

**PLUG-IN INVENTORY CONTROL  
PROCEDURES FOR HANDLING  
WAREHOUSE BACKORDERS**

<u>CONTENTS</u>	<u>PAGE</u>
1. GENERAL	2
2. PURPOSE	3
3. DEFINITIONS	3
4. RESPONSIBILITIES	4
5. POSTING OF WAREHOUSE BACKORDERS TO SHIPPING NOTICES	5
6. INVESTIGATING WAREHOUSE BACKORDERS	5
7. NOTIFYING PIA OF WAREHOUSE BACKORDERS	7

<u>EXHIBITS</u>	
1. FLOWCHART OF ACTIVITIES	8
2. POSTING INITIAL BACKORDER	9
3. EQUIPMENT LOCATED, SHIP IN FULL	10
4. EQUIPMENT LOCATED, SHIP PARTIAL	11

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1. GENERAL

- 1.01 This practice provides instructions/procedures to be used by Plug-In Inventory Control System (PICS) warehouse(s) for handling warehouse backorders.
- 1.02 Whenever this practice is reissued, the reason(s) for reissue will be listed in this paragraph.
- 1.03 A "Warehouse Backorder" as defined in this document shall mean/be interpreted as a condition that exists in the PICS warehouse(s) when all or part of the quantity requested on a Shipping Notice cannot be located. Therefore, a physical shortage or a system overage has occurred.
- 1.04 When discrepancies exist, PICS warehouse personnel will take immediate action to resolve such discrepancies and notify the appropriate Plug-In Administrator (PIA) of findings/status of shipment(s) if units requested cannot be located in the PICS warehouse(s).
- 1.05 The responsibility for investigating and notifying the PIA of warehouse backorders shall be shared by PICS warehouse management and non-management personnel. Notification to the appropriate PIA coordinate should occur the same day as backorder(s) are identified and preferably on an item by item occurrence as resolutions or investigations are complete.
- 1.06 Once a determination has been made as to the cause of the backorder, and if it is determined such occurrence was a result of warehousing procedures/practices, PICS warehouse management personnel will take the necessary steps to ensure proper procedures are established to prevent a reoccurrence of such conditions. Local occurrences should be addressed by warehouse management personnel. All other procedural problems should be addressed to the Manager-PICS Warehouse Methods for resolution.

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- 1.07 A "Flowchart of Activities" (Exhibit 1) sequences the steps to be followed for processing warehouse backorders in a timely manner.

## 2. PURPOSE

- 2.01 These procedures establish standards for PICS warehouse personnel to follow when handling warehouse backorders.
- 2.02 The proper implementation of these procedures will assure uniformity in the processing of warehouse backorders and provide a means to complete the necessary actions in a timely manner.
- 2.03 It is not the intent that these procedures replace supervisory functions or responsibilities for making application judgements in the best interest of the company.

## 3. DEFINITIONS

- 3.01 This section includes information pertaining to terms and acronyms used in this document.
- a. Alternate Location - A back-up warehouse storage location utilized to store overflow/surplus plug-in units.
  - b. Plug-In Administrator (PIA) - A Procurement manager responsible for the management of plug-in inventories at a Procurement operated warehouse location.
  - c. Plug-In Inventory Control System (PICS) - A mechanized system utilized for administering and controlling plug-in equipment inventories.
  - d. Prime Select Location - The main designated warehouse storage location for a particular plug-in unit where selections of units to satisfy field requests most often occur.

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- e. Stock Handling Sheet - A local warehouse document utilized to record and track the inward/outward movement of plug-in units from an alternate storage location.
- f. Shipping Notice - A Southwestern Bell Telephone Company standard form utilized to process PICS warehouse transactions (i.e., Selection/Receiving, Returns, etc.).
- g. Warehouse - As defined in this document, refers to a Procurement operated facility where plug-in units are received, stored, selected and managed for the subsequent needs of Southwestern Bell Telephone Company field forces.
- h. Warehouse Backorder - As defined in this document, refers to a condition that exists in a PICS warehouse when all or part of the quantity requested on a Shipping Notice cannot be located. Therefore, a physical shortage or a system overage has occurred.

#### 4. RESPONSIBILITIES

- 4.01 PICS warehouse management personnel are responsible for:
  - a. Investigating warehouse backorders, and/or delegating such investigations to authorized personnel.
  - b. Notifying the PIA of warehouse backorder(s) the same day as backorder(s) occurs. Preferably on an item by item basis as resolutions and/or investigations are complete.
  - c. Ensuring procedures are followed in accordance with guidelines established in this document.
  - d. Notifying the Manager-PICS Warehouse Methods of required changes to warehouse procedures/practices as needed.

