PROCEDURE BULLETIN — TEXAS CITY PLANT P-0422

PLAINTIFF'S EXHIBIT

MON-1452

SPARE EQUIPMENT AND SURPLUS EQUIPMENT - MANAGEMENT AND DISPOSAL

I. PURPOSE

The purpose of this bulletin is to establish procedures to reduce retirement losses on fixed assets, to reduce plant investment in surplus equipment, to assure availability of spare equipment, and the disposal of unusable equipment for maximum value.

II. POLICY

The used equipment inventory will be limited to spare equipment approved as necessary insurance spares, for which a future use has been determined. Equipment no longer needed for spare equipment will be classified as surplus and offered for sale.

III. SCOPE

This procedure covers only (1) Spare Equipment (equipment removed from service and being retained for a spare) and, (2) Surplus Equipment (equipment no longer needed for spare equipment).

IV. RESPONSIBILITIES

The owning department will be responsible for proper decontamination of the equipment when it is removed from service.

The responsibility for initiating the "Authority for Retirement" (TC-417), and the "Equipment Transfer" (MT-98) forms lies with the Work Preparation Supervisor of the owning department.

V. PROCEDURE

A. Tagged Spare Equipment

1. Tagged equipment removed from service, and to be retained in the plant as Spare Equipment must be so designated by the Maintenance Work Preparation Supervisor (WPS) by completing Form TC-417 (Appendix A). The Maintenance WPS will initiate an "Authority for Retirement" (Appendix B) to cover the retirement of installation, foundation cost, etc., when applicable.

   Upon request, Property Accounting will furnish the WPS with asset and reserve values relating to the equipment retired.

004830

2. Distribution of the completed Form TC-417 is to be made as shown on the Form TC-417.

SC

   a. Original to Salvage Dept. Supervisor, if spare equipment is to be stored in the Salvage Area. However, if spare equipment is to be stored in the same production area, original form is to be retained by

that department's Maintenance WPS. Arrangements for storing spare equipment at Salvage must be made with the Salvage Supervisor.

b. One copy to production supervisor of area owning equipment.

c. One copy to Property Accounting Department.

d. One copy to be placed in plastic envelope (available from Stores Dept. MCC 060960) and firmly attached to the tagged spare equipment.

NOTE: When equipment is no longer considered as required spare equipment, the Maintenance WPS uses the following procedure under the heading of "Surplus Equipment."

B. Surplus Equipment

1. The Maintenance WPS will initiate necessary "Authority for Retirement" (Appendix B). The Property Accounting Dept. will provide the Maintenance WPS with asset and reserve values relating to the equipment being retired.

2. The Maintenance WPS will then complete Form MT-98 (Appendix C) showing the Retirement Authority number, and stating condition of the retired equipment. If equipment is obviously junk, with no resale value as used equipment, the Maintenance WPS is to note accordingly on the Form MT-98. Likewise, if the equipment can be considered usable, the Maintenance WPS should so indicate. Equipment is then moved to the Salvage Department.

3. Distribution of the completed Form MT-98 is to be made as follows:

a. Original to be placed in plastic envelope (available from Stores Dept. MCC 060960) and firmly attached to the Tagged Surplus Equipment.

b. One copy to production supervisor of area from which equipment is transfered.

c. Copy to Property Accounting Department.

SC 004831

d. Copy to Salvage Department Supervisor.

e. Copy retained by Maintenance WPS of the transferring department.

f. Copy to Spare Parts Engineer in Stores Department.

g. Copy to Project Engineer.

4. Upon receiving a copy of the signed Form MT-98, and Retirement Authority, on equipment defined as usable the Salvage Department will handle as follows:

   a. The Salvage Department Supervisor will submit copies of the property accounting record, which shows description and original asset value of the equipment, to all the Texas City plant Work Preparation Supervisors and the representative of Equipment Disposal Section, St. Louis.

   b. If no use is found within the company within ninety days, the Salvage Department will sell this equipment to yield the highest possible income to the company.

5. Property Accounting Department will be notified of final disposition of the Surplus Equipment upon receipt of "Request for Billing" (Appendix D) from the Purchasing Department. The "Request for Billing" must show the equipment number that has been sold, as well as the "Authority for Retirement" number.

VI. SAFETY

The equipment must meet the conditions as defined in the procedure "Decontamination of Containers and Equipment" (P-0423) which requires the equipment to be decontaminated by the transferring department before being sent to the Salvage Department in order to prevent injury from any toxic, flammable or explosive material. The equipment also must be labeled and/or tagged (Label MCC 951950, Tag MCC 951951) before it will be accepted at Salvage. The decontamination information will be recorded on the property card and maintained in the Salvage office as long as the equipment is stored at Salvage. In addition, a representative of the Loss Prevention and Safety Section, after notification by the Salvage Department Supervisor, will examine equipment on the date that it is scheduled to leave the Salvage Department destined for another department at Texas City, another Monsanto plant, Equipment Disposal in St. Louis or direct to an outside purchaser or agent.

The following dated statement of record will be entered on the property card in the Salvage Department files and will be signed by the Salvage Department Supervisor and the Loss Prevention and Safety Section representative.

