PROCEDURE BULLETIN—TEXAS CITY PLANT P-0420

AUTHORIZATION AND PROCUREMENT OF MECHANICAL SPARE PARTS FOR NEW MANUFACTURING UNITS

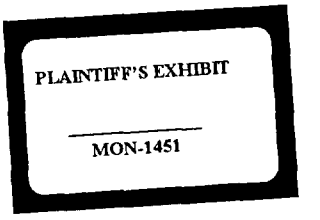
I. PURPOSE

This bulletin provides a procedure for setting up in Stores the necessary mechanical spare parts for a newly constructed manufacturing unit, and having these parts available in Stores prior to startup.

II. SCOPE

This bulletin will describe the procedures and responsibilities in six areas:

1. Collecting Spare Parts Information
2. Selection of Spare Parts
3. Function of Stores
4. Function of the Purchasing Department
5. Distribution of Purchase Orders
6. Funding of Spare Parts



This bulletin is intended to apply only to the procedures for setting up spare parts in Stores prior to startup of a newly constructed unit or major unit expansion. It does not apply to the procedures used for setting up spare parts after the initial unit startup has begun. For this situation, refer to Procedure Bulletin P-0402.

For the purposes of this bulletin, the Maintenance Spare Parts Coordinator is the individual designated by the Plant Engineering Department to set up the mechanical spare parts system for a new unit.

A "Specific Purpose Spare," as used later in this procedure, is defined as a unit of equipment or a major part of a unit of equipment which can be used only in the operating department for which it was purchased.

III. RESPONSIBILITIES

The following departments are responsible for setting up the required mechanical spare parts for a new unit:

1. Central Engineering Department
2. Plant Engineering
3. Plant Engineering Services
4. Production (Manufacturing Representative)
5. Purchasing Department
6. Stores Department

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IV. PROCEDURE

A. Spare Parts Information

Information on required spare parts may be obtained from several sources. Among these are vendors' recommended spare parts sheets with prices and deliveries, equipment parts lists, manufacturers' drawings, and other vendor data.

When spare part delivery times will permit, this information may be obtained through normal distribution of vendor data from CED and the unit construction contractor.

Frequently, the new equipment may be delivered to the plant before it is necessary to order the required spare parts. In this case, the serial number of each piece of equipment will be available and can be used to reference the purchase order for parts to the exact piece of equipment.

However, in some cases, particularly where long delivery and hard-to-get materials are involved, it may be necessary to order the spare parts before the normal vendor data and serial numbers are received. In this case, it may be necessary to obtain the equipment serial numbers or other positive identifying information directly from the manufacturer or his local representative, or it may even be necessary to reference the piece of equipment by the contractor's original purchase order number.

Accumulation of the necessary data to order the spare parts for a piece of equipment will be the responsibility of the Plant Engineering Spare Parts Coordinator with the assistance of CED, Production, and the Purchasing Department.

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The CED Project Manager should insure that either CED or the construction contractor furnishes the Texas City plant with copies of the original equipment Purchase Orders, together with all changes, equipment specification sheets, the Vendor's recommended spare parts sheets with prices and deliveries, complete equipment parts lists, manufacturers drawings, and any necessary maintenance instructions.

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The established distribution of the vendor data received at Texas City should include the following people:

1. Stores Spare Parts Supervisor

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2. Manufacturing Supervisor or Representative
3. Maintenance Spare Parts Coordinator/Maintenance Coordinator
4. Engineering Central Files

B. Selection of Spare Parts

Based on the best information available, the Spare Parts Coordinator, the Zone Maintenance Coordinator and the Area Supervisor, if they are available, will compile a list of spare parts which they recommend be purchased for each piece of equipment. The advice of the Stores Parts Supervisor will be helpful at this point. The requirements for spare parts should be based on the reliability of the equipment, the availability and delivery time of the parts, potential production losses, and economics. This list will then be reviewed and changed, if necessary, by representatives from Production and Plant Engineering. Comments from representatives of the Engineering Design and Development Groups and the Materials and Mechanical Technology Group may be desired.

The initial order quantities and later order points and order quantities should be agreed upon by these same people.