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**5. POSTING OF WAREHOUSE BACKORDERS TO SHIPPING NOTICES**

- 5.01 During the daily processing of Shipping Notices, inventory discrepancies (Warehouse Backorders) may occur in the form of shortages.
- 5.02 Whenever this situation occurs, the supplies attendant attempting to select the unit(s) in question, should note "B/O" under the original quantity printed on the Shipping Notice (Exhibit 2) and place a slash / through the quantity printed on the document. In addition, the supplies attendant should post his/her initials in the "Selected By" column of the Shipping Notice.
- 5.03 Warehouse supplies attendants are responsible for informing PICS warehouse management or delegated non-management personnel, responsible for investigating warehouse backorders, as quickly as possible when backorder conditions occur.

**6. INVESTIGATING WAREHOUSE BACKORDERS**

- 6.01 Whenever a warehouse backorder occurs, an investigation into the cause of such backorder(s) should be made by the PICS warehouse supervisor responsible for the selecting activity or an authorized non-management delegate as directed by local management.
- 6.02 This investigation should involve revisiting the prime select and alternate location(s) (as noted on Shipping Notices) to verify that units requested are indeed out-of-stock.
- 6.03 If units are located, then the warehouse supervisor or an authorized delegate should inform the supplies attendant of findings. The supplies attendant should select the units and note the quantity selected in the original quantity field of the Shipping Notice and delete "B/O" that was previously manually posted on Shipping Notice (Exhibit 3).

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- 6.04 Units should be delivered to the warehouse packing area for processing.
- 6.05 If backorder units are not located, then the warehouse supervisor and/or authorized delegate should verify if alternate locations are loaded on the system.
- 6.06 If additional locations are loaded on the system, then the warehouse supervisor or authorized delegate should repeat procedures as noted in paragraphs 6.02 through 6.04 of this document.
- 6.07 If additional locations are not loaded in the system, then the warehouse supervisor or authorized delegate should review stock handling sheets from the previous evening to ensure units in question were not stored (put away) on the previous day/evening and alternate locations not input into PICS/DCPR.
- 6.08 If backorder material is located, then the warehouse supervisor or authorized delegate should load unit's alternate locations on the system and should follow procedures as noted in paragraphs 6.03 through 6.04 of this document.
- 6.09 If units cannot be located, then a physical search should be conducted of other bins and racks in the warehouse until warehouse management or the authorized delegate is satisfied that units do not exist. In addition, a physical check should be made of the returns put away staging area, staging area for new/repaired returns, receiving dock area, and any other location in the warehouse where units may exist.
- 6.10 If units are located, then the units should immediately be stored in the prime bin location. Procedures noted in paragraphs 6.03 through 6.04 should be completed to ensure units are shipped to field.
- 6.11 In the event the number of units being shipped does not satisfy the original quantity ordered, then a partial shipment should be completed and noted as applicable on Shipping Notice (Exhibit 4).

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**7. NOTIFYING PIA OF WAREHOUSE BACKORDERS**

- 7.01 After all avenues have been exhausted in the investigation and units cannot be located, PICS warehouse management or authorized non-management delegate should notify the appropriate PIA coordinate of the backorder condition by telephone, as soon as possible, same day backorder occurs.
- 7.02 When notification to PIA by telephone is complete, PICS warehouse management personnel or authorized non-management delegate should note the following information in a "Backorder Log":
- \* HECI number and quantity
  - \* Date backorder was called into PIA
  - \* Time backorder was called into PIA
  - \* Name of PIA coordinate
- 7.03 The PICS warehouse person reporting the backorder to the PIA should make a xerox copy of the Shipping Notice and retain in file until reinventory is complete each year. The field copy of the Shipping Notice should be mailed to field same day backorder occurs.
- 7.04 All remaining copies of the backordered Shipping Notice(s) should be forwarded to the appropriate PIA coordinate(s).
- 7.05 After notification of backorder from warehouse personnel via telephone, the PIA will follow standard inventory discrepancy resolution procedures as outlined in BSP 790-300-960 SW, Procedures for Managing the Daily Plug-In Movement Activity.

