



Manitoba Operations

STANDARD PROCEDURE INSTRUCTION

Title		SPI
Delivery of Supplies		# 28-2
Department	Supersedes SPI Dated	Effective Date
Purchasing and Warehousing	March 2001	September 2002

1. PURPOSE

1.1 To ensure that material is on the job site when required by the using department.

2. SCOPE

2.1 All material controlled by the warehouse; and stockless material delivered by vendor direct to requisitioner.

3. CONTROL

3.1 Transportation delivery vehicles report to the Industrial Store person
Phone 778-2118 for inquiries.

3.2 Deliveries by vendor will use the pick slip to record receipt of material by requisitioner; then take pick slip to the Main warehouse receiving for processing. See appendix 'A' for procedure.

4. PROCEDURE

4.1 STOCK MATERIAL

4.1.1 Requests for material will be sent to the warehouse on a computer generated requisition with the delivery instructions clearly shown.

4.1.2 Material will be marked with delivery instructions along with the work order number, if applicable, as indicated on the electronic pick slip.
- Pick slip will be taped to material when practical.

4.1.3 Credit items may be returned to the warehouse by Transportation vehicle providing item is tagged with the stock code number and requisition #. mark 'CREDIT DELIVER TO MAIN WHSE'.

4.2 DIRECT OR CAPITAL CHARGE MATERIAL

Material will be tagged with the information as indicated on the purchase order. (P.O. #, work order or charge account#, plant, work area and individuals name).

- 4.3 Material will be loaded for delivery to the various areas according to schedules established by user areas and the warehouse. (Appendix 'B')
- 4.4 Material requested from all outside storage locations, (pipe, steel, etc.), will be delivered according to requisition priority.
- 4.5 Emergency orders will be given first consideration in all cases.

APPROVED _____ (GENERAL MANAGER, THOMPSON OPERATION)

DATE _____

#62 TRUCK DELIVERY SCHEDULE

AM	7:00 - 7:30	MINES RESEARCH, SHOPS, BTREE MINE, DR 29 REFY
	7:30 - 8:15	PICKUP BUS SHIPMENTS
	8:15 - 9:00	T-1 MINE, MILL, COMP. BLDG, SMELTER DR 6
	9:00 -10:30	T-3 MINE, T-3 2400 & 3200 GARAGE, T-3 OFFICE, 1-D PICKUP CORES AND CREDITS
	10:45 -11:30	DR 21 SMELTER, DR17 REFY
	11:30 -12:00	GENERAL OFFICE
PM	12:30 - 1:30	DR 29 REFY, SHOPS, BTREE MINE
	1:45 - 2:30	T-1 MINE SURFACE, T-3 MINE SURFACE, DOWNTOWN PU
	2:30 - 3:00	CLEAN-UP MISC DELIVERIES END OF DAY

BOOM TRUCK SCHEDULE

**AS REQUIRED BY SIZE OF MATERIAL AND PRIORITY
INDICATED ON REQUISITIONS**

Vale

Thompson Operation

Stockless (Vendor) Warehousing

Prepared By: M. Hoskins

Created: **Jan 17, 1998**

Revised: **Sept 12, 2002**

N:\procedures\stockless\localstockless.doc

TABLE OF CONTENTS

Introduction.....	3
Definition	3
Item Criteria for Stockless (Vendor) Warehousing.....	3
Goals and Objectives	4
Vendor Responsibilities for Supplies.....	4-5
Responsibilities of Participants for Request & Receipt	
End User.....	5
Vendor.....	5-6
Warehouse Receiver (store person).....	6
Responsibilities of Participants for Invoicing	
System Administrator	6
Vendor	7-8
Purchasing Officer	8
Accounts Payable	8
Examples	
Picking Slip.....	9
Invoice	10-11
Non – Actioned Report	12
Stockless Invoice Discrepancies Form.....	13
Monthly Summary	14
Returning (crediting) Material	
Responsibilities of Participants	
End User	15
Vendor.....	16-17
Warehouse Receiver (store person).....	17
Purchasing Officer	18
Accounts Payable	18
Examples	
Requisition creation.....	19
Picking Slip	20
Pass Out and Receipt	21
Glossary of Terms.....	22