C. Function of Stores

Normally, this recommended list of spare parts, together with sufficient information to order the parts, is furnished to the Stores Spare Parts Supervisor. He will then compile a Spare Parts Sheet (Appendix A). However, in some cases, the volume of spare parts required may be such that it would be more efficient for the Maintenance Coordinator or the Maintenance Spare Parts Coordinator to prepare the Spare Parts Sheets and send them to the Stores Spare Parts Supervisor. In either case, the Stores Spare Parts Supervisor would then check the interchangeability of the required parts with equipment which is already in service in Texas City. The MCC numbers of any of the parts which are already in Stores stock will be entered on the Spare Parts Sheets. These Spare Parts Sheets are circulated to the following individuals for approval:

Chief Storekeeper
Maintenance Zone Supervisor*
Maintenance Coordinator*

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* If assigned at the time.

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Maintenance Spare Parts Coordinator
Maintenance Zone Superintendent
Manufacturing Representative
General Utilities & Stores Supervisor
Plant Engineer

The Project Managers of some CED projects may desire to keep varying degrees of control over the amount of Project money spent on spare parts. This control may range from final approval of the purchase of all spare parts charged to the Project to some form of notification of the amount of money committed. The procedure to be followed will vary with each Project and should be developed as the need arises. When the Spare Parts Sheets are approved, the Stores Spare Parts Supervisor will assign MCC numbers to each part which is a new item in Stores. He will then initiate the purchase orders for the Purchasing Department to order the parts. The Stores Department may desire to have any parts which are readily available locally to be "stocked by vendor." After all of the ordered parts have been received, the Spare Parts Sheets will be reproduced and filed by the Stores Spare Parts Department. Refer to Procedure Bulletin P-0402 for the normal distribution of Spare Parts Sheets.

The Stores Department will provide the necessary cataloging and storage of the Spare Parts.

D. Function of the Purchasing Department

If the vendor data furnished by CED or the construction contractor is late in arriving or is incomplete, the Purchasing Department should assist the Maintenance Spare Parts Coordinator in obtaining the required data direct from the vendor. This should only be done with the prior knowledge and agreement of the Project Manager.

The Purchasing Department will also perform their normal function of ordering and expediting the Spare Parts.

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E. Distribution of Purchase Orders

The Purchase Orders sent to the Purchasing Department by the Spare Parts Supervisor will normally list both the Maintenance Spare Parts Coordinator and the Stores Spare Parts Supervisor as requisitioners. For non-capitalized

spare parts (costing $500 or less), only these two requisitioners will normally receive copies of the Purchase Orders as part of the Purchasing Department's normal distribution. For capitalized spare parts, one of the requisitioners (usually the Stores Spare Parts Supervisor) will receive two copies of the purchase order. Unless other arrangements are made, one of these copies will be sent to Engineering Central Files. The Central Files clerk will reproduce and distribute additional copies as required.

F. Funding

All Specific Purpose Spare Parts costing more than $500 will be charged by one of the following methods:

1. Against a charge number provided by the CED Project and charged to the Project.
2. Against a capital job number initiated locally and circulated through the personnel of the Division concerned and capitalized against the new manufacturing department.

These charge numbers will be obtained by the Maintenance Spare Parts Coordinator, either from the Manufacturing Representative in the case of the CED Project number or by initiating a capital PAFE.

All Spare Parts costing less than $500 will be purchased against the normal Stores inventory account.

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DATE_____

SPARE PARTS SHEET

EQPT. NO.	SERIAL NO.	FIGURE NO.	MODEL	SIZE	TYPE	FUNCTION	FUNCTIONAL ITEM NUMBER

NAME OF EQUIPMENT_____ MANUFACTURER_____

REVISED OR ORIGINATED BY:_____ DATE_____ VENDOR_____

ORIGINAL P.O._____ DATE_____

APPROVED BY:_____

ITEM NO.	DESCRIPTION	MATERIAL	PART NO.	DWG. NO.	MCC CODE NO.	ORDER POINT	ORDER QUANT.	UNIT COST

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APPENDIX A
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