

Methodology of Stores and Inventory between Management and Planning

Supporting Services Sector
Contracts and Procurement Management

01

Introduction

The Contracts and Procurement Division in the Department launched this mythology aiming to clarify its strategy in the organization and sustainability of the inventory to create an added value in the work environment and to meet the strategic needs of the organizational units including all the initiatives, operations and systems that work on producing, acquiring and spreading knowledge with relation to the systems, operations, procedures of warehouse regulation.





02

Warehouses Management

The Warehouses Department cares is concerned basically with places or buildings and the warehouses designated for keeping various items of materials in which the department processes which is considered fundamental for the Department to perform its missions and implements its projects, as to the identification of the locations, areas, and organization of passageways within warehouses in order to sort the materials, means of handling used in undertaking the work of delivery and preservation, or protection and disbursement, and the associated records, forms and documents, as well as the appropriate manpower in quantity and quality to carry out these works.

03

Stock Management



It mainly focuses on the activities related to planning and controlling the inventory items themselves, including ensuring the achievement of the strategic and operational objectives of the Department, and is divided into five sections:

Category (A)

Inventory control by setting upper and lower limit stocking levels.

Category (B)

Inventory control by setting daily usage rate and reorder point.

Category (C)

Inventory control by taking inventory and determining the value of inventory.

Category (D)

Inventory control by determining the severity of the inventory.

Category (E)

Monitoring and following up the rate of stagnant and damaged materials for the purpose of recycling.

04

Inventory Planning

Inventory planning includes the application of the business identified by the Department for the fiscal year under the triangular analysis in inventory:

(A)

Category

Materials of **high** importance that achieve

100 %

of the objectives and strategy of the Department.

(B)

Category

Materials of **medium** importance that achieve

40 %

of the objectives and strategy of the Department.

(C)

Category

Materials of **low** importance that achieve

5 %

of the objectives and strategy of the Department.





05

Means of Inventory Classification

Classification based on the type of inventory

01

The division of inventory on the basis of the quality of the stored materials is one of the most common methods in practical life. Subject to this method, the inventory is often divided into the following categories:

- Project materials.
- Periodic maintenance materials.
- Daily use equipment/materials.
- Safety materials.



Classification based on the purpose of the stock

02

In the classification of inventory on the basis of the purpose of keeping it, we can distinguish between them into two types:

(A)

Security Inventory

It is clear from the name that this kind of inventory includes the necessary items required by the Department under normal circumstances to ensure continuity of operations, this type of inventory contains all items referred to in the classification of inventory by type.

(B)

Operational inventory

It means the additional quantities that the Department keeps from some or all of the aforementioned stock items, not for the purpose of operation, but rather with the aim of facing unusual or emergency circumstances that the Department may face, and as is clear from the name, this type of stock is used as a means to secure the Department against cases of over demand or use rates than general averages, or longer supply period as per inventory triple analysis.

06

Standards of Efficiency and Effectiveness of the Product Use

Effectiveness Standard

It is an integral part of the life cycle of the product, and the strategy developed by the Department started from the stage of development objectives until the growth stage, and needs quality and effective products that keep pace with the targeted development stage and achieve a system of business sustainability on the environment.

Efficiency Standard

A basic principle in the inventory on which the life cycle of the product is based, starting with the supply stage until its safe scrapping, and the purchase process is not a goal in itself to achieve efficiency, but rather the goal is to achieve the desired results from the Department's services that it provides to the community for a better life.



07

Logistic Supply Chain Journey

The supply chain is based on two rules: (time/cost) which is not newly discovered origin, but what is newly created if the green supply chains, which is one of the modern concepts considered a principal partner in the enhancement of the performance of the institutions to ensure the sustainability of the sources and to preserve environment. Also, the logistic services are one of the components of the supply components relying on the ground of the demand which fall within four models:



MIN-MAX

Storage Limitations



VIM-VSM

Supplier Management of Inventory



JIT

Demand upon the need



RP

Need Plans

The Chain of Supply is divided into two parts:

Interiors

From warehouses to the requesting department, work locations, in accordance with the operational work plan.

Exterior

Supply from the supplier to the Department including any of the demand grounds.



08

Risks Management

The warehouse risks management process is a basic ground in the strategy of the management to administer warehouses, and the inventory, and it is divided into two parts:

They are related to the building, storage locations as to ensuring its compliance with the fixtures and conditions of security and safety in accordance with the contents of the inventory (signs – fire system – organizing storage sites and spaces) and so on.

**Warehouses
Risks**

01

Ensuring that the inventory is divided according to the hazardous materials management policy, which is related to the inventory in terms of its danger and are divided into three sections:

**Inventory
Risks**

02



**Low
risk Inventory**

They are the normal – hazard materials the contents of which do not tolerate ignition, such as: (iron – cement – some building materials) and so on.



**Medium
risk inventory**

These are the materials that are flammable after a period of time from the outbreak of the fire, such as: (dyes – reinforced plastic materials – and things made of fiberglass) etc.



**High
risk inventory**

These are hazardous materials that cause fires, such as: (toxic gases – chemical liquids – fuel) and so on.



09

Applying prevention and safety standards to warehouses

Warehousing standards

- The warehouses are subject to the requirements of the General Directorate of Civil Defense, including (surveillance cameras – alarm system for combustion – ventilation) etc.
- Providing fire-fighting equipment including extinguishers of all kinds, according to the nature of the stock, and maintaining them periodically.
- Taking into account the necessary spaces for the warehouses and the nature of the inventory.
- Providing signboards of entrances and exits for emergencies.
- Providing security and safety equipment for warehouse employees, workers and visitors.
- Providing signs according to the nature and hazardousness of the materials.
- Warehouse and inventory insurance.

Inventory Standards

- Work according to the approved regulations in the Emirate and the Department.
- Classifying materials and determining locations according to (degree of risk – weight – nature – value of the item).
- Periodic monitoring of materials according to their nature and validity.
- Place the materials according to the nature of their movement in accordance with the handling requirements.
- Not to store materials in the corridors or the entrances and exits of the stores.

Standards for Warehouse Workers

- Training warehouse workers on warehouse rules and regulations.
- Adhere to the requirements for handling according to the nature of the materials.
- Training workers on the drill evacuation process for emergencies.
- Obligation to wear occupational safety and security equipment.
- Medical examinations for workers in high-risk warehouses.



10

Conclusion

This approach is part and parcel of the contracts and procurement management strategy to ensure that warehouses and inventory are managed efficiently and effectively to support the Department in achieving its strategic plan to provide services to the emirate and its community. This is our effort that we have made to spread and document tacit knowledge and experiences according to best practices and the highest standards and methodologies used in warehouse and inventory planning and management processes both at the emirate and state levels.

