

RETURN FOR REPAIR  
MDC STOCK ITEMS

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**1. GENERAL**

- 1.01 This instruction provides information to be used by Procurement Services Inventory Management when performing Southwestern Inventory Management System (SWIMS) Return for Repair process. Others impacted by this practice are: Departmental Technical Staffs, Users/Clients, Procurement Sourcing Operations, Materials Distribution Center (MDC), and Telephone Company Storerooms (TCSs).
- 1.02 Whenever this practice is reissued the reason(s) for reissue will be indicated in this paragraph.
- 1.03 The objective of this instruction is to provide a means to:
- a. Comply with overall policies of the company;
  - b. Provide the service level required by users/clients;
  - c. Deploy resources effectively;
  - d. Assure SWIMS data base integrity to pass accurate information to downstream systems;
  - e. Promote communications among the various organizations involved in the Return and Repair process, and
  - f. Describe the functional Return & Repair process for the following categories:
    1. Public Communications (Coin);
    2. Official Communications Services (OCS);
    3. Rubber products;
    4. NCTE testing process.
- 1.04 Return & Repair, in the context of this practice, means the return of certain designated MDC stocked items from the user/client to the MDC for the purpose of repair and refurbish into a like new condition by a repair vendor. The repaired material

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is then placed into MDC stock for reuse by users/clients.

- 1.05 This practice is not to be confused with other practices that deal with the subject of returning various categories of material to the MDC for disposition. See Appendix 2.
- 1.06 This practice is not intended for Return and Repair activity for Plug-In Central Stock (PICS).

## 2. DEFINITIONS

- 2.01 Terms used synonymously throughout this document are as follows:
- a. Item/product/material;
  - b. Average Disbursement Price/Standard Cost;
  - c. Return for Repair/Return & Repair/R&R.
- 2.02 Budget Credit - A concept whereby credit is given for returning material from the user/client to the MDC when an out-of-box defective item is encountered. Budget credit in SWIMS is identified by an Activity Code of 10. Activity Code 10 is used during the Claims process for out-of-box defective items only. The accounting transaction that results puts dollars back into user/client budgets. Budget Credit is based on activity from DOPAC to the States.
- 2.03 Credit - Is an acknowledgement that users/clients have returned material to the MDC. Based on SWIMS Activity Codes processed, Capital items being returned would be removed from the capital account and placed in a retirement account. For example, an item resides in capital FRC of 188C. When the item is returned to the MDC, 188C is credited and 188X is debited. This action "retires" the item from service. Credit is based on the Activity Codes processed from SWIMS through PLAS to DOPAC. This credit will be ledger affecting only. It will not credit the Capital budget.

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- 2.04 Disk Oriented Property And Cost system (DOPAC) - Is a SWBT accounting system used for formatting journal entries.
- 2.05 Disposition - Is acting to remove from the MDC and to control a user's goods that are surplus, obsolete, or scrap. Disposition can be accomplished by transferring, selling, selling for salvage value, or destroying the goods.
- 2.06 Keelist Administrative Copy (JA341-001) - A list produced weekly for all MDC stocked items. Its purpose is to identify items with a Keep Quantity assigned. Items with a Keep Quantity assigned appear on the daily Keelist Dock Copy. The keep levels are determined by communication between Departmental Technical Staffs and Procurement Services Inventory Managers to meet the needs of the business, and budget considerations. This report should be reviewed and/or updated weekly by the Inventory Manager. It should be worked daily by warehouse personnel.
- 2.07 Keelist Dock Copy (JA340-001) - A list produced daily of Official Company Services (OCS) and Public Communications (Coin) repairable items. This list refers to items in the SWIMS Material Type 02 balance. The keep levels on this list are determined by communication between Departmental Technical Staffs and Procurement Services Inventory Managers to meet the needs of the business, and budget considerations.
- 2.08 Major items - In general, are Capital items with a value greater than or equal to \$500.00.\* Major items must be properly accounted for when used, transferred, sold, lost, destroyed or otherwise disposed. Examples include such items as coin phones, enclosures, posts, masts, certain test sets, and cable. Refer to Accounting Handbook Telephone Plant Section V27.405 or V27.601 for more detail.