- Any questions or concerns on the “Stockless (Vendor) Warehousing” process can be directed to Marjorie Hoskins @ 778-2460

Introduction

Traditionally Vale has carried large quantities of consumable materials in various warehouses to support its operation because:

1. It could take too long to order and receive new materials
2. It was the way Vale operated and was an accepted industry practice.
3. Lack of technology

Rapid changes in the marketplace and the implementation of ELLIPSE have significantly impacted on the ability of the warehouses to receive and issue material. In addition, the costs of maintaining inventory has been an increasing concern, as the Thompson Operation works to reduce its overall costs.

With the potential automation of our "ARW" (as required - warehouse will order) and enhancements to internal systems the Thompson Operation now has the capability of providing materials to the customer, reliably, and consistently in a very short period of time. Benefits include improved warehouse productivity, additional space for critical spares and fast, reliable service for the customer.

For the internal customer, when stock material on a "Stockless (Vendor) Warehousing" contract is requested in the "Stock" issue system, the request is automatically faxed to the vendor, not the Vale warehouse. The vendor will normally deliver within a 24 hour period, and a target of 2 deliveries per day. Emergency requests can normally be accommodated, provided this service has been negotiated in the contract.

Vale 's users should recognize that, although with some suppliers and commodities, all inventoried items may be placed on a stockless (vendor) warehousing contract, this may not always be the case. When an item is slow moving, is deemed to be critical to the operation, or not regularly carried by the supplier, Vale will continue to maintain the inventory in the warehouse to ensure that it is available to the user when required.

Definition

Where the vendor and have agreed upon clearly defined products, or material the vendor will agree to warehouse and supply on a "Just-In-Time" (JIT) basis as requested by VALE users.

The material will be ordered utilizing VALE's Stock Issue System" and will be delivered directly to the end user requesting the material or a designated drop-off point within our target of 2 deliveries per day and within 24 hours.

VALE, will **not** maintain any inventory of these items, but they will be available to VALE from the vendors (after hours and weekend emergency service must be available).

Item Criteria for Vendor Warehousing

1. All items will be catalogued and inventoried in the VALE supplies system
2. If, the item shows regular consumption in the VALE system, it is expected that the vendor should be carrying inventory to support VALE's requirements and that the item can be placed on a stockless (vendor) warehousing contract.
3. If, the item shows **no** regular consumption (1 issue/year) in the VALE system, the vendor will either:
 - a) Continue to inventory based on;
 1. Other customer support
 2. Critical items to our operation
 3. Items no longer available from manufacturer
 - b) In consultation with the Purchasing Officer, item(s) may be deleted from the agreement, but item(s) will remain available via our stock ordering system (ARP); or if critical carried in the Main Warehouse inventory.

Goals & Objective

1. To decrease the time from when a customer identifies a need for material and satisfying that need. **Our target is 2 deliveries per day and complete within 24 hours for all material**, although there are some exceptions due to the nature of the products involved.
2. Reduce VALE's investment in inventory and to ensure the items that do remain in inventory are critical and/or insurance spare parts that are not readily available from local vendors.

Vendor Responsibilities for Supply

1. To carry enough stock to meet VALE's normal usage requirements, or an otherwise pre-negotiated amount. Recognizing abnormal requirements may not be able to be met within the agreed time, but the user will be advised of the anticipated delivery.
2. Provide to VALE at the beginning of each month a summary of activity for the previous month. This summary is to be a 2-Part document (page14) to include the following:

PART1 – Fill Rate

- # of Requisition Items ordered
- # of Requisition Items shipped Complete
- # of Requisition Items shipped Partial (i.e ordered 5 shipped 3)
- # of Requisition Items Backordered (i.e. ordered 5 shipped 0)

