

WAREHOUSE AND INVENTORY MANAGEMENT GUIDELINE



MINISTRY OF ECONOMY
FIJI PROCUREMENT OFFICE

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Table of Contents

| | |
|---|----|
| 1.0 INTRODUCTION..... | 4 |
| 1.1 Objective | 4 |
| 1.2 Definitions | 4 |
| 2.0 POLICIES AND PROCEDURES | 5 |
| 2.1 Related policies and guidelines | 5 |
| 3.0 KEY RESPONSIBILITIES AND ACCOUNTABILITY | 5 |
| 3.1 Responsibilities | 5 |
| 3.2 Accountability | 6 |
| 3.3 Handover Responsibilities | 6 |
| 4.0 WAREHOUSE OPERATION MANAGEMENT..... | 7 |
| 4.1 Managing Warehouse Layout and Storage Plan | 7 |
| 4.2 Managing Warehouse Safety: Compliance, Facility Security and Worker Well-Being..... | 7 |
| i. Machine Checks..... | 7 |
| ii. Compliance Training | 8 |
| iii. Safety and Security of Inventories..... | 8 |
| iv. Sanitation Inspection | 9 |
| v. Storage | 9 |
| 4.3 Addressing Bottlenecks..... | 10 |
| 5.0 Receiving and Releasing of Inventories..... | 10 |
| 5.1 Receiving Consignments..... | 10 |
| i. Visual inspection and verify documents..... | 10 |
| ii. Offloading and inspect damages | 11 |
| iii. Confirm receipt..... | 11 |
| iv. Assign to a storage location..... | 12 |
| b. Returning of Goods | 12 |
| c. Release of Goods..... | 12 |
| d. Receiving and Releasing of Inventories Process Map | 13 |
| 6.0 Logistics Operation during a State of Emergency | 14 |
| 7.0 DOCUMENT MANAGEMENT AND FILING | 14 |
| 8.0 REVIEW OF GUIDELINE | 15 |
| 9.0 APPENDIX..... | 16 |
| 9.1 Forklift Safety Guide..... | 16 |
| 9.3 Forklift Safety Checklist..... | 16 |
| 9.4 Warehouse Visitor Guide..... | 17 |
| 9.4 Near Miss Report | 18 |

1.0 INTRODUCTION

Provision of logistical support for the administration and distribution of consignments purchased from overseas is one of the main functions of the Fiji Procurement Office (“**FPO**”). This is a regulated role of FPO under the Procurement Regulations 2010.

It is, therefore, the duty and responsibility of the designated warehouse staff to closely ensure adequate and safe storing conditions, safe efficient warehouse operations, complete and accurate recording of all consignment or inventory movements.

This guide covers the processes for warehouse and inventory management, distribution and state of emergency operations. It is based on the United Nations Standing Operating Procedures (SOP) for Warehouse and Inventory Management.

1.1 Objective

The objectives of warehouse and inventory management are to:

- Ensure satisfactory receipt of goods;
- Provide the ability to rapidly deliver goods requested;
- Keep accurate account of the inventory movements and balance;
- Maintain complete and accurate records of the inventory situation (physical, reserved, buffer, on hand, distribution, contingency, temporary and in transit inventories);
- Maintain adequate storage conditions, to ensure that the inventory is in usable or serviceable condition when needed;
- Implement appropriated measures to guarantee the safety and security of the goods;
- Ensure the inventory is maintained according to the layout and storage plan; and are correctly stacked.
- Maintain a safety working environment that is conducive for operations.

1.2 Definitions

Warehouse A warehouse is a planned space for the storage and handling of goods and material.

| | |
|-----------------|---|
| Bill of lading | A bill of lading (BL or BoL) is a legal document issued by a carrier that details the type, quantity and destination of the goods being carried. It also serves as a shipment receipt when the carrier delivers the goods at a predetermined destination. This document must accompany the shipped products, no matter the form of transportation, and must be signed by an authorized representative from the carrier, shipper and receiver. |
| Delivery docket | A delivery docket is the formal document which accompanies a shipment or the bill of lading. It enables the carrier to share exactly what's 'in the box' for the receiver to agree to and accept the shipment. |
| Stock Register | This register confirms the receipt of goods and stores information for all inventory movements. It is the main document for recording and audit purposes and must be continuously updated. |

2.0 POLICIES AND PROCEDURES

2.1 Related policies and guidelines

The policies contain rules and regulations that define the general conduct of the warehouse operation. Other references that can relate to this policy for the provision of a wider scope for operations of the warehouse may include:

- Occupational health and safety (OHS)
- General security pests control
- General warehouse maintenance and cleaning quality control
- Record keeping and reporting reverse logistics best practices.