\*Note: It should be noted that certain categories of material can have a value of less than \$500.00 and still be classified Major items. This is due to the accounting classification.

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- 2.09 Minor items - In general, are a category of items that are valued at less than \$500.00, and are ordinarily not reused when recovered.\* It is usually impracticable to report the individual items when used in or recovered from plant. Examples include such items as brackets, clamps, friction tape, and nails. Refer to Accounting Handbook Telephone Plant Section V27.601 for more detail.
- \*Note: It should be noted that certain categories of material can have a value of more than \$500.00 and still be classified Minor items. This is due to the accounting classification.
- 2.10 Non-budget affecting - Is a term used in Material Type 03 reuse activity. It is used for capital items whereby the user/client is charged only for a provisioning expense on his/her budget. The item however will be added to the capital account at Average Disbursement Price.
- 2.11 Perpetual Inventory Record (PIR) - Is a continuous account of the incoming materials, outgoing materials, adjustments, and the balance on hand by stocking location. MDC is account 1220.195. TCS is account 1220.194. At practically any instant, the perpetual inventory record should give the balance on hand and the activity for any particular inventory item. This system updates Company ledgers.
- 2.12 Procurement Logistics Accounting System (PLAS) - Provides a system interface between SWIMS and DOPAC for journalizing inventory movement records.
- 2.13 Receipting - The act of processing material on the receiving dock into the SWIMS system for the purpose of properly updating the type of activity being performed. Normal receipting into SWIMS is accomplished via Activity Code 22. The Activity Codes valid for use in SWIMS are found on the IAIA screen.
- 2.14 Receiving - To unload a truck or trailer at the warehouse and place the material on the dock for processing into SWIMS.

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- 2.15 Refurbish - To make into a like new condition. This includes repair if needed, painting, cord replacement, handset replacement, etc..
- 2.16 Return & Repair (R&R) - A process whereby certain designated stocked material is returned from users/clients and OCS I&M to the MDC. The material is accumulated and sent out to repair vendors for refurbishment into a like new condition. Items may also be repaired and converted to different stocked items. Once the material has been repaired or refurbished, it is placed back into MDC stock for use within the Company.
- 2.17 Stocked Item - An approved item with a nine-digit Item ID that is held on the shelf at the MDC for disbursement to users/clients.
- 2.18 SWIMS Material Type - Material Types are categories of stocked material found in SWIMS Table 202. Categories may be such things as new, unrepaired, and reuse material. The following are several types in use:
- a. SWIMS Material Type 01 - New and unused material purchased from a vendor. In addition, "01" type material can also be material that has been repaired or refurbished into a like new condition by a repair vendor. This category of material impacts Inventory Management investment levels;
  - b. SWIMS Material Type 02 - Is known as unrepaired material. It is material that has been returned to the MDC from a user/client in an unknown condition. The material must be sent out to a repair vendor to be repaired or refurbished for reuse within SWB. Upon return from a repair vendor, Material Type 02 items are added to the Material Type 01 balance or Material Type 03 balance depending on whether it is designated as Zero Price Reuse items by the Departmental Technical Staff. Certain rubber products are tested and refurbished in-house. This category of material impacts Inventory Management investment levels;

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- c. SWIMS Material Type 03 - Is known as Zero Price Reuse material. Items that reside in the Material Type 03 category are so designated by the Departmental Technical Staff. It is MAJOR or capital material that has been returned to the MDC from a user/client in new or unused condition. In addition, material repaired and returned from a repair vendor may be added to the Material Type 03 balance if it is designated as a reuse item by the Departmental Technical Staff. Examples of 03 material include certain Public Communication (Coin) items, and certain Official Company Services (OCS) items. This category of material does not impact State budgets. However, the material appears on State ledgers with all normal charges applied (Average Disbursement Price, transportation) to meet accounting requirements. The use of reuse material can reduce the need to spend new capital dollars for additional like items. This category of material impacts Inventory Management investment levels.