PART 2 – Service (Delivery) Time – Receipt Date to Shipment Date

- # of Requisition Items shipped the same day & % of total
 - # of Requisition Items shipped the next day & % of total
 - # of Requisition Items shipped within 2-3 days & % of total
 - # of Requisition Items shipped within 4-7 days & % of total
 - # of Requisition Items shipped within 8-14 days & % of total
 - # of Requisition Items shipped within 15-21 days & % of total
 - # of Requisition Items shipped in >22 days & % of total
3. Willing to provide delivery to each using area as required. Deliveries will be made to meet the needs of the end user, or as otherwise negotiated in the contract. The target is 2 deliveries per day for all material and complete within 24 hours of receiving the requisition.
 4. Material pack size is to be the smallest practical amount, and is driven by the customer requirements. This will be negotiated with the vendor in terms of safety, handling, security and cost.
 5. VALE expects that the exact amount specified on the requisition will be supplied. In the event of a back-order, it is the vendor responsibility to ensure that outstanding quantity is delivered in a timely manner.
 6. No product substitutions will be allowed unless the Purchasing Officer is informed and the end user is in agreement. This is to be done in a timely manner.
 7. Each requisition must be bagged or boxed separately, so that the requisition can be forwarded to the end user immediately. **(packages with more than 1 item not to exceed 50 lb.)**.

Vendor Responsibilities for Supply - continued

8. Each bag or box must be clearly identified showing:
 - Requisition Number
 - Delivery Location
 - Person Requesting Material
9. Provisions for Emergency orders must be provided. VALE personnel will communicate these requests verbally, processing the paperwork prior to shift change.

RESPONSIBILITIES OF PARTICIPANTS FOR MATERIAL REQUEST & RECEIPT

A. END USER (REQUISITIONER) :

1. Determine requirements. Enter a **realistic** required by date when creating the requisition.
2. Create warehouse requisition to meet those requirements; stating a phone number on the Delivery Instruction Line where the vendor may reach you, if necessary.
3. Verify quantities delivered
4. Sign (legibly), date & state employee number, picking slip(s) upon receipt of material.

Note: For emergency (after-hours orders) pick slip to be created prior to shift change.

B. VENDOR UPON RECEIPT OF PICKING SLIP: (example on page 9)

1. a) Assemble materials requested, noting shipped quantity changes or backorders on picking slip.
 - b) In the event of backorder;
 1. Note expected delivery date on picking slip.
 2. Photocopy picking slip and
 - a) Deliver 1 (one) copy to the end user
 - b) Retain 2nd copy, to use as the picking slip when the balance of the order is shipped
2. Clearly mark each bag/box/piece with:
 - Requisition Number
 - Delivery Location
 - Person Requesting Material
3. Deliver material requested, directly to the location specified on the picking slips(s).
4. Obtain signature, date & employee number on the picking slips(s) at time of delivery, acknowledging receipt of material.

NO picking slips(s) will be processed by the store person without a legible signature and employee number.

Vendor upon Receipt of Picking Slip - continued

5. Deliver signed pick slip(s) to "Main Warehouse" receiving (if material is delivered to a location outside of the Main Plant site, pick slips are to be delivered on next delivery to Main Plant (within 2 days).
6. Obtain warehouse store person signature on picking slips(s)
7. Photocopy picking slips(s) at the Main Warehouse receiving machine.
8. a) Leave original picking slips(s) with warehouse store person
b) Take photocopied picking slips(s) with you.

This will be your proof that the picking slips(s) were delivered to the Warehouse, in the event of any delivery discrepancies.

c. STORE PERSON UPON RECEIPT OF PICKING SLIP:

1. Sign picking slips(s) (this is acknowledgment of receipt of picking slips(s) not for receipt of material. The end user has signed for receipt of material).
2. Acquit (process) picking slip.
3. File picking slip in designated vendor file, in date sequence.

RESPONSIBILITIES OF PARTICIPANTS FOR INVOICING OF MATERIAL

A. SUPPLIES SYSTEM ADMIN:

1. Generate weekly:
 - a) Detailed Invoice(s) (example page 10 & 11). Each agreement will be invoiced separately. Each invoice will list in stock code sequence all materials supplied within the last 7days.
Automatically faxed to vendor on Saturday Night
 - b) Non-Actioned" report (example page 12). This report will list all requisitions (picking slips) that have yet to be actioned (outstanding). Sent via E-mail Wednesday
 - c) "In-Complete" requisitions. This reports will list all requisitions (picking slips) that have had partial quantities shipped and the requisition is still outstanding. Sent via E-mail Wednesday.
 - d) "Material to be delivered at a later date" (reserved material). Sent via E-mail Wednesday
2. Place "Stockless Invoice Summary - Accounts Payable" copy in Accountings mail slot. This report is sent to the Purchasing fax machine.

