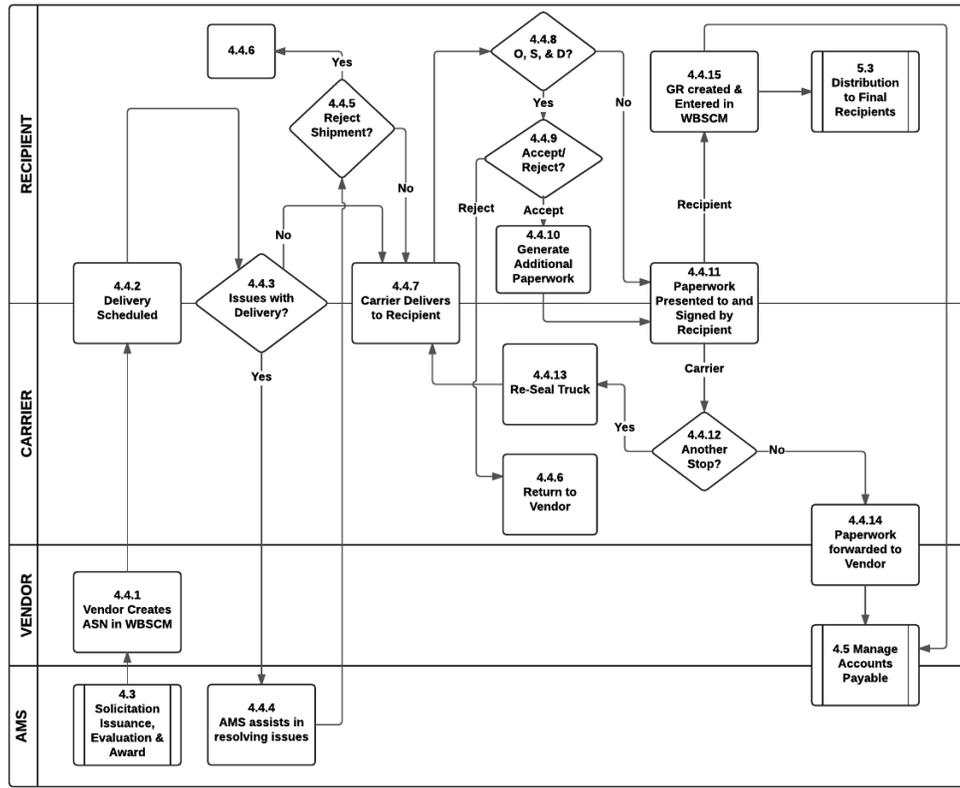


# Procure to Pay (4.4 & 4.5) As-Is Process Flow and Narrative

## 4.4 RECEIVE & MANAGE COMMODITIES

BMI Domestic Team | March 29, 2016



### 4.4.1 Vendor Creates Advance Shipment Notification (ASN)

- ASN is generated and shared with the recipient in WBSCM
- ASN associated with Sales Order (SO), Purchase Order (PO), and SO and PO Line Items in WBSCM
- **Pain Points**
  - Manual process; creation in WBSCM is the only option
    - There is a mass upload option for ASNs
  - Very often vendors do not create ASN as they are supposed to
    - List the NLT date as the delivery date
    - ASN information cannot be changed, causes inaccuracies
    - No penalty
    - Vendors only use ASN for invoicing
- ASN is also used to inform SDA, RA, and Ship-to location of inbound or received shipments

### 4.4.2 Carrier Schedules Delivery

- When AMS makes a purchase, a 2 week period is established in which the vendor must complete delivery
  - For Fresh produce, some delivery windows are only 3 days
- Delivery appointment must be scheduled with the recipient before the delivery can be made
- Delivery appointment must be made 48 hours in advance
  - **Opportunity**
    - Commercial standard is a minimum of 72 hours
    - In some cases appointments must be made 2 weeks in advance

## Procure to Pay (4.4 & 4.5) As-Is Process Flow and Narrative

- Carrier must provide:
  - Sales Order number, Line Item, Product being delivered, quantity, and seal number
  - Should provide sales order number, line item, product being delivered as well
    - May be required soon
- **Pain Points**
  - Often vendors try to schedule the appointment on the last day of the 2 week period
    - No flexibility

