

## Inventory Record Keeping

### 1. Scope

This procedure covers the manual recording of transactions on a card system Company KARDEX Card for all spare parts and/or consumables within the Company Maintenance and Engineering (M&E) Department at O R Tambo International Airport

### 2. Objective

To provide guidelines for the recording of the movement of spare parts and/or consumables within the Company M&E storerooms at FAOR.

### 3. Definitions and Abbreviations

#### **ATNS**

Air Traffic Navigational Services

#### **Bin Location**

A location in the storeroom or on a shelf where spare part and/or consumable is stored or kept

#### **Company/Business/Organisation/Group**

Airports Company of South Africa SOC Limited

#### **FAOR**

O R Tambo International Airport

#### **KARDEX**

A manual card system that records the movement of spare part and/or consumables both in and out of the storeroom

#### **Lead Time Period**

The length of time taken for the purchasing of a spare part and/or consumable i.e. from the time the purchase requisition is placed to the time the spare part and/or consumable is available for use in the storeroom

#### **M&E**

Maintenance and Engineering

#### **Maintenance Coordinator**

A permanent and/or temporary role assigned for the purpose of inventory management to Company employee who oversees the management of contracts and spare parts and/or consumables owned by the Organisation.

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### **Minimum Quantity**

Calculation applied to determine the minimum quantity of a spare part and/or consumable that shall be available for use within the storeroom; Annual Usage/12 months = monthly average usage. Monthly average usage + the quantity used during the lead time

### **Personal Protective Equipment (PPE)**

Specialised clothing and equipment used for protection against health and safety hazards. Personal protective equipment is designed to protect many parts of the body for example eyes, head, face, hands, feet, and ears

### **Purchasing**

A term used in Industry and Management to denote the function of and the responsibility for procuring materials, supplies and services

### **Refurbished Stock**

Spare parts and/or consumables which appear to be in working order but may be reaching its regulatory lifespan or is in need of minor repairs in order to get it to its original manufactured state thereby extending its original recommended lifespan for a longer period

### **Repaired Spare Parts and/or Consumables**

Spare parts and/or consumables that appear to be in working order, or have a minor problem that can be corrected easily

### **Spare Part and/or Consumable**

Items which are purchased and used for the purpose of maintaining and servicing assets. Spares have a financial value and the usage of spares shall be accurately recorded

### **Spare Part and/or Consumable Adjustment**

Correction of records for spare part and/or consumables to bring them into alignment with the findings of the actual (physical) stock count

### **Spare Part and/or Consumables Transfer Form**

The form used to record the transfer of spare part and/or consumables from one airport location to another

### **Stock Coordinator**

A permanent and/or temporary role assigned by the Company and/or the Contractor for the purpose of inventory management to an employee who oversees the management of spare parts and/or consumables owned by the Organisation.

### **Stock Issue**

The act of removing a spare part and/or consumable from the storeroom and handing it over to the relevant party or contractor for general use

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### Stock Receipt

The act of receiving a spare part and/or consumable into the storeroom in order to be stored and made available for use when required

### Storeroom

A lockable, enclosed area which is set aside for the expressed purpose of securing and storing spare part and/or consumables, tools and maintenance equipment and other inventory items

### Storeroom Record File

A file which is kept in the storeroom which contains copies and records of all documents used in the storeroom in relation to the spare parts and/or consumables

### Work Coordinator

A permanent and/or temporary role assigned for the purpose of inventory management to Company employee who oversees the stock counting and record keeping of spare parts, and/or consumables owned by the Organisation.

### Work Order

A document used to advise when and which repairs need to be completed. It contains all the details about the work that is to be performed including the duration of time spent, the nature of work done and the spare parts and/or consumables required to complete the work

## 4. Procedure General

The [KARDEX Card – INV 001](#) is created for all spare parts and/or consumables which are kept in the Company storerooms. A [KARDEX Card – INV 001](#) is drawn up for all new spare parts and/or consumables when they are purchased or moved for any reason. Static information is recorded on the card which defines the spare parts and/or consumables. The [KARDEX Card – INV 001](#) is used to record the movement of spare parts and/or consumables; receipts, issues and if any adjustment are made to the quantity levels. The [KARDEX Card – INV 001](#) is to be stored in a box which is kept in the storeroom.