B. VENDOR:

1. Upon receipt of:

- A) Invoice
- B) "Non-Actioned" report.
- C) "In-Complete Requisitions"
- D) "Material Required at a later date"

Action as follows;

A) Invoice

Should you have more than 1 (one) agreement with VALE, each agreement is listed separately with invoice totals calculated for each agreement.

1. Review Invoice and verify shipments

Should there be any discrepancies;

a) Contact the Purchasing Officer listed in the top right hand corner of the invoice.

1. Once a resolution has been agreed upon;

Document discrepancy(s) on "Stockless Invoice Discrepancies" (example page 13) form (provided by VALE). 1 Discrepancy form for each agreement .

DO NOT ADJUST our invoice.

Note the following:

- Date
- Vendor Name
- Agreement Number
- Vendor Invoice #
- Purchasing Officer (Buyer)
- Amount Due – as shown on Stockless Inventory Deliveries Report
- Stock Code(s)
- Requisition Number(S)
- Requisition Item Number
- Qty
- Price Difference (difference between Invoice Price & Actual Price)
- Extended Price (Qty X Price Difference)
- PST on extended price
- GST on extended price
- Amount Due

2. Generate a master invoice for each agreement, to cover all shipments listed on the invoice and discrepancies reports.

3. Attach master invoice to invoice report.

4. Sign and Date the Invoice cover page, where indicated.

5. Return all pages (invoice and discrepancy(s)) to Accounts Payable for payment.

Vendor - continued

B) Non-Actioned Report

1. Review report, noting any requisitions (picking slips) that;

- a) You did not receive.
- b) Were cancelled by the "End User"
- c) Material delivered, but requisition not processed;

Forward signed copy (photocopy) of picking slip to Purchasing Officer, after contacting Purchasing Officer.

2. Contact Purchasing Officer responsible for the contract, indicating discrepancies.

C) "In-Complete Requisition"

Reminder that requisitions are outstanding and require material delivery

D) "Material Required for a Later Date"

Notification to the vendor that this material will be required on a specific date. This notification will allow them time to ensure that the quantity required is available when required.

c. PURCHASING OFFICER:

1. Picking Slip not received;

Arrange with System Administrator to have slip re-faxed

2. End User Cancelled Requisition;

Contact warehouse personnel to cancel picking slip.

3. Requisition not processed;

Upon receipt of signed picking slip from vendor,
Forward to warehouse for acquittal (processing).

4. Discrepancies on Invoice:

Upon receipt of the "Stockless Invoice Discrepancies" form; fill in the proper cost account & expense

Beside each completed invoice line in the appropriate location (right hand side):

- Equipment # /Work Order/Project #/ Equipment #/Charge Account
- Expense Element

To find the correct costing allocation use MSO141 and enter the Requisition #.

If stated use the Equipment # or Work Order /Project # ; otherwise use the Charge Account.

The Charge Account is only used if no Equipment # or Work Order/Project # is stated.

To find the Expense Element use MSO170 (modify inventory controls) enter option 6.

d. ACCOUNTS PAYABLE:

1. Receive Invoices

2. a) Invoice correct;

Load invoice into system

b) Invoice in-correct (discrepancies attached);

Return to Purchasing Officer for correction

3. Forward cheque to vendor

SAMPLE PICKING SLIP

Requisition No 358234 VALE LIMITED (Thompson)

***** WAREHOUSE REQUISITION *****

Requisition No 358234 Tran. Type NI Date Required 02-09-13 Created 02-09-11

Requested By Wilkie, Gary

Authorized By Wilkie, Gary

Related P/Req Priority NORM END USE OPR

NOT IN USE

Cost Centre W/Order Project Equipment No. Allocation %
27910-41000

Delivery Loca 14DK Birchtree - Deck (Level in Instructions)

