DEPARTMENT OF CORRECTIONS

Policy Number:	**402.200**
Title:	**MINNCOR Reimbursement from Vendor**
Effective Date:	**11/6/18**

PURPOSE: To 1) assure prompt and efficient handling, processing, and resolution of service calls and return orders; 2) establish documentation and accountability for parts and labor costs associated with vendor-caused service calls and installation returns; and 3) establish a systematic method to document failures in vended components and process to the vendor for the appropriate compensation to the Minnesota Corrections Industries Program (MINNCOR).

APPLICABILITY: All vendor-supplied materials, products, subassemblies, assemblies or other components found to be unacceptable or unusable by MINNCOR customers and as a result require MINNCOR to incur labor expense, shipping expense, subcontractor expense, or product purchases to correct the problem.

DEFINITIONS: None

PROCEDURES:

A. Customer service ensures prompt processing of all service and return work orders. The business unit shop supervisor monitors all service/repair and return orders of respective business unit orders and may utilize business unit shop staff, install-services staff, or other approved private firms to complete service orders on time.

B. Repair/warranty is indicated on production sheet and all repair orders are identified and categorized as repair parts and labor in the enterprise resource planning (ERP) system.

C. All warranty/repair and return orders are started within 15 days from the day that customer service is contacted. If non-inventory parts, special material, or fabrication is required, the business unit supervisor must contact the customer directly and send a work order change form to change the due date of the order in the ERP system, as discussed with the customer.

D. The respective shop supervisor provides return order and warranty/repair order information to MINNCOR customer service to verify changes with the customer. All changes are noted and MINNCOR customer service corrects the database.

E. The vice president of operations periodically examines service and return open orders, invoiced orders, customer service data, and the field service report to ensure compliance with this directive. Any non-compliance is documented in the electronic data management system.

F. The Field Service Report (FSR) (attached) and vendor return authorization form are the vehicles that catalyze the invoice of additional labor cost and the return of vendor components MINNCOR incurred to correct the problem.

G. The MINNCOR staff or authorized agent on the customer site, to complete the service call or return, fills out the FSR. The respective supervisor initials the report and forwards it to MINNCOR accounts receivable (if applicable) for credit billing to the customer. MINNCOR

customer service, the relevant production supervisor, the buyer, and the operation director also receive a copy.

H. Customer service enters the repair/return issue into the ERP/accounting system.

I. The shop supervisor includes a copy of FSR form and completes and include, if applicable, the returned merchandise authorization form for parts credit. The form is sent to the applicable buyer and facility director to initiate receiving a credit from the vendor.

J. The buyer directly involved with the issue records and submits a vendor report to the inventory manager.

INTERNAL CONTROLS:

A. Accounting information for repair/warranty work is retained electronically in the ERP.

ACA STANDARDS: None

REFERENCES: Minn. Stat. § 241.27
Policy 402.210, "MINNCOR Product Repair"

REPLACES: Division Directive 402.200, "MINNCOR Reimbursement from Vendor," 8/5/14. All facility policies, memos, or other communications, whether verbal, written, or transmitted by electronic means, concerning this topic.

ATTACHMENTS: Field Service Report (402.050A)

APPROVALS:
Deputy Commissioner, Facility Services
Deputy Commissioner, Community Services
Assistant Commissioner, Facility Services
Assistant Commissioner, Operations Support