PP No.: 602 & SPP 802
Section: Purchasing and M&S Control
Subject: M&S Requisitioning/Purchasing
Approved By: Tony Massey
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Policy Owner: Senior Director of Purchasing

PURPOSE

The requisitioning and purchasing process is intended to manage company cash flow by:

- purchasing materials required to perform scheduled work
- assuring enough material is on hand for any new or out of the ordinary business

PROCEDURE

Each month, service center management will place orders for the materials and supplies (M&S) that will be needed in the upcoming month. The necessary inventory levels will be determined in accordance with the Monthly Pest Prevention Program, Monthly Agronomic Program and Service Protocols designed by the Technical and Training Directors. The Purchasing department is responsible for procurement of all M&S.

Purchasing Cycle

There are two types of purchase requisitions:

- A requisition order (RO), also called a regular order, is completed every month and submitted to the Purchasing department no later than the 10th of the month for delivery to the service center on the last week of the month. This is material to be used the following month.
- An emergency purchase order (EPO) is only to be used when the RO was not sufficient to complete a month's production, or a new sale has been made, requiring additional M&S.

The purchasing cycle is as follows:

1. A purchase requisition is created in Microsoft Dynamics 365 (D365), or if items are not in D365, by using the Purchase Request form.
    a. The procedure for creating a purchase requisition in D365 is outlined in PP 602A & SPP 802A: Procedure, Create a D365 Purchase Requisition.
    b. The procedure for creating a purchase requisition not in D365 is outlined in PP602B: Procedure, Order Non-Program M&S.
2. All purchase requests must be approved by the general manager..
3. Shipments will be received in each service center the last week of the month.
4. EPOs are submitted as necessary. Product is shipped as soon as possible.

When the RO/EPO is received by the Purchasing department, they will determine the vendor, pricing, and assign a purchase order number (PO#). The Purchasing department will then send the order to the vendor for processing. A copy of the completed RO/EPO including the word Confirmation stamped on the purchase order will be sent back to the service center. The office manager will keep a copy of each document to be utilized when the product, packing slip, and invoice are received.

Receiving Materials and Supplies

When the M&S is delivered, the following procedure will be followed:

1. While the delivery person is still present on property, a manager must carefully check all product received against what is claimed to be delivered on the Bill of Lading or Packing Slip. Products can be received by any member of management, including neighboring service center management on multi-location campuses.
2. Next to each item received, place a checkmark on the shipping paperwork.
3. If there is a shortage, overage, or error, indicate the quantity received and have the driver initial the change on all copies. Immediately notify the Purchasing department of the shortage, overage, or error by email; include a scanned copy of the bill of lading or packing slip.
4. If an item is back ordered, circle the description and quantity of the item that was supposed to have been delivered.
    a. Back orders should not regularly occur. Immediately notify the Purchasing department of all back orders.
5. If any of the items appear to be damaged:
    a. Notify the delivery person immediately.
    b. Document the suspected damage on the shipping paperwork.
    c. Take pictures of the pallet or container.
    d. Email your assigned purchasing agent immediately, providing details of the damage with pictures and a written request for credit or replacement of the product.
6. The manager checking in the order should then sign and print their name on the shipping papers, and write the date received next to their signature.
7. All product received should immediately be placed in the M&S storage cage area, with bulk products (for example, fertilizer or Sentricon) securely stored inside the warehouse. Under no circumstances are any materials to be left unsecured.
8. Product storage should follow the first in, first out (FIFO) rule. New product should be placed behind existing stock, ensuring the oldest is utilized first.
9. Complete the Product Receipt in D365 the same day product is received. The procedure for completing this step is outlined in SPP 803: Procedure, Receiving Purchase Orders.