### 4.1 KARDEX Cards

A box shall be supplied by the Company Manager: M&E for the storage of the [KARDEX Card – INV 001](#). The box shall be managed by the Responsible Stock Coordinator and shall be kept in the storeroom in an accessible place

4.1.1 A card shall be created by the Company Maintenance Coordinator and/or the Responsible Stock Coordinator for all spare parts and/or consumables that are stored in the storeroom

4.1.2 Each card shall be stored in the Company KARDEX box which shall be kept in the storeroom and controlled by the Responsible Stock Coordinator

4.1.3 The [KARDEX Card – INV 001](#) shall be sorted and placed in alphabetical order in the box based on the spare parts and/or consumable's name

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- 4.1.4 Each and every movement of spare parts and/or consumables shall be recorded on the [KARDEX Card – INV 001](#) by the Responsible Stock Coordinator
- 4.2 New stock records  
When new spare parts and/or consumables are purchased for the first time, the Company Maintenance Coordinator shall complete a new [KARDEX Card – INV 001](#). The [KARDEX Card – INV 001](#) needs to be populated with the following static details:
- 4.2.1 Storeroom name
  - 4.2.2 Spare part code – refer to the Guidelines for Spare Part and/or Consumable Identification
  - 4.2.3 Spare part description – refer to the Guidelines for Spare Part and/or Consumable Identification
  - 4.2.4 Lead time
  - 4.2.5 Minimum quantity
  - 4.2.6 PPE requirements
  - 4.2.7 Bin location
  - 4.2.8 Shelf - life or Warranty Period
- 4.3 Receipt of spare parts and/or consumables:  
When spare parts and/or consumables are received into the storeroom either through a Supplier delivery or through a transfer from another airport, the spare parts and/or consumables which are received shall be recorded onto the [KARDEX Card – INV 001](#) by the Responsible Stock Coordinator as follows:
- 4.3.1. The Responsible Stock Coordinator locates the relevant [KARDEX Card – INV 001](#) in the box
  - 4.3.2. The Responsible Stock Coordinator shall use one of the following source documents to manually update the [KARDEX Card – INV 001](#) with the details of the spare parts and/or consumables received:
    - 4.3.2.1 Delivery note
    - 4.3.2.2 [Spare Parts and/or Consumables Transfer Request Form – INV 006](#)
  - 4.3.3 The Responsible Stock Coordinator shall record the transaction in the following columns: Current date in the date column
    - 4.3.3.2 Document reference – either the Supplier Delivery Note or the [Spare Parts and/or Consumables Transfer Request Form - INV 006](#) in the Doc Ref column
    - 4.3.3.3 Quantity of spare parts and/or consumables received in the Quantity IN column
    - 4.3.3.4 Purchase price or latest cost price of the spare parts and/or consumables in the Unit Price column
    - 4.3.3.5 Total quantity of spare parts and/or consumables currently on hand – add the quantity received to the quantity already in the storeroom
  - 4.3.4 The [KARDEX Card – INV 001](#) is placed back in alphabetical order in the Company KARDEX box

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### 4.4 Issue of spare parts and/or consumables

When spare parts and/or consumables are issued from a storeroom either because they are required for an authorised [Manual Work Order – INV 010](#) or the Electronic Work Order or from a [Spare Parts and/or Consumables Transfer Request Form – INV 006](#) to another location, the KARDEX system is updated as follows:

- 4.4.1. An instruction to issue spare parts and/or consumables is received by the Responsible Stock Coordinator
- 4.4.2. The Responsible Stock Coordinator locates the relevant [KARDEX Card – INV 001](#) from the box
- 4.4.3. The Responsible Stock Coordinator uses one of the following source documents to manually update the [KARDEX Card – INV 001](#) with the details of the stock to be issued:
  - 4.4.3.1. [Manual Work Order - INV 010](#) or Electronic Work Order
  - 4.4.3.2. [Spare Parts and/or Consumables Transfer Request Form – INV 006](#)
- 4.4.4. The Responsible Stock Coordinator updates the columns on the [KARDEX Card – INV 001](#) with the following information from the selected source document:
  - 4.4.4.1. Current date in the column
  - 4.4.4.2. Document reference – either the authorised [Manual Work Order – INV 001](#)/Electronic Work Order or the [Spare Part and/or Consumables Transfer Request Form – INV 006](#) in the Doc Ref column
  - 4.4.4.3. Quantity of spare parts and/or consumables received in the Quantity OUT column
  - 4.4.4.4. Latest cost price of the spare parts and/or consumables in the Unit Price column
  - 4.4.4.5. Total quantity of spare parts and/or consumables currently on hand – deduct the quantity received to the quantity already in the storeroom
- 4.4.5. The [KARDEX Card – INV 001](#) is placed back in alphabetical order in the KARDEX box

