and implements programs which automatically deny or approve waivers.

5.2.5. Ombudsman. The Ombudsman for Federal Prison Industries is responsible for handling all waiver appeals received at Federal Prison Industries. Appeals should be transmitted no

later than 30 days after receipt of the original decision and the appeal should reference the original waiver identification number. Waiver files need to be complete and the decision-maker on the appealed waiver requests should be available for the Ombudsman should questions arise. The Ombudsman will make every attempt to respond to appeals and contact the customer within 10 working days.

### **5.3 Timeframes**

5.3.1. Initial Entry into the Waiver Database. The inmate agents at the Customer Service Center are responsible for initially entering the waiver request within 48 hours (two working days) after receipt.

5.3.2. Decisions. The Marketing Consultants and system furniture decision makers have three weeks (15 working days) to make a decision on a waiver. If a decision is not entered into the database by an inmate agent, marketing consultant, or the systems furniture group, within the timeframe specified, the database automatically approves the waiver, with some exceptions. For example, if a marketing consultant has contacted the customer and is researching and negotiating the waiver request, the consultant can inform MISD and the waiver will not be automatically approved.

5.3.3. Notification to the Customer. The Customer Service Center is responsible for notifying the customer by fax or letter of the waiver decision, once entered by the decision maker, within 48 hours (two working days). Staff at the Center run a daily report that prints letters for the waiver requests that decisions have been entered for that day.

5.3.4. Waiver Appeals. The customer has one month (approximately 20 working days) to appeal the waiver decision. Appeals are written documents addressed to the Ombudsman, Central Office. The Ombudsman has two weeks to notify customer of either waiver appeal decision or discuss with customer reasons why the appeal might take longer to resolve. The Ombudsman also needs to apprise the Waiver Processor Coordinator in Central Office of the final decision so that the database can be updated.