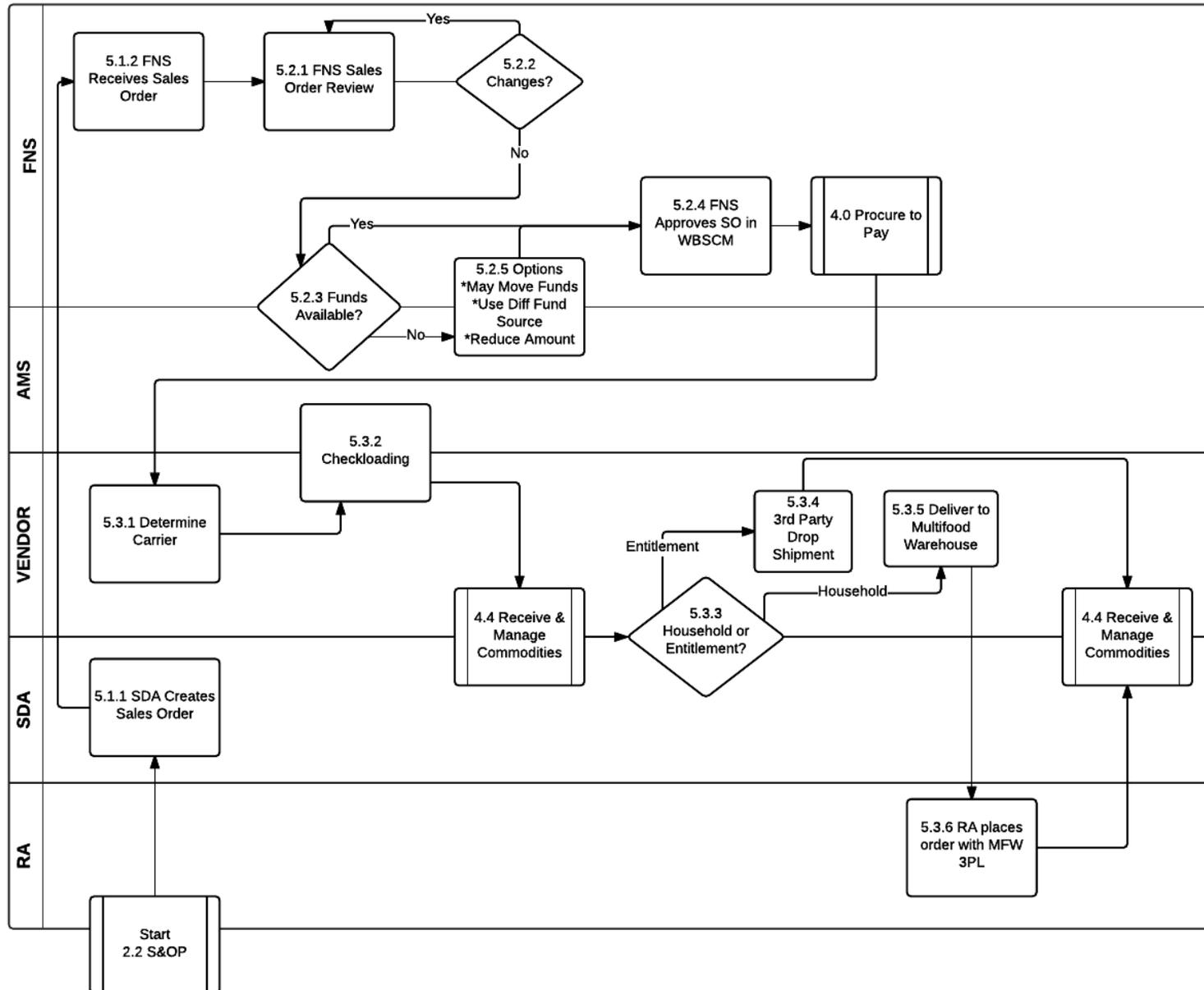


5.1 RECEIVE SO; 5.2 SO APPROVAL; 5.3 DISTRIBUTION TO RECIPIENTS



5.1.1 SDA Creates Sales Order

- State and National Warehouse ordering for FDPIR & CSFP enter the Sales Order (SO) into WBSCM
 - Some National Warehouse requests come in as requisitions rather than sales order; fulfillment component continues in the same manner as those originating from a SO
- Catalog specifies available delivery dates for each product; state filters dates/demand from RAs
- Funds are committed based on the average selling price at the time the SO is entered
- Funding source is associated with Sold To party on the SO
- **Pain point:** States are required to offer all foods available, however this creates issues with the FTL order quantity requirement and order minimums with processors/distributors at the school level
- **Pain Point:** Sometimes processors change the delivery address directly with the USDA and the SDA is caught unaware
- **Pain Point:** Once entered into WBSCM, the SO can only be changed by FNS