### 4.5 Stock adjustments

There may be a discrepancy between the actual quantity of spare parts and/or consumables and the quantity recorded on the [KARDEX Card – INV 001](#) of spare parts and/or consumables on hand after a stock count has been completed. The [KARDEX Card – INV 001](#) shall be updated by the Responsible Stock Coordinator as follows:

- 4.5.1 The Responsible Stock Coordinator shall receive the authorized [Stock Adjustment Report – INV 007](#) from the Company Maintenance Coordinator
- 4.5.2 The Responsible Stock Coordinator locates the relevant [KARDEX Card – INV 001](#) from the box
- 4.5.3 The Responsible Stock Coordinator uses the details recorded on the approved [Stock Adjustment Report - INV 007](#) to record the adjustment of the spare parts and/or consumables on the [KARDEX Card – INV 001](#)
- 4.5.4 The following details shall be updated by the Responsible Stock Coordinator and shall be recorded on the [KARDEX Card – INV 001](#):
  - 4.5.4.1 Current date in the date column

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- 4.5.4.2 [Spare Parts and/or Consumables Adjustment Form – INV 007](#)
  - 4.5.4.3 The Doc Reference
  - 4.5.4.4 Month of stock count
  - 4.5.4.5 Quantity of stock adjusted either positive or negative in the QTY ADJ column
  - 4.5.4.6 Total quantity of spare parts and/or consumables on hand – previous quantity on hand plus or minus the adjusted quantity in the Total QTY column
  - 4.5.5 The [KARDEX Card – INV 001](#) is placed back in alphabetical order in the KARDEX box
- 4.6 Storeroom record file
- Each storeroom is required to keep a Storeroom Record File at FAOR. The Storeroom Record File at FAOR is the responsibility of the Responsible Stock Coordinator and shall be kept up to date by this person. The file shall keep a record of all documentation used by the storeroom. The Storeroom Record File at FAOR shall have dividers placed in the file to separate the different documents:
- 4.6.1 Dividers shall indicate the following sections:
    - 4.6.1.1 A copy of The [Spare Parts and/or Consumables Purchase Request Form – INV 002](#) shall be placed in the file and attached to the Company Purchase Order when it has been received from the Company Procurement Department: SSC. When the spare parts and/or consumables are delivered by the Supplier, the [Spare Parts and/or Consumables Purchase Request Form – INV 002](#) and the Company Purchase Order are attached to the Delivery Note from the Supplier and kept in the Storeroom Record File at FAOR
    - 4.6.1.2 A copy of [Request for Disposal of Spare Parts and/or Consumables Form – INV 004](#) shall be kept in the Storeroom Record File at FAOR until notification is received from the AISC. When the AISC give instruction for the spare part and/or consumables to be disposed of, the instructions on the revised form shall be used to dispose of the spare parts and/or consumables and both copies are to be filed back in the Storeroom Record File at FAOR on completion of the task
    - 4.6.1.3 Where spare parts/consumables are used, the [Manual Work Order – INV 010](#) or the Electronic Work Order a copy of each authorised [Manual Work Order – INV 010](#) or the Electronic Work Order is to be kept in the Storeroom Record File at FAOR
    - 4.6.1.4 Each copy of the [Repair/Refurbish Spare Parts and/or Consumables Release Form - INV 003](#) shall be kept in the Storeroom Record File at FAOR
    - 4.6.1.5 A copy of each [Spare Parts and/or Consumables Transfer Request Form – INV 006](#) is to be kept in the Storeroom Record File at FAOR;

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this applies to the requests for spare parts and/or consumables to be sent to another airport or to be received