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FLOWCHART OF ACTIVITIES  
PROCESSING WAREHOUSE BACKORDERS

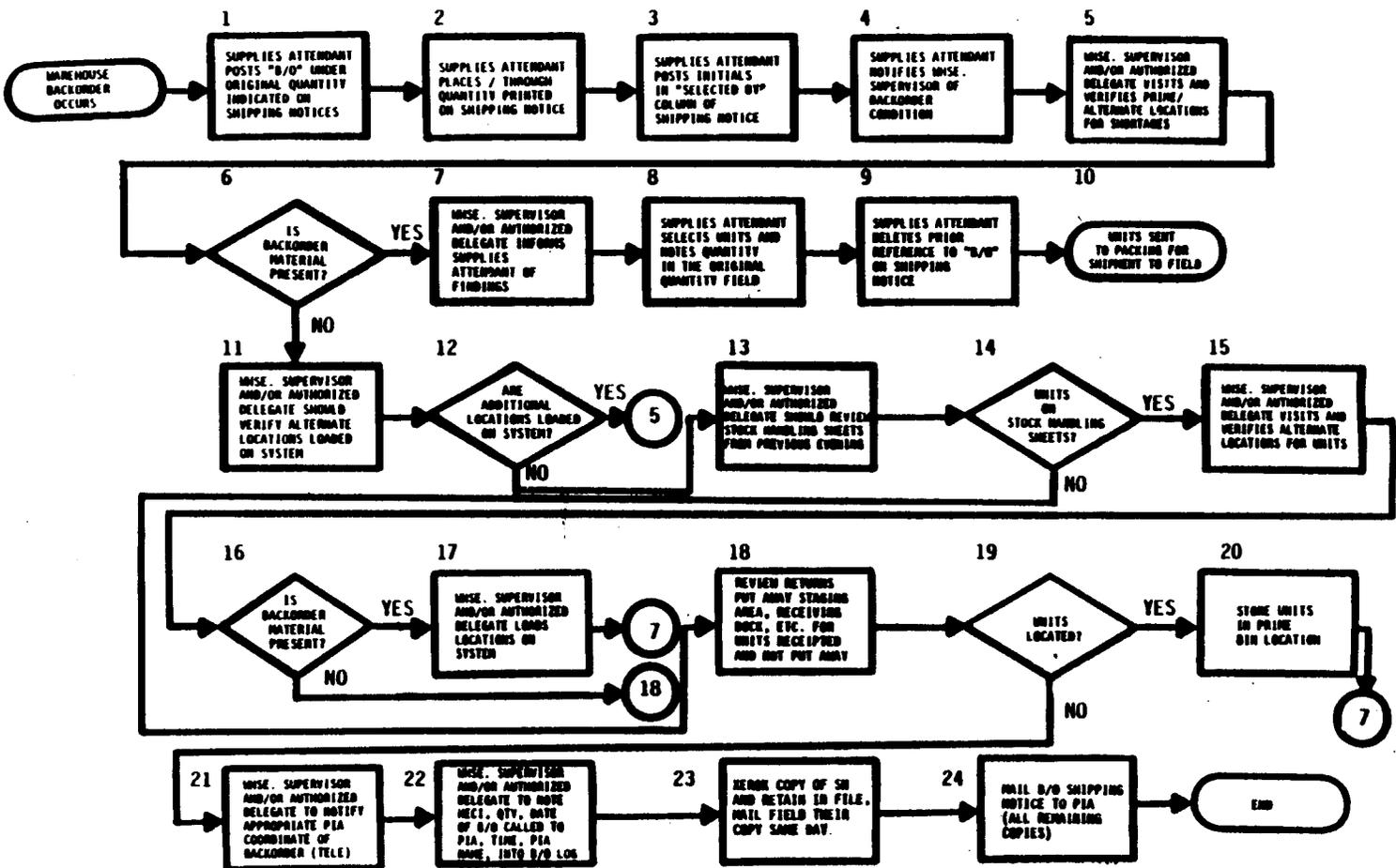


EXHIBIT 1

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**EXHIBIT 2**

**POSTING INITIAL BACKORDER**

**PICS/DCPR SHIPPING NOTICE**

 <b>Southwestern Bell</b> <small>ESTABLISHED 1877</small>		<small>1-800-333-3333</small> <small>REV. 1-88</small>	
<small>SHIPPING NOTICE #</small> 35306602	<small>AUTH/CARRIER NUMBER</small> SLS657494001	<small>EST. DUE DATE</small> WED JAN 11 89	<small>DATE SHIPPED</small> TUE 12:41 JAN 03 89
		<small>DAY/WK/MT DATE</small> PRI JAN 06 89	<small>PAGE</small> 1

**TRANSACTION TYPE**  
 PICS/TIRKS CONN PHASE II VIA TRUCK

TO LOCATION	FROM LOCATION
NTWK SERV SUPV-NM STL5M042 12397 ST CHARLES RK RD-C0 BRIDGETON MO 63044-	CSS SUPV MAT'L-MGMT STL5M0CS 725 PEE PEE ROAD-DOCK 6 MARYLAND HEIGHTS MO 63043-

DESCRIPTION	EQUIPMENT IDENTITY	STATUS	QTY.
*HECI(G) D4-4W ET0 CHAN D4C0310	D4C0310 J98726SQ-2 2,MOD-A J98726SQ-2 LABEL J98726SQ-3 3 SEE SELECTION AIDS FOR MORE J AND LISTS	S W	8216C 3216D 810

RECORD COPY

RETURN TO PIA AFTER RECORDING SHIPPING INFORMATION

THIS IS THE LAST PAGE OF THE SHIPPING NOTICE.