Deliver Instr.to **1500 LEVEL 83 PLEASE DELIVER BEFORE 11AM Sept13**

Picking Slip Instr. **THIS IS FOR ANY SPECIAL INSTRUCTIONS THE END USER
MAY WANT TO COMMUNICATE TO THE VENDOR/WAREHOUSE**

Item	Stockcde / Item Name Part Numbers/ APL	W/H	Part. UOI	Iss.	Required	Bin Loc.ns	Qty Picked /To Acquit
0001	000021998 GREASE UNIREX LOTEMP (55 KG. KEG)	VEND	KEG	Y	55		

Issued By and Date	Received By	S/No.	Date

SAMPLE INVOICE – Cover Page

RUN ON: 02-09-14

STOCKLESS INVENTORY DELIVERIES

THE ATTACHED LIST OF ITEMS HAVE BEEN DELIVERED TO THE PLANT SITE BY YOUR COMPANY IN THE PAST 7 DAYS.

PLEASE REVIEW THE ITEMS FOR ACCURACY.

IF YOU SHOULD FIND ANY DISCREPANCIES, PLEASE CONTACT THE BUYER LISTED.

ONCE YOU HAVE VERIFIED THE QUANTITIES SHIPPED, PLEASE SIGN WHERE INDICATED BELOW AND RETURN FOR PAYMENT TO:

VALE, THOMPSON OPERATION
ACCOUNTS PAYABLE DEPARTMENT

VENDOR SIGNATURE: _____ DATE: _____

SAMPLE INVOICE - DETAILS

Req.By: SUPADMIN VALE LIMITED (Thompson) - PRODUCTION
 Run on: 02-09-14 at: 08:15:22
 Processed Stockless Issue

Page: 1
 Report: ISR146A
 Version: 5.2.1.001

Supplier 007864 SAMPLE VENDOR Contact JANE DOE Purchase Officer DBENNETT
 9998 MY STREET Phone No. FPA Group DB002
 ANYWHERE, MB Fax 778-2786 FPA Agreement # 001
 CANADA R8N 1Z8

StkCodeReq#/Item Manufacturer/Part Number Item Name/Description	Req #/Item	Date	Authorized By	Quantity Issued	Tax UOP Code	GST Code	Unit Code	Price	Issue Value
---	------------	------	---------------	--------------------	-----------------	-------------	--------------	-------	----------------

000021998 GREASE UNIREX LOTEMP (55 KG. KEG)									
	143537/0001	02-09-11	GWILKIE	55.00 KG	X	GS	99.99	5499.45	
	143538/0001	02-09-11	JAADLAND	110.00 KG	X	GS	99.99	10998.90	
				-----				-----	
				165.00					16498.35

000285627 RESIN 24" X 1-1/8" OD 5-7 MINUTES SET TIME									
	143537/0002	02-09-04	GWILKIE	10.00 CSE	X	GS	199.99	1999.90	
	143539/0001	02-09-05	AKNEE	10.00 CSE	X	GS	199.99	1999.90	
				----				-----	
				20.00					3999.80

Total Qty Shipped for that item

Total Issue Value	20498.15
GST Payable	1434.87
PST Payable	<u>1434.87</u>

23367.89

Total Amount Payable

SAMPLE NON-ACTIONED REPORT

Req.By: SUPADMIN VALE LIMITED (Thompson) - PRODUCTION
Run on: 02-09-14 at: 05:33:22

Page: 1
Report: ISR140D
Version: 5.2.1.001

STOCKLESS WAREHOUSE REQUISITIONS NON-ACTIONED REPORT

WAREHOUSE: ACK

REQN#/ITM	PRI	REQ/AUTH	STCD/GRID	DESCRIPTION/PART NOS.	UOI	REQN QTY	ISS QTY	DATE REQ'D	AUTH DATE/TIME
174939/001	NORM	TPATTERS TPATTERS	000021998	GREASE EX LOTEMP (55 KG. KEG)	KEG	10	0	02-09-04	02-09-04 05:37:57
177106/001	NORM	GSCHRUM GSCHRUM	000285627	RESIN 24" x 1-1/8"OD 5-7 MIN. SET	CSE	1	0	02-09-03	02-09-02 10:15:16

