

**Specification of Competency Standards**  
**for the Automotive Industry**  
**Unit of Competency**

Functional Area - Parts Management

Title	Establish the procedure for stock condemnation
Code	108617L5
Range	This unit of competency is applicable to the practitioners in the inventory monitoring and management department for establishment of effective condemnation procedure according to the conditions and salvage value of different parts and accessories.
Level	5
Credit	6 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Knowledge (Conditions and demand of stock)</p> <ul style="list-style-type: none"> <li>• Good understanding of the characteristics of stock, such as sales record and the time limit for storage.</li> <li>• Identify the validity of stock, such as damages.</li> <li>• Master with the decay time line of different types of vehicles.</li> <li>• Good understanding of the management methods for different stock.</li> <li>• Master the resources available and risks affordable by the organisation.</li> </ul> <p>2. Performance (Establish the procedure for stock condemnation)</p> <ul style="list-style-type: none"> <li>• Establish the conditions for condemnation according to the characteristics and salvage value of the stock, such as: <ul style="list-style-type: none"> <li>○ The sales data, life cycles and decay time line of different types of obsolete vehicles and related parts and accessories</li> <li>○ The sales opportunity of stock</li> <li>○ Damaged or malfunction stock</li> <li>○ Balance sales return and storage cost, such as deposition and interests.</li> </ul> </li> <li>• Establish the approval procedure for condemnation of stock, such as: <ul style="list-style-type: none"> <li>○ The rank of the responsible staff</li> <li>○ Records of items and quantity etc.</li> <li>○ Cycle of handling the condemned stock</li> </ul> </li> <li>• Establish the handling methods for condemned stock, such as destroy, disintegrate or designated criteria of the waste recovery traders.</li> <li>• Review the effectiveness of the procedure for condemnation of stock, such as the monitoring of condemned items and review regularly stock level of the stored or damaged items to adjust respective strategy and report to the inventory level monitoring department.</li> <li>• Establish contingency procedure for cases such as accumulation of condemned items and unreasonable condemnation.</li> </ul>
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are that the practitioner being assessed shall prove that he/she is:</p> <ul style="list-style-type: none"> <li>• Capable of establishing the conditions, procedures and destroying methods for condemned stock according to the states and salvage values of different stock items to minimize organisational loss and normalize the utilisation of resources; and</li> <li>• Capable of reviewing the effectiveness of the procedure for condemned stock, adjusting the condemnation strategy and optimizing the handling procedure.</li> </ul>
Remark	