### 4.4.3 Decision: Issues with Delivery?

- If yes, proceed to 4.4.4
- If no, skip to 4.4.5

### 4.4.4 Vendor works with AMS when there are issues with scheduling an appointment

- AMS is relatively “hands-off” throughout the delivery process, unless issues arise that need to be resolved.
- **Pain Points/Common Issues**
  - Ship-to/Recipient Contact information is incorrect
  - Carriers do not know what product they are delivering
  - Distributor may require their own PO number
    - Vendor only has WBSCM PO number
    - Recipient uses WBSCM SO number
  - Carrier arrives without appointment, or carrier arrives late for appointment.
    - Missed appointment fees
    - There have been occasions in which the carrier does have an appointment, but is refused at recipient because the recipient is unaware of the appointment
  - Difficulty scheduling appointment
    - There have been occasions in which the carrier has difficulty scheduling because the recipient is unaware of the order or product being delivered
  - Multi-stop shipments
    - If the carrier can’t make delivery at the first stop for any reason, it may move on to the next stop, at which time the first stop’s seal is still on the truck
    - Missing seals
    - BOL/COL not identical format
  - Communication chain
    - Schools → State → FNS → AMS → AMS/FNS → State → Schools
- AMS may grant a waiver for late delivery if the request is outside of the vendor’s control and the vendor has been proactive about communicating the issue
  - Requires set of information on supplier letterhead
  - Create SF30 for PO mod
  - Create request in WBSCM for CO to approve
  - No system message generated to notify recipient when changes occur
  - **Opportunity:** Auto workflow when change delivery address or date
    - PO links to SO
    - SO links to customer
    - Customer master should have email address
  - **Opportunity:** ensure all parties involved are notified when ASN is entered

## Procure to Pay (4.4 & 4.5) As-Is Process Flow and Narrative

- **Opportunity**
  - Not using EDI
    - Can do a file upload of ASNs into WBSCM
- Variable weight products generally have a 10% tolerance
  - 40,000lb order that is supposed to be 1000 cases can be 900-1100 cases
  - Turkey range is 32-48 pounds
  - Creates distribution problem if state WH to Schools

### 4.4.5 Decision: Reject Shipment?

- Recipient decides whether or not shipment will be accepted
- If rejected, proceed to 4.4.6
- If accepted, skip to 4.4.7

### 4.4.6 Return to Vendor

- Carrier brings product back to Vendor or to a 3<sup>rd</sup> party warehouse to be reworked, reinspected, and redelivered.

### 4.4.7 Carrier Delivers to Recipient

- **Pain Points**
  - USDA does not allow Lumper feeds
  - Recipient must unload the truck themselves
    - Can lead to other charges (workers compensation, etc)

### 4.4.8 Decision: Overages, Shortages, & Damages (OS&D)?

- Recipient checks shipment for OS&D
- Common reasons for OS&D
  - **Pain Point**
    - Recipients sometimes assume a certain number of cases are on a pallet. When they count pallets and calculate the number of cases they come up with the wrong number because a different vendor packs a different number of cases per pallet.
    - If wrong amount is unloaded or receipted at a previous stop, there will be a discrepancy at a future stop
    - Schools must try to make up for these short shipments with very little notice
    - This issues is usually fixed on the invoice
      - Ideally the total delivered is reflected on the invoice and should be the same as amount ordered.
- If yes, proceed to 4.4.9
- If no, skip to 4.4.11

### 4.4.9 Accept/Reject?

- If there is a case of OS&D, recipient can choose to either reject the shipment, or accept it with additional documentation
  - If damage or other quality failures are extensive the recipient can refuse the load. Over and short shipments are received and recorded as such.
- If accepted, proceed to 4.4.10
- If rejected, return to 4.4.6

## Procure to Pay (4.4 & 4.5) As-Is Process Flow and Narrative

### 4.4.10 Generate Additional Paperwork

- Paperwork must be generated to document OS&D, which will allow the invoice to be adjusted

### 4.4.11 Paperwork Presented to and Signed by Recipient

- Bill of Lading (BOL)
  - Supersedes all other documents
  - No standard form
- OS&D documents
- For recipients, the process skips to 4.4.15
- For carriers, the process proceeds to 4.4.12

### 4.4.12 Decision: Another stop?

- Some shipments are multi-stop
- If yes, proceed to 4.4.13
- If no, skip to 4.4.14

### 4.4.13 Re-Seal Truck

- Seals used are metal/tamper-proof
- Seal numbers must match BOL
  - Must match COL if provided
- **Pain Point**
  - There is a different seal for each stop
  - There is sometimes confusion over how seal numbers are recorded on the paperwork
  - Some recipients accept shipments with the wrong seal
  - May cause issues with the deliveries further down the line
- Process returns to 4.4.7

### 4.4.14 Paperwork forwarded to Vendor

- Proof of Delivery and/or BOL

### 4.4.15 Goods Receipt (GR) created and entered in WBSCM

- This can be done by either the warehouse or the state
  - Instructions include description of posting date vs doc date
- 48 hours to enter
  - **Pain Point**
    - If shipment is received on Thursday or Friday, it can be difficult to enter within 2 calendar days
    - GR proposes open PO quantity, end user may not check/change
- Multi-Food Warehouses
  - Only FNS can edit GR
- **Pain Point**
  - GR not always entered correctly and/or on time