<small>RECEIVED BY</small> SA	<small>NO. OF CARTONS</small> 1	<small>TRANSPORTATION</small> <input type="checkbox"/> COMPANY <input type="checkbox"/> UPS <input type="checkbox"/> CONTRACT <input type="checkbox"/> SPECIAL	<small>DATE OF SHIPMENT</small> 1-3-89	<small>RECEIVED BY</small> [ ]	<small>DATE RECEIVED</small> [ ]
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EXHIBIT 3

EQUIPMENT LOCATED, SHIP IN FULL  
PICS/DCPR SHIPPING NOTICE

 Southwestern Bell ATTENTION PERIOD: 1 YR		AUTH/ORDER NUMBER SLS657494001	SET DATE WED JAN 11 89	DATE PRINTED TUE 12:41 JAN 03 89	DVA. W/OY DATE PRF JAN 06 89	SW 749 REV 1-88 PAGE 1
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TRANSACTION TYPE  
PICS/TIRKS CONN PHASE II VIA TRUCK

TO LOCATION	FROM LOCATION
NTWK SERV SUPV-NM STL5M042 12397 ST CHARLES RK RD-C0 BRIDGETON MO 63044-	CSS SUPV MAT'L-MGMT STL5M0CS 725 FEE FEE ROAD-DOCK 6 MARYLAND HEIGHTS MO 63043-

DESCRIPTION	EQUIPMENT IDENTITY	STATUS	LCTN.	QTY
*HECI(G) D4-4W ET0 CHAN D4C0310	D4C0310 J98726SQ-2 2,MOD-A J98726SQ-2 LABEL J98726SQ-3 3 SEE SELECTION AIDS FOR MORE J AND LISTS	S	W 8216C 3216D	1004 010 1

RECORD COPY

RETURN TO PIA AFTER RECEIVING SHIPPING NEGOTIATION

THIS IS THE LAST PAGE OF THE SHIPPING NOTICE.

RECEIVED BY <b>SA</b>	NO. OF COPIES 1	TRANSPORTATION <input type="checkbox"/> COMPANY <input type="checkbox"/> UPS <input type="checkbox"/> CONTRACT <input type="checkbox"/> SPECIAL	DATE OF ORDER 1-3-89	RECEIVED BY	DATE RECEIVED
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EXHIBIT 4

EQUIPMENT LOCATED, SHIP PARTIAL

**Southwestern Bell** PICS/DCPR SHIPPING NOTICE

RETENTION PERIOD: 1 YR

SHIPPING NOTICE # 05306602	AUTH/OORDER NUMBER SLS657494001	EST DUE DATE WED JAN 11 89	DATE RECEIVED TUE 12:41 JAN 03 89	SHIPMENT DATE FRI JAN 06 89	PAGE 1
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TRANSACTION TYPE  
PICS/TIRKS CONN PHASE II VIA TRUCK

TO LOCATION	FROM LOCATION
NTWK SERV SUPV-NM STLSM042 12397 ST CHARLES RK RD-C0 BRIDGETON MO 63044-	CSS SUPV MAT'L-MGMT STLSM0CS 725 FEE FEE ROAD-DOCK 6 MARYLAND HEIGHTS MO 63043-

DESCRIPTION	EQUIPMENT IDENTITY	STATUS	LCTN.	QTY
*MECI(G) D4-4W ST0 CHAN D4C0310	D4C0310 J98726SQ-2 2,MOD-A J98726SQ-2 LABEL J98726SQ-3 3	S	W 32160 32160	1 10002 8101

SEE SELECTION AIDS FOR MORE J AND LISTS

**RECORD COPY**

THIS IS THE LAST PAGE OF THE SHIPPING NOTICE.

SELECTED BY SA	NO. OF CARTONS	TRANSPORTATION	DATE OF SHIPMENT	RECEIVED BY	DATE RECEIVED
		<input type="checkbox"/> COMPANY <input type="checkbox"/> LIFE <input type="checkbox"/> CONTRACT <input type="checkbox"/> SPECIAL	1-3-89		

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