3.0 KEY RESPONSIBILITIES AND ACCOUNTABILITY

3.1 Responsibilities

All requests for consignment storage must be communicated in writing and approved by HOP. The delegated warehouse supervisor/manager is responsible for warehouse and inventory management. S/he must ensure that the function is properly implemented and adequately staffed. This includes the periodic update of inventory movements and providing timely reports to reporting authorities.

The delegated staff will ensure that the following key roles and responsibilities are carried out:

| Roles | Responsibilities |
|-------------------------------|--|
| Warehouse Manager/ Supervisor | Oversee the warehouse operations. Control storage, movement and receipt/issue of inventory. Update and track inventory files ensure proper filing routines. Exchange information according to the obligations detailed in this guide. Other assigned tasks by the Head of Procurement. |
| Warehouse Officer | Match physical quantities against receipt/release documents and ensure that inventory records) match physical inventory. Identifies risks that and implement controls to avoid or address them. Review processes and internal controls to measure and manage risks. |
| Security | Ensure 24 hour protection of warehouse premises and items stored. |

3.2 Accountability

To assure fulfilment of this guide, responsible staff including trade assistants or anyone involved in the operation of the warehouse, in part or full time, must comply with the warehouse operational requirements mentioned in this guide.

3.3 Handover Responsibilities

Any change for the warehouse staffing requires a handing over exercise to be conducted. This may apply to instances where a responsible staff is taking a leave for more than two weeks, resignation or transfer of duty stations. The responsible FPO Officer (outgoing/incoming) and the Warehouse Supervisor (outgoing/incoming) must conduct this procedure as a joint exercise.

- i. The new Officer/Warehouse Manager in charge must sign the complete and update inventory records for which they are taking over the responsibility.
- ii. Copies of the hand-over documentation should be stored both in the warehouse verification files and with the updated files maintained in the main drive.
- iii. Handover documents to be verified by Head of Procurement.
- iv. Any handover of warehouse keys should be recorded in the keys register.

4.0 WAREHOUSE OPERATION MANAGEMENT

Warehouse operations management requires a systematic and process driven approach to maintain order and efficiency within a warehouse. Well-designed operational processes can reduce waste and facilitate improved management and efficiency.

4.1 Managing Warehouse Layout and Storage Plan

All warehouses should maintain a Layout and Storage Plan based on a grid layout showing where the different items are stored and update it regularly. Planning needs to consider allocated space for each type of product and locating number, sufficient space for easy access to the stacks for inspecting, loading and unloading. Each storage areas may be marked by markings/paint on the floor and include area, row and aisle identification codes.

As a minimum, the designated areas are, but not limited to:

- Goods receiving area;
- Damaged/expired goods area;
- Staging/loading area for items picked and ready for release.
- Goods storage area
- Dangerous goods area (pesticides, fuel, etc.)
- Other goods

All warehouses should maintain a Layout and Storage Plan based on a grid layout showing where the different items are stored and must be updated regularly. At any point in time, the Warehouse Manager should be able to provide the warehouse utilization for space allocation and future usage.

4.2 Managing Warehouse Safety: Compliance, Facility Security and Worker Well-Being

Safety remains one of the top priority to stay on top of compliant warehouse management. All activities undertaken within the premises should be aligned to safety and compliance measures, hazard free and without or minimum risk.

i. Machine Checks

Only certified operators with valid license are allowed to operate machines in the warehouse. Machines should operate safely and inspected at the start of every shift.