Sample - Stockless Invoice Discrepancies Form

STOCKLESS INVOICE DISCREPANCIES

Date _____

Vendor _____

Agreement # _____

Vendor _____

Purchasing Officer _____

Inv. # _____

Enter Amount Due as Shown on Stockless Inventory Deliveries Report here →									Purchasing Use Only	
Stock Code	Requisition #	Item #	Qty	Price Difference	Extended Price	PST	GST	Amount Due	Equip # / Work Order / Project or Charge Account	Expense Element
<i>285627</i>	<i>143527</i>	<i>002</i>	<i>10</i>	<i>10.00</i>	<i>100.00</i>	<i>7.00</i>	<i>7.00</i>	<i>114.00</i>		
Enter Total Amount Due here →										

Vendor's Signature _____

Purchasing Officer's Signature _____

SAMPLE MONTHLY SUMMARY

PART1 – Fill Rate

<u>Requisition Line Items:</u>	<u># Line Items</u>
Ordered	2,475
Shipped Complete	2,394
Shipped Partial	56
Backordered	25

PART 2 – Service (Delivery) Time – Receipt Date to Shipment Date

<u>Service Time</u>	<u># of Requisition Line Items</u>	<u>% of Total</u>
Same day	2084	84.2
Next day	198	8.0
2 - 3 days	69	2.8
4 - 7 days	73	2.9
8 -14 days	6	.3
5-21 days	30	1.2
>22 days	15	.6
<hr/>		
Total	2475	100.0

MATERIAL CREDITS

Credits to a Stockless (Vendor) warehouse will be handled in the same way as with owned inventory, however the Vendor may deem that the material returned is not acceptable (i.e. damaged, rusted, old stock/style).

RESPONSIBILITIES OF PARTICIPANTS FOR MATERIAL CREDITS

A. END USER (REQUISITIONER) :

1. Determine material to be credited
2. Create "credit requisition" (example page 19) by using MSO14R :
 - Change Whse on requisition header screen to appropriate Vendor Whse. It can be found by left clicking on entry box RH side and selecting the appropriate warehouse from menu.
 - On the delivery instruction line, state the date material will be available for pick up at the Main Warehouse, and a phone number where you may be contacted.

The credit requisition upon completion will be faxed automatically to the vendor by the system.

3. Tag material with the following information:
 - Requisition Number
 - Vendor Name
 - Phone Number where the Vendor may contact you, if necessary
3. Arrange to have material delivered to the Main Warehouse.

Please ensure that the material is available for Pick up in the Main Warehouse on the stated date and time.

The vendor will pick up all material at the Main Warehouse. The vendor will contact you if the material is unacceptable and the reason. Should you disagree with the vendor, it is your responsibility to contact the Purchasing Officer responsible for resolution.

B. VENDOR:

1. Receive faxed picking slip (example page 20)
2. With your copy of the picking slip(s), pick-up material from the main warehouse
3. Sign picking slip(s), acknowledging receipt of material
4. Photocopy signed picking slip(s)
5.
 - a) Leave photocopy(s) with warehouse store person
 - b) Take original picking slip(s) with you
This is your proof that you have picked up the material from our warehouse.
6. Obtain a completed ^{vale} "Pass Out & Receipt" slip(s) from warehouse store person
7. Return material to your warehouse (business /storage area)
8. Inspect material
9. Determine if;
 - a) Material will be accepted for credit
 - b) Material will not be accepted for credit
10. A) Material accepted for credit If:
 1. No Additional (re-stocking) Charges apply;
 - a) Mark quantity received (accepted for credit) on the picking slip
 - b) Sign picking slip(s) – acknowledging qty accepted
 - c) Deliver signed picking slip(s) to warehouse receiving
 - d) Obtain warehouse store person's signature
 - e) Photocopy picking slip(s)
 - f)
 1. Leave original picking slip(s) with warehouse store person
 2. Take photocopied picking slip(s) with you
This is your proof that you have authorized the credit and the picking slip has been delivered to the warehouse for processing.
 2. Additional (re-stocking) Charges Apply;
 - a) Contact Purchasing Officer responsible for the "Agreement".
 - b) Negotiate charges that will apply.
 - c) Generate separate invoice to cover the charge(s), stating "requisition number".
Should the invoice cover be more than 1 (one) requisition, list each requisition number and the charges applicable separately (1 requisition & charges per line)
 - d) Forward invoice to Purchasing Officer.
 - e) Mark quantity received (accepted for credit) on the picking slip
 - f) Sign picking slip(s) – acknowledging quantity accepted
 - g) Deliver signed picking slip(s) to warehouse receiving
 - h) Obtain warehouse store person's signature
 - i) Photocopy picking slip(s)
 - j)
 1. Leave original picking slip(s) with warehouse store person
 2. Take photocopied picking slip(s) with you
This is your proof that you have authorized the credit and the picking slip has been delivered to the warehouse for processing.

