

PS 8340.09 BILL OF MATERIAL AND ITEM STANDARD ROUTING DATA
ACCURACY - FPI



Program Statement

OPI: FPI
NUMBER: 8340.09
DATE: 8/7/2001
SUBJECT: Bill of Material and
Item Standard Routing
Data Accuracy - FPI

1. **PURPOSE AND SCOPE.** To implement procedures for those locations using the **Millennium's** Material Requirements Planning function to test Bill of Material (BOM) and Item Standard Routing (ISR) data accuracy and to maintain that accuracy level at 98 percent.

BOM and ISR data's accuracy is critical to maintaining viable inventory and meeting customer order delivery dates.

2. **SUMMARY OF CHANGES.** References to the SYMIX MRP System were removed and replaced with **Millennium**, UNICOR's new ERP System.

3. **PROGRAM OBJECTIVES.** The expected results of this program are:

a. Accurate and reliable BOM and ISR data will be maintained at each Federal Prison Industries (FPI) factory location.

b. BOM and ISR data will be tested to ensure that accuracy levels are maintained at 98% accuracy.

c. Written plans to improve accuracy will be developed for each location not meeting the BOM and ISR 98% accuracy level.

4. **DIRECTIVES AFFECTED**

a. **Directive Rescinded**

PS 8340.05 Bill of Material and Item Standard Routing
Data Accuracy (FPI) (10/31/97)

b. Directives Referenced

- PS 8000.01 UNICOR Corporate Policy and Procedures
(5/13/81)
- PS 8281.01 FPI Work Measurement Program (6/1/95)

5. STANDARDS REFERENCED. None

6. RESPONSIBILITY. The Associate Warden (AW)(I&E) or Superintendent of Industries (SOI) at each location that uses **Millennium** will implement procedures to monitor the accuracy level of BOM and ISR data.

- If necessary, the AW(I&E)/SOI will develop and implement a plan to achieve a 98 percent accuracy level of BOM and ISR data.

The Factory Manager at each location is responsible and accountable for all BOM and ISR data's accuracy.

The Work Measurement Coordinator is responsible and accountable for all work measurement data's accuracy.

7. ISR ACCURACY. ISRs will be 98 percent accurate. A routing will be accurate if it meets all of the following requirements:

- a. Include all the operations in proper sequence to define accurately the production process, sequence of operations, labor, equipment, and time to complete an item.

Routings are correct when:

- Customer or Product Support Center (PSC) issued drawings and/or specifications are used when applicable;
- All production processes necessary to manufacturing a particular item are included in the routing; and
- Setup, move, queue, and run times are all consistent with work measurement studies.

b. Work measurement documentation will be completed to determine the correct setup and run times.

- Work measurement must be in accord with the Program Statement on the FPI Work Measurement Program.

8. **BOM ACCURACY.** BOMs will be 98 percent accurate. A BOM will be accurate if it meets the following requirements:

a. Part numbers are correctly identified. Overhead items will be included in the BOM at no cost.

BOM part numbers are correct when:

- All raw materials required by customer or PSC approved drawings and/or specifications, if available, are included on the BOM;
- All part numbers identify the correct material required by the drawings and/or specifications, if available;
- All part numbers in the BOM are issued from the Engineering Corporate Item Master data base.

b. Quantities are identified correctly. BOM quantities are correct when the quantity required per item is the same as indicated on the customer or PSC approved drawing and/or specification, if available.

c. Material is separated correctly by the operation where it is used in the manufacturing process.

- Both the item and quantity used must be correct.
- If an item is used in more than one operation the quantity used in each operation must be listed.

9. **TESTING THE ACCURACY LEVEL.** The Business Manager, with the assistance of the Quality Assurance (QA) Manager (or individual performing the QA function), will initiate procedures for testing the BOM and ISR data's accuracy level.

Each month, business office staff will establish a test sample and test for accuracy in accord with the procedure outlined in Sections 7 and 8.

a. Items in the sample will be selected randomly. All items to be tested will be pulled from the current production schedule.

b. The sample to be tested for the month will include 25 items taken from the current production schedule or the entire production schedule if it contains less than 25 items.

c. A BOM or ISR will not be counted as inaccurate where no PSC or customer drawings or specifications are available. However, the lack of drawings or specifications will be documented in the narrative noted in Section 11.

10. **DETERMINING THE ACCURACY LEVEL.** The accuracy level percentage for both the BOM and ISR will be determined by dividing the number of each item tested in which no errors were found by the total number of items tested.

11. **LOCATIONS NOT MEETING ACCURACY LEVELS.** Factory Managers will develop a written plan to improve the accuracy level of the relevant data to the required 98 percent level at locations that do not have a 98 percent BOM or ISR accuracy level.

The Business Manager will report the accuracy test's findings at the monthly financial review. Those findings and the corrective action will be documented in the monthly narrative that is submitted with the Memorandum of Agreement.

12. **LOCATIONS MEETING THE REQUIRED ACCURACY LEVELS.** Locations that meet or exceed 98 percent accuracy levels for BOMs and ISRs may conduct the testing for accuracy quarterly instead of monthly.

- Locations that subsequently fail to meet the 98 percent accuracy must revert back to monthly testing.

13. **ASSISTANCE.** Further assistance can be received from the respective Field Financial Administrator in the Financial Management Branch.

/s/
Kathleen Hawk Sawyer
Director