

1000.9 SUBJECT: CITY STORES

:1. .OBJECTIVE:

To provide procedural guidance to City Stores' customers and those personnel engaged in the day-to-day operation and management of the City Stores warehouse.

:2.. AUTHORITY:

This procedure amended by City Council September 15, 2003.

:3.. DIRECTION:

The Director of Purchasing and Materials Management, as an appointed official, serves at the pleasure of, and receives direction from the Mayor through the General Administration Department Director

:4.. METHOD OF OPERATION:

A.. Introduction

This procedure establishes a uniform system for obtaining and controlling materials and supplies. Included are the methods and practices for requisitioning, issuing, storing, accounting, and disposing of materials by the City Stores Section. Additional directives, as required, may be issued to supplement any portion of this procedure.

The Materials Management Supervisor, acting through the City Stores Supervisor, will maintain this procedure by the timely issuance of changes or supplements as necessary. The Materials Management Supervisor will also ensure appropriate coordination of this procedure and any subsequent changes or additions with all City bureaus/offices. The functions of ordering, receiving, and issuing supplies, and maintaining status of all open requisitions and various other stock control functions are part of the FOCIS system.

B. .. Scope

The Inventory Sales Order System comprises two major functions: warehousing and inventory control. These functions interface with the City Accounting and Control Bureau in such areas as accounting, budgets, records, and cost control. City Stores is concerned with the receiving and issuing of supplies, tools and equipment shipped to, purchased, and used by designated City activities.

C. ... Policy

City Stores will obtain and control materials and supplies required to satisfy customer demands and audit requirements in a timely manner.

D. ... Responsibilities

Responsibility for conducting inventory management and City Stores' operations in accordance with this procedure is delegated by the Director of Purchasing and Materials Management to the Materials Management Supervisor.

The City Stores Supervisor will ensure operations are conducted in compliance with this procedure.

E. ... Functions

City Stores is responsible for the following functions:

1. .. Receipt and inspection of items at the warehouse.
2. In-storage maintenance of supplies.
3. .. Receipt, review, and processing of customer requisitions.

4. .. Issue of materials and supplies.
5. .. Submittal of purchase requisitions for stock replenishment.
6. .. Maintenance of inventory records and controls.
7. .. Disposal of excess supplies.
8. .. Interface with Technology Management and Accounting.
9. .. Preparation of reports as required by higher authority.

F. .Organization

The organization for fulfilling the City Stores responsibility is directed by the City Stores Supervisor who reports to the Materials Management Supervisor. The Supervisor manages a number of personnel responsible for specific areas and functions including requisitioning, warehouse operation, inventory control, receiving and inspection, physical inventories, document control, and stock records.

G. .. Documentation

Various forms and records to be used in the City Stores function will be described in this procedure. Many of these are accountable documents, which will be so identified; and they must, therefore, be prepared and distributed with due care. Any form which is serially numbered is automatically considered an accountable form/document.

H. .. Requisitioning

Requisitioning is the basic supply action which generates a chain of events terminating in the receipt of material in the warehouse and/or issue of material to the requestor. The methods used to requisition supplies are as follows:

1. . The City Stores Sales Order System is designed to allow users to requisition, approve, and receive City Store supplies through J. D. Edwards One World System which consists of the following modules:
 - a. .. Entering normal City Stores order.
 - b. .. Approving normal City Stores order.
 - c. .. Entering outside City Stores order.

To activate the City Stores Order System, access the J. D. Edwards One World System, select Purchasing/Inventory/City Stores, select City Stores processing, enter a City Stores order - normal.

2. The normal method of requisitioning will be direct pick-up by the requisitioning activity after entry of the requirement via J. D. Edwards One World System explained above.
3. .. Whenever a customer returns stock items to the warehouse for credit, the City Stores Supervisor will inspect and verify that the item(s) is: carried in the Store account, the correct unit of issue, and in new condition. If the returned item(s) meets the stockage criteria, the City Stores Supervisor will credit the customer's account via Sales Order System.

I... City Stores Stock Fund/Account

The City Stores Stock Fund (CSSF) is a revolving working-capital "pool of money" used to finance the purchase and maintenance of common supply items required for the support and operation of City departments/bureaus/offices. This money is used to buy material which, when purchased, becomes part of the CSSF, and remains in inventory until needed by an activity customer. The CSSF is used repetitively to procure stocks of

"common use items," i.e., the types of items for which ultimate disposition or user cannot be determined in advance, but the need is based on past utilization or user recommendation. When the material is finally issued to the ultimate user, the funds financing the operation of the user are charged for the value of the issued material; and the CSSF is credited for the value of the material. The total value of material and cash in the CSSF thereby remains constant. The CSSF is the Stores' account or functional account in which the materials held until issued to an end user and assignment of the proper cost code is accomplished. The value of the material in this account fluctuates constantly. Accounting-wise, the CSSF is composed of both money and material and remains constantly at its authorized value with the "mix," or ratio, of money to material constantly changing.