B) Material not accepted for credit

1. Notify the following, that a credit will not be issued for material and reason;
 - a) End User
 - b) Purchasing Officer
2. Mark "0" on picking slip as quantity shipped
3. Return material to person requesting credit. They are then responsible for the material.
4. Obtain signature, date and employee number on picking slip(s) at time of return. This acknowledges that the material was returned to the end user.
5. Deliver signed picking slip(s) to warehouse receiving
6. Obtain warehouse store person's signature on picking slip(s)
7. Photocopy picking slip
8.
 - a) Leave original picking slip with warehouse store person
 - b) Take photocopy with you

This is your proof that you have actioned the credit and that the requisition has been delivered to the warehouse for processing.

Note: Should the end user disagree with your decision and the reason, it is the End User's responsibility to contact the Purchasing Officer responsible for resolution.

C. STORE PERSON

1. UPON RECEIPT OF MATERIAL:

- a) Store material in designated area

2. UPON VENDOR PICKING UP MATERIAL:

- a) Have vendor sign picking slip (this is acknowledgment of receipt of material)

The vendor will photocopy the picking slip providing you with a copy

- b) Complete an *vale* "Pass Out & Receipt" slip (example page 21) with the following information:

- Conveyance – Method of Transport (i.e. Hall's Delivery)
- Date
- License No – License plate number of conveyance
- Destination -Vendor Name
- Driver's Name
- Stock Code and Requisition # on description line
- Plant Location

- c) Cross out any blank lines

- d) Sign

- e) Attach your copy of the "Pass Out & Receipt" slip to your copy of the picking slip

- f) File picking slip in the designated stockless vendor file, numerically.

DO NOT PROCESS THE PICKING SLIP AT THIS TIME

3. UPON RECEIPT OF PICKING SLIP:

- a) Sign picking slip (this acknowledges receipt of picking slip)
- b) Acquit (process) picking slip for quantity indicated
- c) Locate picking slip previously filed and attach .

You will now have 2 copies of the picking slip and the "Pass Out & Receipt" slip

D. PURCHASING OFFICER:

A) Additional Charges Applied;

1. Negotiate charge(s) with Supplier
2. Upon receipt of invoice;

Beside each requisition number stated on invoice, mark;

- "Equipment # /Work Order/Project #/ Equipment #/Charge Account
- Expense Element

To find the correct costing allocation use "MSO141" and enter Requisition #. Use the Equipment # or Work Order /Project # if no Equipment # is shown. The Charge Account is only used if no Equipment # or Work Order/Project # is stated.

To find the Expense Element use "MSO170" (modify inventory controls) and option 6.

3. Sign Invoice
4. Print your Userid
5. Forward signed Invoice to Accounts Payable

Should Accounts Payable be unable to load invoice due to incorrect information, it will be returned to you to correct.

B) Credit not acceptable dispute;

1. Work with vendor and End User for resolution
2. Upon resolution; If credit provided by vendor follow steps 2 thru 5.

E. ACCOUNTS PAYABLE

1. Receive Invoice from Purchasing
2. Load Invoice as an NOI (Non Order Invoice), using the costing allocation stated.

Should the costing allocation be incorrect or a portion missing (expense element) return to the Purchasing Officer for correction.