Proper protective gears must be worn at all times with adequate refresher courses to be provided when practical. ¹

ii. Compliance Training

The Occupational Health and Safety (OHS) exist solely to foster safer work environments. Strict compliance should be maintained to ensure safe working environment at all times:

- All visitors must remain in the designated safe areas and walkways. Visitors who remain at the warehouse premises for more than two hours should receive a short course on the safety rules in your facility and information on potential hazards. Visitors register should be updated and maintained at all times²;
- PPEs to be worn at all times inside the warehouse;
- All ladders and hand tools are in good condition;
- Overhead hoists or equivalent materials handling equipment in use when operating in heights. Employees to use proper lifting techniques. Items that are most frequently moved by hand are to be stored at rack heights to minimise bending/stooping or excess reach to pick up or place;
- Accidents, near misses and injuries to be reported. Unsafe conditions must be corrected, reported/documented in a timely manner³;
- Employees be properly trained and outfitted for weather/temperature extremes;
- Newly recruited staff must receive documented general material training and task-specific ergonomics training;

iii. Safety and Security of Inventories

Inventories should be protected from the risks of fire, loss, breakage, damage and theft.

The warehouse shall prepare an infrastructure plan covering:

- Appropriated fencing and other security measures as perimeter walls/fences towards adjoining buildings/areas. This may include security guards/ response plan/support from Government security. Doors to be properly locked when not in use;
- No smoking policy. Smoking are permissible in designated areas;
- Fire extinguishers are in place and fire safety plan;

¹ Forklift Safety Checklist or safety guidelines refer to Appendix 1

² Warehouse Visitor's Guide refer to Appendix 2

³ Near Miss Report refer to Appendix 3

- Limited and controlled entry/exit to the warehouse/storage area;
- Storage requirements for hazardous goods (especially fuel); This include special storage and security conditions for high value items:
- Overhead lighting, roofs should be in good condition. Ensure there are no leaks, broken panels/light bulbs or missing bulb shields.
- Security tapes and seal wraps must be used for sealing export cartons when practical.

iv. Sanitation Inspection

Sanitation becomes mandatory to maintain the highest standards of cleanliness. There should be a regular inspection and organization for various sections of the warehouse. Following is the list of rules to be followed for ease of execution of warehouse sanitation process:

- Rodent and other pest control devices to be properly kept and in working condition
- Aisles, wall parameters, exterior areas near the building, trash cans and dumpsters free of loose trash and debris
- Stored products in good condition and free of spillage/breakage
- Stocks properly documented for best rotation control
- Inventories which are broken, damaged or removed from distribution are properly written off and disposed.ⁱ⁴
- Maintain pests free environment

v. Storage

The warehouse supervisor may structure the inventories in depending on the nature of requests. The commonly used approach is floor or block stacking. This storage method is the most common method for warehouses that are reasonably low in height. Cartons/boxes should properly flush to ensure weight is distributed evenly and obstructs falling of items.

Duration: The maximum storage duration is 30 calendar days for all agencies. To allow space and maintaining the warehouse in quality, efficient and hygienic conditions,

⁴ Disposal of Condemned Items is subject to regulation 53 of the Procurement Regulation (Amendment) 2020

reserving storage for unlimited time period is not encouraged. A storage fee of \$5.00 (VIP) a day will apply for any storage more than 30 days.

4.3 Addressing Bottlenecks

“Bottlenecking” refers to certain points where everything slows down compared to the activity that preceded it. In terms of warehouse efficiency, bottlenecks are highly undesirable and impact productivity and morale. This requires a commitment to efficiency and should be something capable of being handled in house. Areas to keep a watchful eye on are:

- **Manpower:** Improving training or altering procedures so that employees can operate more efficiently is one approach to solving bottlenecks. If special equipment is commonly employed, make sure it is readily on hand. Access to key areas or systems should be similarly easy. While security and safety should not be discounted, it is important to make a rational assessment of what is and not required.
- **Equipment:** Using the right equipment enhances efficiency. The availability of the correct equipment on site should be planned before hand to match the work needed.
- **Organization and Layout:** The fast moving items should be the most easily accessible. Shelves should also have some form of order to them so that items can be quickly found or placed. Lanes of traffic need to be kept clear and, if necessary, widened to allow for greater volumes.

5.0 Receiving and Releasing of Inventories

The FPO Warehouse can only receive inventories that are procured for or owned by Fiji Government including donations. Ministries must state in the requests that storage will be facilitated through the Head of Procurement’s approval. All relevant information pertaining to the consignment received are preferably to be received in advance.

