PROCEDURE BULLETIN — TEXAS CITY PLANT P-0424

PLAINTIFF'S EXHIBIT
MON-1454

MATERIALS AND EQUIPMENT STORAGE AT SALVAGE

I. PURPOSE

The purpose of this procedure is to establish an effective method for receiving and controlling equipment, containers and materials stored at salvage. It will also provide a system for maintaining and reporting an updated inventory listing of usable equipment and materials stored at salvage, and establish a cost allocation system for salvage services for materials that are stored in the salvage yard for a specific department.

II. SCOPE

A. This bulletin applies to all departments and all personnel who route materials to or store material in the salvage yard.

B. The procedure covers containers, surplus equipment, spare equipment, scrap metals, and usable materials stored in the salvage yard.

C. The procedure will establish a charge system for departments that store spare equipment or materials at salvage.

III. RESPONSIBILITY

The responsibility for controlling items that enter the salvage yard and for determining where the item will be placed lies with the Salvage Department.

The Salvage Department will be responsible for maintaining an inventory of the usable equipment and materials stored in the salvage yard.

The owning department will be responsible for initiating forms required for equipment transfer, preparing the spare equipment and materials for storage, and for any maintenance required to keep the equipment or material in a useful state.

The responsibility for determining the correct storage cost allocation lies with the Salvage Department and will be based primarily on the amount of space being used by each department.

IV. PROCEDURE

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A. Materials Entering Salvage Yard

The driver of the vehicle entering the salvage yard will stop at the gate to allow the Salvage Attendant to inspect the load. All materials entering the salvage yard must be de-contaminated and have the proper tags and/or labels filled out as stated in the "Decontamination of Containers and Equipment" procedure (P-0423), otherwise the load will be

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refused. The attendant will direct the driver to the location where the load is to be placed. The salvage yard will be open and staffed from 0800-1630 Monday through Friday. The Night Supervisor will be responsible for entry into the salvage yard on off hours and for notification to the Salvage Supervisor of any such deliveries to the salvage yard by the following work day.

B. Materials Leaving Salvage Yard

The Salvage Attendant must be notified before any material can leave the salvage yard. Approval from the owning department and from the Salvage Department personnel must be obtained or the material will not be allowed to leave the salvage area. On off hours the Night Supervisor can approve materials to be taken from the salvage yard. Notification to the Salvage Supervisor is to be made the next work day.

C. Lay Down Areas

Materials, containers, and equipment will be placed in designated areas within the salvage yard defined as:

1. Scrap materials
2. Recyclable materials
3. Surplus equipment
4. Spare equipment
5. Spare materials
6. Returnable containers

The area will be laid out in storage bays which will be numbered. Each operating area will be assigned a specific storage bay or bays depending on the amount of space required. The Salvage Department personnel will determine where and how the materials are placed and how much material is to be stored in each bay.

D. Salvage Storage Cost Allocation

Spare equipment and spare materials stored at salvage for a specific department or person will be subject to a monthly charge under the classification of "Storage of Salvage" using the expense code number "728." The charge will be based primarily on the number of square feet required for storage at the rate of $14 per one hundred square feet per month and will change as necessary to reflect the cost of maintaining the storage program at

salvage. The charge will be grouped with the F.I.E. charge on Manufacturing Departments' cost sheets and will be listed as direct charge on Service Departments' cost sheets. An inventory list of the spare equipment and material, along with the storage cost, will be sent out each quarter to the Manufacturing Superintendents and the Maintenance Zone Superintendents.

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