- 4.6.1.6 Any adjustments done to the quantity on hand for spare parts and/or consumables shall be accompanied by a signed [Stock Adjustment Report – INV 007](#) This shall be kept in the Storeroom Record File at FAOR
- 4.6.1.7 A copy of the monthly [Stock Count Sheet – INV 009](#) shall be kept in the Storeroom Record File at FAOR. Each month a new [Stock Count Sheet – INV 009](#) is saved as a separate document and this shall be kept in the Storeroom Record File at FAOR
- 4.6.1.8 A signed copy of the [Stock Count Discrepancy Report – INV 008](#). shall be kept in the Storeroom Record File at FAOR

#### 4.7 Exemption to Procedure

Where a Contractor is managing spares on behalf of the Company and is using an electronic computer system to manage the inventory management of spares parts/consumables, an exemption shall be granted for full compliance with the manual inventory management process with the provision that they are able to provide all required records for inventory movements.

#### Example

Storeroom 20, which contains the ILS spare parts, which is currently managed by ATNS shall continue to use their electronic software to manage the movement of spare parts and not the manual process. The Responsible Stock Coordinator shall obtain copies of reports from ATNS for record keeping purposes in the Storeroom Inventory Record File.

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### 5. Accountabilities and Responsibilities

Issue	Person Accountable	Alternate
Has overall accountability for adherence to procedure	Manager: Maintenance and Engineering	Departmental Head Maintenance and Engineering
Issue	Person Responsible	Alternate
Has the responsibility for implementation to the procedure	Departmental Head Maintenance and Engineering	Maintenance Coordinator
Is responsible for ensuring the procedure is being followed	Maintenance Coordinator	Relevant designated staff member shall assume responsibility

### 6. Verification

This procedure shall be verified in accordance with [Verification Policy, Procedure and Working Instruction - Z001 002M](#)

### 7. Non Conformance

Any deviation from this procedure shall be identified and registered with corrective and preventative measures for continual improvement in accordance with [Non Conformance Policy, Procedure and Working Instruction - Z001 001M](#).

### 8. References

Non Conformance Policy, Procedure and Working Instructions - Z001 001M  
 Verification Policy, Procedure and Working Instruction - Z001 002M  
 Change Control Policy, Procedure and Working Instruction - Z001 003M  
 Document Control Procedure - Z001 006M  
 Record Keeping Requirements Procedure - Z001 008M  
 Guidelines for Spare Part Identification (FAOR)

### 9. Change Control

This procedure shall only be changed with the authorisation of the Group Executive: Airports and in accordance with [Change Control Policy, Procedure and Working Instruction - Z001 003M](#).

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#### 10. Records

Record Name	Storage Location	Record Number	Responsible Person	Retention Time
Manual/ Electronic Work Order	Storeroom Record File	INV 010	Maintenance Coordinator	Five (5) years
KARDEX Card	Storeroom KARDEX Box	INV 001	Responsible Stock Coordinator	Five (5) years
Spare Part and/or Consumables Transfer Request Form	Storeroom Record File	INV 006	Responsible Stock Coordinator	Five (5) years
Stock Adjustment Report	Storeroom Record File	INV 007	Responsible Stock Coordinator	Five (5) years
Stock Count Sheet	Storeroom Record File	INV 009	Responsible Stock Coordinator	Five (5) years
Stock Count Discrepancy Report	Storeroom Record File	INV 008	Responsible Stock Coordinator	Five (5) years
Request for Disposal of Spares Parts and/or Consumables Form	Storeroom Record File	INV 004	Responsible Stock Coordinator	Five (5) years
Repair/Refurbish Spare Parts and/or Consumables Release Form	Storeroom Record File	INV 003	Responsible Stock Coordinator	Five (5) years
Inventory Record Keeping Procedure – FAOR	Master in Corporate Policy Document Store	D090 006M	Senior Administrator: Policies and Procedures	Five (5) years

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**11. Endorsement (See Master in Corporate Policy Document Store)**

Activity	Name	Signature	Date
Prepared by	Engineering Projects and Compliance Coordinator:  Adi Shachar		26/06/2014
Approval	Maintenance and Engineering Manager: FAOR  Kobus Nel		26/06/2014
Authorisation	Group Executive: Airports  Andre Vermeulen		30/06/2014
Quality Assurance: Policy and Procedure	Corporate Specialist: Aviation Services and Technical Policy  Michelle Erasmus		30/06/2014