5.1 Receiving Consignments

i. Visual inspection and verify documents

Firstly, execute a visual inspection of the truck(s). Check if the goods are visibly in accordance with the shipping documents. Inspect the goods for obvious visible damages or loss (e.g. bad quality canvas on the truck, holes in the container, destroyed outer packing, etc.).

ii. Offloading and inspect damages

Goods should be carefully offloaded and handled to minimize damage following these general handling guidelines, if possible:

- Avoid outside offloading during rain;
- Use forklifts for large or heavy items;
- Use pallet jacks for lighter ones;
- Do not drag, drop or throw items.

Follow the below steps when receiving/inspecting the consignment:

| Step | Action |
|------|--|
| 1 | If there is visible damage or non-conformity with shipping documents, immediately take photos using a digital camera or a mobile phone, inform the responsible Warehouse Supervisor, stop offloading and reject the consignment. Visible damage or non-conformity can include: <ul style="list-style-type: none">• Water stains on packing;• Crushed boxes;• Date of expiry passed on packaging labels;• Goods are obviously not what was indicated on the shipping document; |
| 2 | If there is any doubt unpack goods samples for further inspection. |
| 3 | If there is no obvious visible damage remove packaging and spot check some items in the presence of the carrier to ensure that the goods conform to specifications. Quality control tests (in particular for locally procured items). Weight scale and measuring meter must as a minimum be available in the warehouse. |
| 4 | If goods are damaged, short-landed or not of the expected quality note the details on shipping document and fill in the Loss/Damage form (with photos if possible). Inform and send the documents to the agency on the same day. |

iii. Confirm receipt

Confirmation of receipt is a necessary step to verify that the supplier of the goods and transport service supplier have fulfilled their obligations. The FPO Logistics received stamp should be the proof of delivery that a particular shipment/consignment. It is necessary to obtain the signature of the transporter on the Delivery docket and the date all documents.

In the event of lost or damaged goods follow the instructions provided in Step 4. The warehouse supervisor has to confirm the receipt and a prepare a Loss/Damage form in order for the recipient to initiate necessary complaint actions against the supplier and/or transporter.

iv. Assign to a storage location

Once the warehouse manager has accepted all or parts of a consignment, store the goods as follows:

| If the consignment is for... | Then... |
|------------------------------|--|
| An existing Ministry | <ul style="list-style-type: none"> • Store the goods in the same place as the previous shipment. • Update inward register. • File the shipping documents |
| A new Ministry | <ul style="list-style-type: none"> • Store the goods in an appropriate location, according to the Layout and Storage plan. Update the plan. • Update inward register. • File and file the shipping documents. |

b. Returning of Goods

Items that have been inspected may need to be returned to the agency because they were discovered to be:

- Defective or damaged;
- Duplicate or shipped in excess of Ministry's required quantity;
- The wrong items;
- Not delivered on time and no longer required.

