WI0047-Quarantine

MNX Global Logistics

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# **Scope**

The scope of this process extends to all SPL agents and internal team members within the Service Parts division of MNX Logistics. This process defines the generic Quarantine expectations. In conjunction with this, please refer to any client specific SOPs for additional business rules or requirements.

# **Systems**

* Netagent: <https://netagentgxa.nglog.com>
* Connect: <http://connect.nglog.com/Login>

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# **Definition**

* **Quarantine** – Process for receiving and segregating non-conforming inventory. At times, the customer will ship inventory into MNX FSL locations that need to be reviewed prior to receiving into available inventory. Quarantine will allow for the systemic visibility of this non-conforming inventory by all parties and provide the mechanism by which this product will be processed systemically and physically.

# **Moving Inventory into Quarantine**

* The customer will ship inventory into MNX FSL locations. As part of the receipt process, these shipments must be compared against all open receipts in the Operations tab in Netagent.
* Quarantine can be initiated in 2 ways, depending on the existence of an ASN.
  + With ASN: FSL has identified a corresponding ASN, but the inventory received is non-conforming (damaged, does not match ASN, lack of necessary details, etc)
    - FSL will access open ASN
    - Any and all product that is non-conforming must be checked/flagged within the existing ASN
      * Each item and quantity being should be quarantined using the associated quarantine code, based on reason for non-conformance (refer to quarantine code list below).
      * FSL should enter any pertinent notes and/or images to assist MNX and the client in identifying and releasing and quarantined inventory.
    - Upon the completion of the systemic quarantine, the MNX team will facilitate disposition and release/remove with appropriate systemic resolution.
  + Without ASN: FSL has no open, corresponding ASN for a delivered shipment.
    - FSL will validate that no open ASN exists.
    - Upon validation of the absence of an ASN, FSL will utilize the Quarantine link from the main operations – inventory tab in Netagent.
      * FSL will enter all pertinent information into the direct quarantine menu, including (but not limited to) Account#, inventory category, carrier and tracking information, client reference information, etc.
        + Refer to client specific SOPs for required information
      * Each item and quantity should be quarantined using the associated quarantine code, based on reason for non-conformance (refer to quarantine code list below).
    - Upon the completion of the systemic quarantine, the MNX team will facilitate disposition with the customer and release/remove with appropriate systemic resolution (refer to quarantine resolution code list below).
* All items quarantined MUST be segregated in the designated area within the warehouse

# **Moving inventory out of Quarantine**

* Once the inventory has been quarantined, it will be reviewed by MNX daily and processed accordingly.
* MNX will review all records and determine disposition of inventory quarantined.
* MNX will work with customer and agent in order to compile all required information.
* Inventory that has been cleared to receive by MNX or affected customer will be released accordingly, using the pertinent resolution code (refer to quarantine resolution code list below).
  + These released items will appear on the Netagent inventory task log as Receipt from Quarantine.
  + These items can now be facilitated as per normal receipt process and updated accordingly.
* The released inventory must be removed from the designated quarantine area and labeled and stocked accordingly.
* If quarantine record was created due to non-receipt of inventory, resolution to be determined in conjunction with the client as to whether to keep record active or closed accordingly
* Items expected and not received and/or quarantined due to missing status will either be resolved as shrinkage or non-shrinkage depending on reconciliation results.

# **Quarantine and Resolution Codes**

**Quarantine Reasons:**

1. Stock Out  
   Used whenever a piece shown systemically is not available physically during an outbound/order.   
   **Quarantine Action On:** Outbound (Action done by CEC/FATL)
2. Unexpected Receipt  
   Used whenever inventory is received without an ASN or when Extra parts not on the original ASN are received   
   **Quarantine Action On:** Receipt
3. Part Details Don’t Match ASN  
   Used to indicate that parts received are identifiable as valid parts on the ASN, but other details of the part do not match what was expected.  
   **Quarantine Action On:** Receipt
4. Expected Parts not Received  
   Also known as a “short”, this is when a shipment is received, but not all expected parts were found in the receipt.  
   **Quarantine Action On:** Receipt
5. Packaging/Inventory Damaged  
   Used to quarantine inventory that is suspected damaged, or is unshippable.  
   **Quarantine Action On:** Receipt, FSL Inventory, CC, Outbound
6. Part Unidentifiable   
   Used when inventory arrives but the part details cannot be confirmed against the ASN. i.e. a valid ASN exists and the tracking # matches, but the part received has no identifying information with which to confirm.  
   **Quarantine Action On:** Receipt/ASN, FSL Inventory
7. MNX/Client Request:

Used when inventory requires to be quarantined and/or situation is non-conforming to other reasons. Client or MNX may instruct this at discretion.

**Quarantine Action On:** Receipts/ASN, FSL Inventory

1. Cycle Count:

System driven process of moving parts from a cycle count exception to Quarantine log.

**Quarantine Action On:** Cycle Count WO (system does automatically)

1. Expired Product:

System driven process of moving product at the moment of expiration based on system set up.

Used when product has expired and requires to be quarantined.   
**Quarantine Action On:** FSL Inventory

1. Consumable Part Returned:

Used when inventory returned is classified as non-returnable. These items traditionally do not ship with a dedicated return label, yet the items return along with returnable parts.

**Quarantine Action On:** Receipt

1. Incorrect Return Label Used:

Used when returnable inventory arrives but not returned to the depot on the original dedicated label.

**Quarantine Action On:** Receipt/ASN

1. Missing Paperwork:

Used on returns that are missing RMA or other identifying documents. The documents are needed to help determine the condition of the item, origin outbound reference info and the receiving ASN.

**Quarantine Action On:** Receipt/ASN

**Resolutions:**

1. Release to Inventory  
   Releases the inventory from quarantine and creates a “From Quarantine” ASN for it to be received by the FSL.
2. Repackage  
   Releases the inventory from quarantine and creates a “From Quarantine” ASN for it to be received by the FSL. ASN includes instruction to Repackage the inventory.
3. Relabel  
   Releases the inventory from quarantine and creates a “From Quarantine” ASN for it to be received by the FSL. ASN includes instruction to Relabel the inventory.
4. Return to Customer  
   Immediately inbounds the inventory and places it on an outbound order; the user resolving the part in this way must enter the delivery location and instructions to complete the resolution.
5. Dispose  
   Immediately inbounds the inventory and places it on an outbound order; the user resolving the part in this way must enter the delivery location and instructions to complete the resolution.
6. Resolve to Shrinkage

The quarantine record is marked resolved and no action is taken. Items resolved in this way are reported annually to determine liability against MNX’s contractual shrinkage allowance, if any. This is used for truly lost or destroyed inventory where MNX is at fault.

1. Resolve no Shrinkage  
   The quarantine record is marked resolved and no action is taken. This is used when the record was created in error or resolved through other means.
2. Carrier Loss

The quarantine record is marked resolved and no action is taken. This is used when the record is resolved as and deemed not delivered by the 3p carrier.