The use of the CSSF concept makes it possible to have the ultimate consumer pay for the material he uses, which gives him a greater interest in achieving economy, and permits a clearer budget picture of the cost of operating individual units or bureaus.

Bench or Shop Stocks do not become part of the CSSF as these supplies are charged directly to the user when purchased from Contracts or by regular procurement action.

Account Number 162 is used for all CSSF activity and Account Number 166 is used by City Stores for operational requirements such as pest control services, maintenance, and office supplies.

J. .Stockage Policy and Procedures

1. .. General

Stockage is the storing of supplies in anticipation of customer demands. Stockage permits a supply source to readily satisfy customer demands in a very short time frame. Major end items (e.g., desks, typewriters, calculators) will *not* be stocked. Stockage will, in general, be limited to expendable items which are demand-supported. Items may be requested for stockage by sending a memo to the City Stores Supervisor.

2. .. Authorized Stockage List (ASL)

Whenever three separate requests are received for a specific item within a 360-day Period, the item is automatically authorized to be included in the ASL. For retention of an item on the ASL, at least one request must be received within a 360-day period. Customers may request an addition to the ASL by submitting a memo to the City Stores Supervisor who will process the request to the approving authority with appropriate comments. Once an item is approved for addition to the ASL, the retention policy will apply.

3. .. Review of Inventory Levels

In order to ensure that the inventory levels kept at City Stores are not in fact excessive and to ensure that the limited resources of the City are effectively utilized, the City Stores Supervisor shall review inventory levels on a per item basis periodically and verify that maximum inventory levels are accurately established in the perpetual inventory records of City Stores.

K. Inventory Count Procedures

The following procedures describe in detail the responsibilities of each member of the inventory team. These procedures are published in order to enhance the orderly flow of the inventory.

1. .. Responsibility for conducting the inventory shall be vested solely with Purchasing and Materials Management, who shall assign an inventory supervisor. This individual will remain independent of the actual physical inventory, and will be present solely for the purpose of resolving questions or problems involving the inventory procedure.
2. .. Inventory teams shall consist of two (2) persons: A counter and an observer.
3. .. The following procedure shall be used as the standard for performing the inventory:
 - a. .. The counters responsibilities include the following:
 - (1) .. Physically locate each group of parts/supplies and examine the part/supply number. All shelving units and/or open areas will be inventoried left to right, top to bottom.
 - (2) .. Count the number of pieces and call the quantity to recorder.
 - (3) .. After verification of accuracy as to quantity, place a small piece of tape on the bin.
 - (4) .. Upon completion of an entire area or unit place a long strip of tape across the entire area to designate this area as being completed.

- L. The recorders responsibilities include the following:
 1. .. After hearing the number of pieces counted, scan the bar code tag with the scanner.
 2. .. Confirm quantity by calling back the number before entering the quantity in the scanner.

- M. The inventory supervisors responsibilities include:
 1. .. Prior to the start of the inventory, hand out copies of procedures and give a verbal explanation of these instructions. Strict adherence to procedures should be emphasized. If at anytime during the inventory process a varying from these procedures is observed a reminder of correct procedures shall be given to the individual.
 2. .. Resolving any problems and answering all questions that should arise during the inventory process.
 3. .. Assign each team a beginning and ending location within each facility.
 4. .. Do spot checks for accuracy.

- N... Use of Bar Code Scanner Program
This program controls the collection and transmission of inventory data through a series of prompts which allow data to be entered and saved into a file on the reader. A second section then allows the collected data to be transmitted to the PC. Data entry is accomplished by scanning bar code labels to input commodity number, and then entering a quantity through the scanner keyboard. Throughout the collection/transmission instructions, IR signifies a prompting display on the Intermec Reader. User signifies actions and responses to be made by the person collecting and transmitting the data.

- O. Inventory Valuation and Write-Off Procedures
 1. Following the inventory counts, the City Stores Supervisors will query the Sales Order System for the City Stores Inventory Report. A copy of the report and a recommended list of obsolete or defective items will be forwarded to the Materials Management Supervisor, who will make the necessary inventory adjustments and/or write-offs. The only persons authorized to approve inventory

write-offs are the Materials Management Supervisor, Assistant Director of Purchasing and Materials Management, and the Director of Purchasing and Materials Management.

:5 FORMS:
None.

:6. COMMITTEE RESPONSIBILITIES:
None.

:7. REFERENCE:
Chapter 7 of the City Code. This procedure adopted by City Council August 11, 1986, Item 9, A-3; amended August 15, 1988, Item 14, A-13; amended July 26, 1993, Item 5-SS; amended November 13, 1995, Item LL; amended July 19, 1999, Item 2-B; amended April 17, 2000, Item 3-D; amended September 15, 2003; policy section # changed from 191.9, April 2004.

:8. EFFECTIVE DATE:
This procedure effective September 15, 2003.