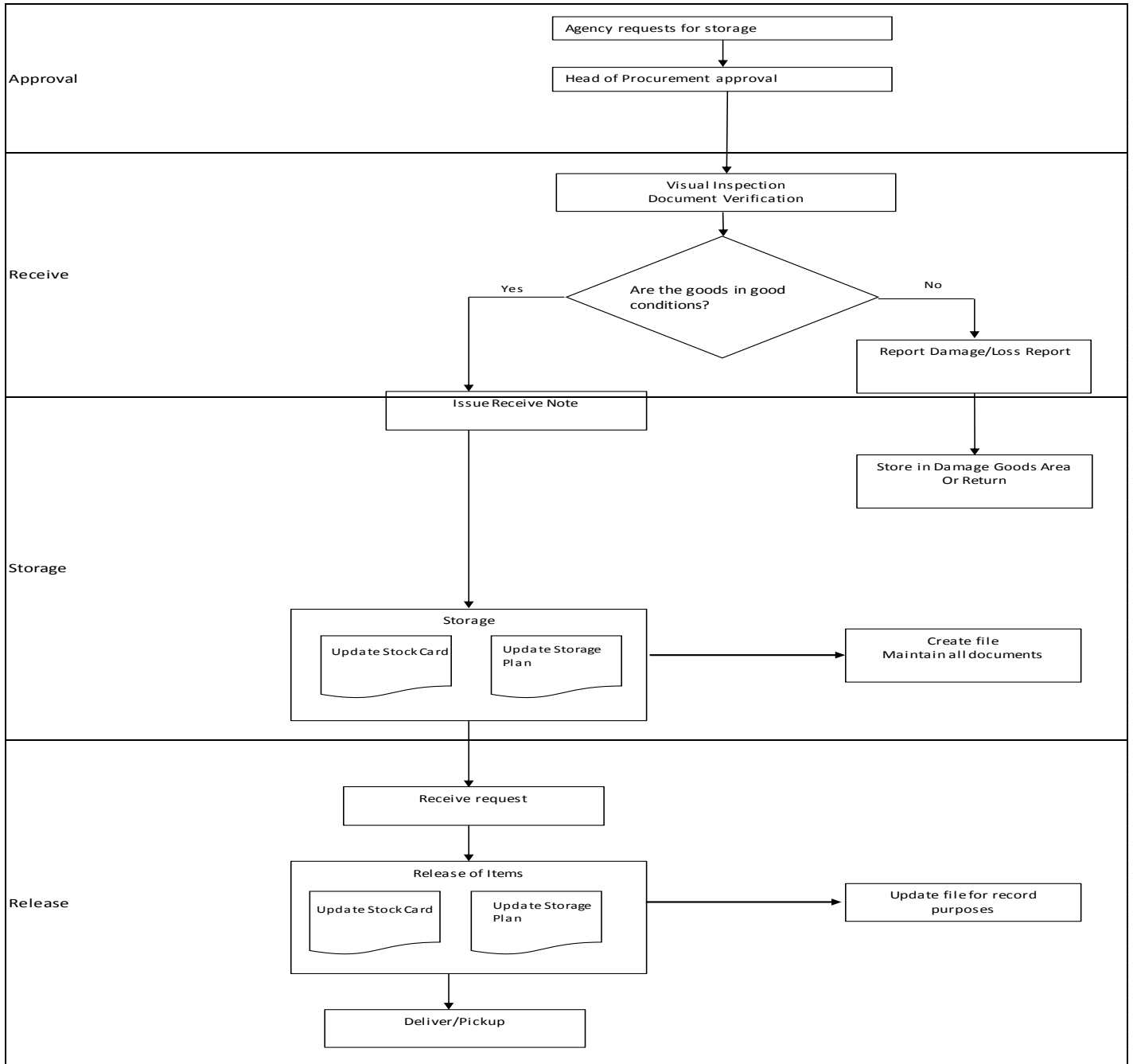
The return of dispatched inventory from an FPO warehouse should be accompanied with delivery docket stamped returned.

c. Release of Goods

It is not allowed to issue inventory from the FPO warehouse without a request from the Ministry. In order to execute the officer in charge of inventory must ensure that all relevant information and documentation is received in due time before the physical release.

The warehouse staffs needs to 'pick' the goods from the storage area based on the request, and place them in the assigned loading area. As soon as the goods are moved from the storage area to the loading area, the stock register must be updated. It is highly recommended that the warehouse officer or security guards count during loading to ensure that the vehicle is loaded as planned and in accordance with the request.

d. Receiving and Releasing of Inventories Process Map



6.0 Logistics Operation during a State of Emergency

There has been overall growth of the logistical movements and a corresponding increase in National Disaster Management Office (NDMO) and humanitarian actors participating in response. Consequently, the systematic coordination and evaluation of operations addresses the constant need of improvement. The experiences have portrayed important learnings why having a systematic understanding of state of emergency operations is critical for a successful response.

The warehouse management should be conditioned to encourage collaboration from multiple stakeholders to assess core logistics functions, identify strengths and relative weaknesses, and focus efforts for continued improvement within disaster response logistics. Continuous review of the operation management must include proactive measures that enables efficient logistics capabilities by:

- Evaluating current or previous disaster logistics readiness
- Identifying areas for targeted improvement
- Developing a roadmap to mitigate weaknesses and further enhance strengths.

7.0 DOCUMENT MANAGEMENT AND FILING

It is the responsibility of the Warehouse Manager to establish an internal system ensuring that relevant documents are properly issued, filled in and filed. It is recommended that the warehouse maintains two different files, both of which must be retained for five years.

