



**U.S. Department of Justice**  
**Federal Bureau of Prisons**

**PROGRAM STATEMENT**

OPI: FPI/ERP

NUMBER: 8340.11

DATE: July 9, 2015

## **Bill of Material and Item Standard Routing Data Accuracy – FPI**

/s/

*Approved:* Charles E. Samuels, Jr.  
Director, Federal Bureau of Prisons

### **1. PURPOSE AND SCOPE**

To implement procedures for locations using **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 accuracy are critical to maintaining viable production schedules and inventory and meeting customer order delivery dates.

#### **a. Summary of Changes**

*Policy Rescinded*

P8340.09 Bill of Material and Item Standard Routing Data Accuracy – FPI (8/7/2001)

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

#### **b. Program Objectives.** Expected results of this program are:

- Accurate BOM and ISR data will be maintained at each Federal Prison Industries (FPI) factory location using MRP.
- BOM and ISR data will be tested to ensure that accuracy levels are maintained at a minimum 98 percent accuracy.

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

c. **Institution Supplement.** None required. Should local facilities make any changes outside the required changes in the national policy or establish any additional local procedures to implement the national policy, the local Union may invoke to negotiate procedures or appropriate arrangements.

## 2. RESPONSIBILITY

The Associate Warden for Industries and Education (AW I&E) or Superintendent of Industries (SOI)(or Factory Manager for locations without an AW[I&E] or SOI) at each location that uses **Millennium** monitors the accuracy level of BOM and ISR data to ensure that a 98 percent accuracy level is maintained.

The Factory Manager at each location is accountable for BOM and ISR data accuracy.

The Work Measurement Coordinator is responsible for work measurement data accuracy.

## 3. ISR ACCURACY

ISRs will be a minimum of 98 percent accurate. A routing is accurate if it includes all 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:

- Contract specifications and applicable drawings are used when applicable.
- All production processes necessary to manufacture a particular item are included in the routing, in the proper sequence.
- Setup, move, queue, and run times are consistent with work measurement studies and actual shop floor observations.

Work measurement documentation is completed to determine the correct setup and run times in accordance with the Program Statement **Work Measurement Program - FPI**.

#### 4. BOM ACCURACY

BOMs will be a minimum of 98 percent accurate. A BOM is accurate if it meets all of the following requirements:

**Material numbers are correctly identified.** Indirect material items are included in the BOM at no cost.

**BOM part numbers are correct** when:

- All raw materials required by applicable contract specifications or applicable drawings, if available, are included on the BOM.
- All material numbers identify the correct material required by the applicable drawings or specifications, if available.

**Quantities are identified correctly.** BOM quantities are correct when the quantity required per item is the same as that indicated on the applicable drawing or specification, if available.

**Material is separated correctly** by the operation where it is used in the manufacturing process. Both the material number and quantity used must be correct. If a material number is used in more than one operation, the quantity used in each operation must be listed.

#### 5. TESTING THE ACCURACY LEVEL

The Business Manager or Operational Accountant, with the assistance of the Quality Assurance (QA) Manager (or individual performing the QA function), initiates procedures for testing the BOM and ISR data's accuracy level.

Each month, Business Office staff establish a test sample and test for accuracy in accordance with the procedure outlined in Sections 3 and 4. Items in the sample are selected randomly.

All items to be tested are pulled from the current production schedule. The sample to be tested for the month includes 25 items taken from the current production schedule, or the entire production schedule if it contains less than 25 items.

A BOM or ISR is not counted as inaccurate where no applicable drawings or specifications are available. However, the lack of drawings or specifications is documented in the narrative noted in Section 7.

## **6. DETERMINING THE ACCURACY LEVEL**

The accuracy level percentage for both the BOM and ISR is determined by dividing the number of each item tested in which no errors were found by the total number of items tested.

## **7. LOCATIONS NOT MEETING ACCURACY LEVELS**

Factory Managers must 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 or Operational Accountant reports the accuracy test's findings at the monthly financial review. Those findings and the corrective action are documented in the monthly narrative submitted with the Memorandum of Understanding.

## **8. 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 to monthly testing.

## **9. ASSISTANCE**

Further assistance can be received from the Field Financial Administrator in the Financial Management Branch.

## **REFERENCES**

### *Program Statements*

- 8000.01 UNICOR Corporate Policy and Procedures (5/13/1981)
- 8281.01 FPI Work Measurement Program (6/1/1995)

### *ACA Standards*

None.

### *Records Retention*

Requirements and retention guidance for records and information applicable to this program are available in the Records and Information Disposition Schedule (RIDS) on Sallyport.