SAMPLE REQUISITION HEADER

WAREHOUSE REQUISITION - CREDIT/RETURN (INCO THOMPSON OPERATIONS - PRODUCTION)

File Edit Tools Scripts Action Help

Save [X] [Print] [Cut] [Copy] [Paste] [Help]

Information

Requisition No. [] Warehouse POW Tran. Type [C] CREDIT ISSUE

Returned By TMCINTOS MCINTOSH, TED []

Authorised By []

Date Returned 02-09-06 []

W/Order or Pr [] Equip. Ref. 8141

Cost Centre [] Alloc. 100.0 % []

W/Order or Pr [] Equip. Ref. []

Cost Centre [] Alloc. [] % []

Picking Slip/Delivery Instructions

MATERIAL FOR PICKUP SEPT 13/02 PH 2507

More Instr. (Y)

REASON FOR RETURN IN []

Material Group Code 3812 []

Action []

{0b6}

REQUISITION ITEM DETAILS (INCO THOMPSON OPERATIONS - PRODUCTION)

File Edit Tools Scripts Action Help

Save [X] [Print] [Cut] [Copy] [Paste] [Cancel] [Help]

List

Warehouse Req. [] Tran. Type CREDIT ISSUE

Item [] Type Id/Description [] Act []

Qty. [] UOM [] Type [] []

Part Issues No Price []

Item [] Type Id/Description [] Act []

Qty. [] UOM [] Type [] []

Part Issues No Price []

(Type:A/C/G/I/M/P/S)

Page 001 >Press Enter BEFORE you Exit This Screen {0b6}

SAMPLE PICKING SLIP

Requisition No 358999 VALE LIMITED (Thompson)

***** WAREHOUSE REQUISITION *****

Requisition No 358999 Tran. Type **CI** Date Required 02-09-16 Created 02-09-13

Requested By Wilkie, Gary

Authorized By Wilkie, Gary

Related P/Req Priority NORM END USE OPR

NOT IN USE

Cost Centre W/Order Project Equipment No. Allocation %
27910-41000

Delivery Loca MAIN

MAIN WAREHOUSE

Deliver Instr.to

MATERIAL READY FOR PICK UP 02-09-13 PHONE 2507

Picking Slip Instr.

Stockcde / Item	Item Part Numbers/ APL	W/H	UOI	Part. Iss.	Required Bin Loc.ns	Qty Picked /To Acquit	End User Phone #
0001	000021998		ESSO	KEG	Y	-55	
	GREASE						
	UNIREX LOTEMP (55 KG. KEG)						

Issued By and Date	Received By	S/No.	Date

SAMPLE "PASS OUT & RECEIPT" SLIP

Vale **LIMITED**

Thompson, Manitoba R8N 1P3
24 Hour Emergency, Phone 778-2276

PASS OUT & RECEIPT

No.

Conveyance **Hall's Delivery**

Date **Sept 13, 2002**

Licence No. **XXX-999**

Destination **ESSO**

Driver _____

Received By _____

Quantity	Unit of Measurement	D.G.	Description	Weight or Volume
55	KEG		Unirex Lotemp Grease Requisition # 358999	/
/	/	/	/	/
/	/	/	/	/
/	/	/	/	/

Pass Out Authorized By:

Originated At:

Security Check:

 Main Warehouse

CST. _____

Signature

Plant Location

Time _____

WHITE
YELLOW
PINK

- To be turned over to Security by driver
- To be delivered by driver along with goods to destination. Receiver to INITIAL and return by mail to originator
- To be retained by receiver for 2 years for Dangerous Goods.

GLOSSARY

END USER	-	VALE personnel requesting material
REQUISITION	-	Request from End User for material
PICK SLIP	-	Paper copy of Requisition. This is received via fax
LEADTIME	-	The time from the End User request material (create requisition), until pick slip is acquitted by the Warehouse store person.
ARP	-	“AS REQUIRED PURCHASING” , VALE purchasing will order upon request. Items of this type are not stocked by VALE
STOCKLESS	-	Material that is inventoried by the supplier and delivered upon request (faxed picking slip) directly to the End User.
JIT	-	“JUST IN TIME”
ACQUIT	-	Finalizing within the system, delivery of goods by Requisition Number
SERVICE TIME	-	Time from vendor receipt of picking slip to when picking slip is acquitted (processed)
MIMS/ELLIPSE	-	VALE 's materials management system.