SC 004832

"Equipment Item No._____checked for toxic and flammable materials with the following results:

_____

_____."

Reviewed by:
G. W. Bostick
P. E. Brubaker
J. E. Clark
G. A. Danner
G. W. Daues
W. C. Fuller
J. A. Glass
W. H. Lane
R. C. Martini
C. M. McCullough
D. W. Metten
G. T. Ryan
G. E. Small
J. G. Trafton
W. H. Triplett

Revised by: T. W. Crump
T. W. Crump

Approved by: P. E. Brubaker
P. E. Brubaker

SC 004833

APPENDIX A
P-0422

TC#417
MCC 951976

1. Original to salvage dept. supervisor
2. Production supervisor of owning area
3. Copy to property accounting
4. Copy in plastic envelope - attach to equipment

SPARE EQUIPMENT

Date_____

Job #_____

Where to store this equipment_____

Hold for Dept._____ Eqpt. Tag #_____

Serial #_____ Functional Item #_____

Description_____

_____

_____

Maintenance Work Preparation Supervisor

Remarks:_____

_____

SC 004834

LAM006045

Monsanto

A-823
MCC 950900
REV. 4/72

MONSANTO COMPANY
300 N. LINDBERGH BLVD.
ST. LOUIS, MO. 63166

APPENDIX B
P-0422
AUTHORITY FOR RETIREMENT

PLANT	DEPT. NO.	DISMANTLING W.O. NO.	*P.A.F.E. NO.	DATE	AUTHORITY NO.

DESCRIPTION, REASON AND JUSTIFICATION FOR RETIREMENT:

PREPARED BY	REVIEWED BY	APPROVALS							
		GENERAL MGR.	DATE	PROD. MGR.	DATE	PLANT MGR.	DATE	OTHER	DATE

SUMMARY OF PROPERTY TO BE RETIRED

ASSET VALUE TO BE RETIRED $ _____

LESS:

ACCRUED DEPRECIATION $ _____

ESTIMATED SALVAGE VALUE $ _____ $ _____

ESTIMATED RETIREMENT LOSS OR GAIN (DETAIL SCHEDULE BELOW) $ _____

ESTIMATED DISMANTLING EXPENSE $ _____

ESTIMATED NET CHARGE TO RESERVE FOR OBSOLESCENCE $ _____

REPAYMENT OF INVESTMENT TAX CREDIT $ _____

DETAIL OF PROPERTY TO BE RETIRED

1 DEPT. NO.	2 EQUIPMENT NO.	3 ORIGINAL ASSET VALUE	4 ASSET VALUE NOT RETIRED	5 (3-4) ASSET VALUE TO BE RETIRED	6 ACCRUED DEPRECIATION	7 ESTIMATED SALVAGE VALUE	8 (5 - 6 - 7) ESTIMATED RETIREMENT LOSS OR GAIN	9 REPAYMENT INVESTMENT TAX CREDIT

SC 004835

*SHOW PROJECT AUTHORITY FOR EXPENDITURE NO. IF RETIREMENT IS RELATED TO A PROJECT AUTHORITY

LAM006046

Monsanto

MONSANTO COMPANY
300 N. LINDBERGH BLVD.
ST. LOUIS, MO. 63166

APPENDIX B
P-0422
AUTHORITY FOR RETIREMENT

PLANT	DEPT. NO.	DISMANTLING W.O. NO.	*P.A.F.E. NO.	DATE	AUTHORITY NO.

DETAIL OF PROPERTY TO BE RETIRED

1 DEPT. NO.	2 EQUIPMENT NO.	3 ORIGINAL ASSET VALUE	4 ASSET VALUE NOT RETIRED	5 (3-4) ASSET VALUE TO BE RETIRED	6 ACCRUED DEPRECIATION	7 ESTIMATED SALVAGE VALUE	8 (5 - 6 - 7) ESTIMATED RETIREMENT LOSS OR GAIN	9 REPAYMENT TO INVESTMENT TAX CREDIT

SC 004836

A-823-1 REV 4/72

LAM006047

APPENDIX C
P-0422

Form MT 98 (Rev. 11-48)
No. 17500—2M Sets-11-48-C&C.

1. DEPT. RECEIVING EQUIPMENT

MONSANTO CHEMICAL COMPANY

TEXAS CITY, TEXAS

MACHINERY AND EQUIPMENT TRANSFER

Transfer Nº 326

To Accounting Department:
The equipment listed below has been transferred

Date _____

From: Department _____

Job No. _____

REFERENCE-

To: Department _____ Bldg. No. _____

Estimate No. _____

Equipment Tag No.	Functional Item No.	Manufacturer's Serial No.	Description

This equipment is replaced by / replaces the following:

Has any wiring or piping been removed?
If so, report the installed value. $ _____

_____
Maintenance Area Supervisor or
Construction Supervisor

SC 004837

LAM006048

APPENDIX D
P-0422

BS 203
4-61

MONSANTO CHEMICAL COMPANY

PLEASE ISSUE INVOICE ☐ CREDIT ☐

TO: ORDER DEPT. TO: BILLING DEPT.

SHIPPER'S NO.	DISTRICT	DATE ENTERED	CUSTOMER'S ORDER NO.	DATE REQUESTED	INVOICE OR CREDIT NO.

TERMS (DOES NOT APPLY ON CREDITS)	DATE SHIPPED	CAR INITIALS AND NO.

PREPAID OR COLLECT - ROUTING

DELIVERY F.O.B.

✱ SHIPPED FROM	✱ WHSE. CODE	BOOKED THRU	COPIES CODE	CUST. FORM

SOLD TO

SHIPPED TO

DESCRIPTION	QUANTITY	PRICE & UNIT	AMOUNT
SC 004838			

REQUESTED BY (WRITE FULL NAME) APPROVED

LAM006049

✱ IF THIS FORM IS FOR A CREDIT COVERING MATERIAL RETURNED SHOW LOCATION AND WHSE. CODE ABOVE (✱) TO WHICH MATERIAL RETURNED.

PLEASE BE SPECIFIC IN THE WORDING IN THIS DESCRIPTION SO THAT ANY ONE CAN UNDERSTAND THE REASON FOR ISSUING THIS FORM.

P- 0402

SC 004829

LAM006040