The warehouse data should containing all related transaction documents such as:

- All shipping documents received with the consignment(s) (e.g. Delivery Notes, Delivery dockets, Packaging lists, Customs document);
- Inspection documents prepared by the warehouse, such as Receipt report, Quality Inspection report, copy of Inventory Verification report in case of discrepancies, etc.;
- Stock register;
- Delivery dockets;
- Lost/Damage forms, if any.
- Monthly Reconciliations.

8.0 REVIEW OF GUIDELINE

This guideline will be reviewed annually or “as and when required” basis.

9.0 APPENDIX

9.1 Forklift Safety Guide



MINISTRY OF ECONOMY
FIJI PROCUREMENT OFFICE

FORKLIFT SAFETY GUIDE

This guide is designed specifically for authorized forklift operators with a valid license. Refresher training must be given if the operator has been involved in an accident, near miss, unsafe operations or is assigned to a new type of forklift. The forklift must be checked for defects daily - usually by the operator before beginning a shift. Regardless of how safely a forklift is operated, defects can cause serious accidents.

Basic Driving Rules:

1. The basic rule for operation a forklift is that you maintain control at all times. Other rules include:
2. Check the forklift daily before use. Do not use an unsafe forklift! Your safety is at risk
3. Understand the date plate and operate on standard limits.
4. Operate a forklift only while in the seat or operator's station. Never start it or operate the controls while standing beside the forklift.
5. Never allow passengers unless the forklift was designed for a passenger.
6. Do not put any part of your body between the uprights of the mast or, when traveling, outside of the forklift frame.
7. Always look in the direction you are traveling and keep a clear view of the travel path. Travel in reverse if the load blocks your view.
8. Always observe posted speed limits at your workplace. A forklift should not be driven faster than a quick walking pace.
9. Keep a distance of at least three forklift lengths between you and any forklift traveling in front of you.
10. Do not pass a forklift traveling in the same direction if it is at a blind spot, intersection or other dangerous location.
11. Never drive a forklift up to anyone in front of a fixed object.
12. Never allow anyone to walk or stand under the elevated forks even if the forks are not carrying a load.
13. Check your overhead clearance, watching for beams, lights, sprinklers, and pipes so the forklift and its load can safely pass.
14. Never engage in stunt driving or horseplay.



Bula Vinaka!

Welcome to the Fiji Procurement Office Warehouse. Your safety is our responsibility. We are providing you this guide to address some basic rules pertaining your welfare in our premises during your course of visit. By signing our Warehouse Visitor Attendance Register implies that you have read and understood the general safety conduct outlined in this Guide.

Basic Safety Precautions:

1. Ensure you are in a fit and healthy condition before entering the warehouse.
2. Safety is priority. Wear appropriate PPE, such as gloves, safety shoes, eye protection, and hard hats.
3. Keep alert to hazards and correct or report them when you see them.
4. Pay attention to warning signs and signals—and obey them.
5. Watch where you're going and focus on what you're doing.
6. Pay attention to what others do as well — look out for forklifts and other hazardous equipment.
7. Don't leave items in aisles, on the floor, or perched insecurely on a surface.
8. Dispose of all trash immediately in proper containers.
9. Put items in their assigned places immediately, rather than moving them from one stopping point to another.
10. When carrying objects, be sure you take all safety precautions possible.
11. Never drive a forklift or use other powered equipment unless you've been trained and authorized.
12. Warehouses may contain hazards and opportunities for accidents and injuries.
13. Any accident or near misses must be reported with the Warehouse Manager.
14. Be sure to sign our attendance register after reading and understanding these basic safety guides.

9.4 Near Miss Report



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NEAR MISS REPORT

Instructions:

1. Required to be completed when you experience a Safety Near Miss in the workplace
2. To be completed in full and emailed to direct manager or the Health & Safety Manager

Near Miss Defined:

A Near Miss is defined as “an opportunity to improve health and safety in a workplace based on a condition or an incident with potential for more serious consequences”.

Date and time of Near Miss

Location of Near Miss

Select the category the near-miss most relates to:

Fall from height Trip/Fall on same level Fall from equipment Hazardous manual handling
Electric shock Caught between/Undeath Hazardous substance Falling object Other

Describe how the Near Miss occurred (include the body part and type of pain):

Describe what lead up to and caused the Near Miss. Identify root causes:

What was lead and changed due to the Near Miss?

Photo/s that can help explain the what, where, why, or the possible injury:

Name and signature: