

Approved:

Effective: February 27, 2019
Office: Maintenance
Topic No.: 175-010-002-a



Department of Transportation

STATEWIDE ALUMINUM STRUCTURES SHOP (SASS) DISTRIBUTION OPERATING INSTRUCTIONS

AUTHORITY:

Sections 20.23(3)(a) and 334.048(3), Florida Statutes (F.S.)

STATEMENT OF POLICY:

It is the policy of the Florida Department of Transportation (Department) to establish uniform guidelines and operating procedures for the Department's Statewide Aluminum Structures Shop (SASS).

PURPOSE:

This procedure establishes minimum operating standards and procedures to be used by fabrication personnel. Operating standards and procedures are needed to ensure consistent and effective facilities management techniques are used within the Department's facilities operations. Areas of primary concern include inventory control, security, adequate stocking levels, effective storage and handling of inventory. Most of the information necessary for proper daily facility operation and use of the Materials and Supplies Inventory (MSI) computer system is contained within the Department's ***Warehouse & Distribution Operations Handbook***.

SCOPE:

This procedure primarily applies to State Structures Maintenance Engineer and SASS Supervisor.

DEFINITIONS:

Actively Stocked Commodities: Commodities routinely maintained at SASS. These are typically items used to manufacture products ordered and stocked by the warehouses. They are then issued to the Maintenance crews.

Commodities: All materials, goods, merchandise, etc. processed and tracked through the Materials and Supply Inventory System (MSI). Examples of commodities: aluminum sheeting, diamond plate, aluminum tubing, slip base, etc.

Consumables: Are supplies that are used on projects to perform a task or manufacture a product with the use of a commodity. Supplies/Consumables are not tracked through the Materials and Supply Inventory System (MSI). Examples of Supplies: latches, hinges, welding wire, welding gas, etc.

Fabrication Shop: A Fabrication Shop is a designation for a unique facility that maintains commodities and supplies for manufacturing commodities for the use by the Districts and other Governmental Agencies.

Facility: In this procedure, facility refers to the Aluminum Shop / Fabrication Shop / Statewide Aluminum Structures Shop (SASS).

Facility Demand: A demonstrated need for commodities on a basis as confirmed by the State Structures Maintenance Engineer or their designee.

Key List: A list of all personnel that have key access to SASS. They are either assigned a key or they have access to a rotating key or key box containing a key for SASS.

Location Quality Assurance Review: An audit conducted at SASS each fiscal year.

Minimum Quantity Level: The level at which the SASS inventory should never fall below as established by the State Structure Maintenance Engineer or designee.

Materials and Supply Inventory System (MSI): The Department's electronic warehouse inventory system. MSI operates on the Department's mainframe computer.

Material List: Form used to track commodities used for work order fabrication.

Pick-up Transaction: A transaction that is entered in MSI by an authorized user. Transactions printed by the user and sent with the truck for pick-up. The SASS personnel will need the ticket number to complete the transaction.

Quality Assurance Review: Is a comprehensive review of physical inventory and validates the overall administration of SASS operations. It is conducted annually with findings reported to management in a timely manner. Additional reviews may be conducted as necessary and when requested by management to ensure compliance with established policy and procedures.

State Structures Maintenance Engineer: Department Engineer in charge of SASS.

Uniform Specifications: A detailed written description of commodities in SASS inventory describing materials, dimensions, and workmanship for something to be built, installed, or manufactured.

Walk-In Transaction: A transaction that is entered in MSI by authorized SASS personnel. This process is used when a driver does not have a Pick-Up Transaction.

Warehouse & Distribution Operations Handbook: A document that provides detailed information on the operation and use of the MSI System.

Work Order: Document used to order fabrication jobs, includes drawings and /or specifications for a specific job.

1. SASS OPERATIONS

1.1 The primary mission of SASS is to support the Department's work force by providing customized manufactured products and temporary bridging in a timely and cost-effective manner. In order to meet this mission, the following goals and objectives are established.

1.2 Provide regularly used products to the Department's work force upon request by:

- (A) Determining what products are needed by users and establishing inventory levels.
- (B) Maintaining an inventory of products that will allow for filling 90% of the requested quantity of actively stocked products.
- (C) Maintaining an inventory of temporary bridging so that needs are met in a timely manner.
- (D) Maintaining an inventory so that no more than 5% of actively stocked products are at zero levels at any time, with the exception of the special manufactured aluminum items.

1.3 Save an average of 15% of total costs for commodities acquired through SASS by complying with the following objectives:

- (A) Acquiring materials in sufficient quantities to obtain cost breaks.
- (B) Establishing and maintaining Department term contracts for regularly used items that are not on state (Department of

Management Services - DMS) contracts.

- (C) Establishing statewide uniform specifications for bidding that will provide the most cost-effective procurement of materials and supplies, where expenditures exceed \$35,000 annually.

1.4 Acquire and/or stock some aluminum commodities needed by users that are not readily available by complying with the following objectives:

- (A) Determine what commodities are needed by users.
- (B) Maintain commodities for warehouses to request in smaller quantities to meet the larger vendor minimum order quantities.

2. THE ROLE AND PURPOSE OF SASS

- (A) Serve as the location for emergency bridge replacement or emergency bridge deployment.
- (B) Provide for adequate storage of detour bridging and perform repairs as necessary before deployment.
- (C) Provide man power and materials for jobs requiring immediate response.
- (D) Fabrication of products requested by the warehouses and other Governmental Agencies.
- (E) Fabrication of the Agency Awards and Medallions.