5.1.2 FNS Receives Sales Order

- FNS manages SOs and customer requests

5.2.1 FNS Sales Order Review

- SO is reviewed for accuracy
- **Pain Point:** Ship to Addresses change regularly, often requires a correction on the SO after submission

5.2.2 Changes?

- If FNS review indicates changes are needed, they contact the requestor, get the appropriate information and modify the SO

5.2.3 Funds Available?

- AMS, in accordance with the purchase schedule, confirms that funds are available to procure the items
- **Pain Point:** Unnecessary step in the process since SAP has funds control capabilities. FNS staff can view available funds and make same determination. Also, SAP will not allow order approval and creation of PR (funds commitment) if insufficient funds.

5.2.4 FNS Approves SO in WBSCM

- Once order is completed and funds are known to be available, FNS approves the SO
- Approved SO generates purchase requisitions for order by AMS

5.2.5 Options – May Move Funds, Use Different Fund Source, Reduce Amount

- If funds are not available, options exist to secure budget to execute the procurement:
 - May move funds from one source to another
 - May use a different fund source
 - May reduce the purchase amount
 - Cancel open orders to decommit funds
 - Put order in statistical status

5.3.1 Determine Carrier

- Orders are FOB Destination; vendor is responsible for arranging transportation of product
 - Consequences of this favor larger and vertically integrated suppliers
- Requested delivery date is communicated to the carrier
- Carrier is responsible for making the delivery appointment
 - Delivery appointment required 24-48 hours prior to delivery (n.b. commercial standard is 72 hours)
 - **Pain Point:** Deliveries tend to be weighted toward the back end of the two week delivery window specified on the PO
 - Some warehouses charge rescheduling fees when carrier does not arrive as scheduled
 - **Pain Point:** the Seals do not always correlate to the number on the Bill of Lading. And sometimes the carrier does not reseal the truck when the shipment is a multi-stop shipment. Both of these concerns delay receipt of the shipment at the destination point until the state agency resolves the concern with USDA.

5.3.2 Checkloading

- Vendor is responsible for scheduling the checkloading inspection based on product specifications (not all products are checkloaded)
- Large processors often have on-site inspectors, which reduces the problems encountered with scheduling
- **Pain point:** Delays in checkloading can cause a ripple effect on delivery scheduling. Correspondingly, carrier unavailability can cause checkloading appointments to be rescheduled. The ASN should reflect the date of the delivery appointment, hence the circular impact of these variables causes ASNs to be entered nearer the delivery date than optimum. Process ideally is arrange carrier, submit ASN, confirm delivery schedule, checkload, deliver product.
- **Pain Point:** Vendors cannot change ASNs once they are entered into WBSCM

5.3.3 Household or Entitlement?

- Follow on steps are dependent on the type of program

5.3.4 3rd Party Drop Shipment

- Items for NSLP and TEFAP typically get shipped to the State-directed WH or to the recipient (e.g. school district, food bank or distributor) directly from the supplier
- FTLs may be composed of multiple drops based on recipients aggregating orders and splitting the delivery
- CSFP also takes about 70% of their deliveries direct rather than from the MFWH
- Truckloads are sometimes receipted by USDA rather than the state
 - **Pain Point:** This is an issue when the actual number received (including damages) does not match the numbers entered by USDA
- Once entered, USDA is unable to modify the entry.
 - **Pain Point:** Sometimes USDA receipts for shipments that have not been received by the destination.

5.3.5 Deliver to MFWH

- Household items are delivered by suppliers to a MFWH for bulk break and distribution to recipients

5.3.6 RA Places Order with MFWH

- Household recipients order items as early as 30 days in advance of desired deliveries but no later than 7 days before scheduled delivery date.
 - AK orders are placed as early as 60 days in advance but no later than 30 days before scheduled delivery date
- 3PL WH operator pulls down orders for pick, pack and ship 7 days in advance
- 3PL WH enters BOL data daily for out-bound deliveries
- Admin/handling fees are required to cover cost of storage and distribution labor costs