

## ***ABSTRACT***

*XYZ Department of Health is one of the regional autonomy implementer in the health sector that has a responsibility to help the government in performing government affairs based on regional autonomy principle and helping in other health duties for the citizen. One of the product that should be fulfilled is vaccine.*

*XYZ Department of Health did not implement standardize inventory policy yet. The inventory calculation was done just by estimating the best amount for every purchase. It caused overstock that made the total inventory cost was so high. The overstock could be up to 895% or 9 times more than needed, which was caused high cost and increasing of expiry risk.*

*The objective of this research is determining the best inventory policy for the vaccine in the XYZ Department of Health. The inventory policy that used is Continuous Review (s,S) because the pattern of vaccine demand is probabilistic and normal distributing and inventory checking is conducted regularly. Based on the calculation, implementation of this method can make in saving total inventory cost up to Rp 3,463,147.88 or 51.3% compared to existing conditions.*

***Keywords:*** *Inventory, Probabilistic, Continuous Review (s,S), Overstock*