3. SASS STOCKING CRITERIA

Items may be added to SASS stock upon approval of the State Structures Maintenance Engineer or designee based on facility demand and one of the following:

- Cost effective to stock
- Hard to get items
- Long delivery times
- Items that are determined to be critical to the Department's operations

Items with no demand and not meeting the criteria above should be deleted from SASS stock (as approved by the State Structures Maintenance Engineer or designee).

4. SASS REORDER POINTS

4.1 Reorder points on actively stocked commodities should be established based upon maintaining adequate inventory to cover the following periods before the stock level is depleted:

- Advertised and Bid Commodities - 60 days
- Existing Term Contracts Commodities - 30 days
- Informal Bid/Quoted Commodities - 30 days

4.2 These guidelines may not provide adequate time due to bid protests or other events that may postpone receipt of commodities. Planning for such delays could result in an unnecessarily large inventory in SASS. Instead, commodities that have a delay in stock may be purchased locally. The purchasing of commodities (normally provided by the contract) should be limited to the quantities needed until the commodity can be stocked through normal practices.

5. SASS REORDER QUANTITIES

The recommended minimum reorder quantities are as follows:

- Advertised and Bid Commodities - 90 days usage
- Term Contracts Commodities - 45 days usage
- Informal Bid/Quoted Commodities - 30 days usage

6. INVENTORY CONTROL

6.1 SASS, shall maintain a current key list containing the names of all parties who have access to the shop commodities. This key list shall include all on-call personnel with access to a rotating SASS key or other individuals with access to a key box that contains a SASS key.

6.2 SASS, on a yearly basis during the QAR, shall perform a 100% inventory validation between MSI and actual shelf counts. Inventory adjustments will be made in accordance with the **Warehouse & Distribution Operations Handbook** instructions. If the 100% inventory check contains errors, subsequent monthly 100% inventory validation counts shall be conducted until such time inventory counts are found to be error free. Counts shall then revert to the yearly QAR inventory validation count.

6.3 Walk-in transactions must be entered in the MSI System at the time of pick up. Transactions are entered in MSI by an authorized SASS personnel. Transaction shall be signed by delivery person at the time of pick up. SASS personnel filling an order shall sign below delivery person verifying that the order was filled and

by whom.

- 6.4** Cost distribution charges to a Financial Project number shall be made in accordance with the ***Warehouse & Distribution Operations Handbook*** and ***Routine Maintenance Cost Collection, Topic No. 350-020-002***.
- 6.5** MSI records shall be updated 95% of the time by the close of business, upon completion of the work order, to reflect SASS transactions for commodities issued. MSI records shall be updated 95% of the time by next day's close of business for Receipt from Vendor Tickets, etc. The other 5% in both areas will be items that fall in delayed entry category. A delayed entry can be due to items that are out of SASS's control; such as, late delivery, dispute on delivery, inadequate time to review inventory by close of business same day, etc.

Errors found in MSI records shall be corrected the next working day.

- 6.6** A filing system shall be organized by District in chronological order by work order completion date. MSI tickets shall be attached to each work order. In this filing system should be all Adjustments, Issue Tickets, Receipt from Vendors, Electronic Procurement, etc. (this is not all inclusive).

Required justifications; such as: Non-use of PRIDE or RESPECT, Reason for Single Source, Non-use of Agency Contracts, Project requirement & Cancellations, End of Year requirements, etc. should be included and retained in the file.

7. WAREHOUSE & DISTRIBUTION OPERATIONS HANDBOOK

- 7.1** The ***Warehouse & Distribution Operations Handbook*** provides direction for record keeping, use of the MSI system, and proper inventory practices. It allows individual SASS management to acquire a greater level of detail for individual management needs.
- 7.2** Updates to the ***Warehouse & Distribution Operations Handbook*** are issued by the Central Office Warehousing Operations Office. Significant changes will be covered through numbered memorandums. Updates will also be dispersed electronically through email.
- 7.3** The ***Warehouse & Distribution Operations Handbook*** is available on the Office of Maintenance Sharepoint site.

8. QUALITY ASSURANCE REVIEW

SASS will have Location Quality Review conducted each fiscal year. Program areas reviewed include Inventory Controls, Security of Facilities and Inventory,

Inventory Stocking Levels, Storage and Handling of Materials, Prevention of Obsolete and Overstocked Commodities, No Activity Commodities, and Materials and Supply Inventory Records.

Additional reviews maybe conducted if there are extenuating circumstances that may require additional audits (e.g. unsatisfactory scores, etc.).

9. RECORD RETENTION

All warehouse documents shall be retained on-site for a minimum of two (2) fiscal years. Duplicate files and other records or electronic files should be retained until obsolete, superseded or when the administrative value is lost. Retention schedules and procedures for Purchase Orders, Purchasing Cards, and other records must be followed and may require the records to be stored for longer periods.

10. TRAINING

Training for MSI systems and daily warehouse operations shall be provided by the Central Office Warehouse Operations through a variety of methods (email, one-on-one, teleconference, Webinars, Go-to-Meetings, etc.). Training methods will be dependent on individuals needing training, level of training needed and budget availability.

Periodically a course may be offered at the district level when substantial changes to warehousing operations have occurred. This training is identified as **Course No. CU-07-0001, Materials Supply Inventory**. The course will be announced when available.

11. FORMS

The following forms are available in the Department's Forms Library or may be obtained by contacting Central Office Warehouse Operations:

- 175-020-02, Commodity Evaluation
- 175-020-04, Inventory Item Deficiency Report