- 2.19 Unrepaired Material - It is material that has been returned to the MDC from a user/client in an unknown condition. This category of material is stored at the MDC in Material Type 02 balances. The material must be sent out to a repair vendor to be repaired or refurbished for reuse within SWBT. The Inventory Manager is responsible for determining when and how much to send out for repair.
- 2.20 User/Client - Any user of Procurement Services expertise or services. Includes the GHQ Technical Staff, subject matter experts, Installation and Maintenance (I&M), and any Southwestern Bell Telephone Company employee that places an order through Procurement.
- 2.21 Zero Price Reuse - The Departmental Technical Staff determines which items will be classified as Zero Price Reuse. Zero Price Reuse is a Return & Repair activity whereby users/clients return material to the MDC. The material is sent to a repair vendor for repair or refurbish into a like new condition.

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The material is returned to the MDC and placed in the Material Type 03 balance. The material is available for reuse by users/clients. This methodology puts reuse vendor-repaired Procurement Services stock material back into service with no capital budget impact to the receiving State entity. The material appears on state ledgers with all normal charges applied (Average Disbursement Price, transportation) to meet accounting requirements.

### 3. RESPONSIBILITIES

- 3.01 It is the responsibility of the User/Client to return material in an organized fashion together with an RMN, Stock Tag, or Disconnect Requisition to assure proper handling and credit takes place at the MDC. Users/Clients need to communicate unsatisfactory repair vendor performance to Procurement Quality Technology.
- 3.02 It is the responsibility of the Departmental Technical Staff to evaluate material and determine what new items, or stocked items, should be approved for repair, or repair and convert. The Departmental Technical Staff communicates and coordinates with State organizations, Procurement Sourcing Operations, Procurement Quality Technology, and Procurement Services Inventory Management throughout the Return & Repair process.
- 3.03 Corporate Method's responsibilities include assuring PLAS transactions flow through the various systems and accounting steps and update the Perpetual Inventory Record (PIR) correctly.
- 3.04 The Procurement Sourcing Operations organization is responsible for negotiating and obtaining agreements for the repair, and Repair and Convert of designated stocked items. Procurement Sourcing Operations communicates and coordinates with Departmental Technical Staffs, Procurement Services Inventory Management, repair vendors, Procurement Quality Technology, and MDC personnel throughout the Return & Repair process. Procurement Sourcing Operations

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is responsible for warranty repair negotiations. Procurement Sourcing Operations also reviews repair vendor performance.

- 3.05 Procurement Services Inventory Management is responsible for loading and maintaining Return and Repair, and Repair and Convert, information into SWIMS. Procurement Services Inventory Management is also responsible for releasing repair orders to repair vendors when sufficient unrepaired stock is available. Procurement Services Inventory Management communicates and coordinates with Departmental Technical Staffs, Procurement Sourcing Operations, repair vendors, MDC, and Accounting organization throughout the Return & Repair process.
- 3.06 The Procurement Materials Distribution Center is responsible for the physical processing of designated Return & Repair, and Repair and Convert, material. They are also responsible for working the Keeplist Administrative report and Keeplist Dock Copy report. MDC personnel assure that material is processed in accordance with established accounting principles. MDC personnel communicate and coordinate with Procurement Services Inventory Management, Procurement Quality Technology, repair vendors, and Accounting as required during the Return & Repair process.
- 3.07 The Procurement Quality Technology organization is responsible for assuring that repair vendor's repair, refurbish, and repair and convert efforts are within established standards. Procurement Quality Technology communicates unsatisfactory repair vendor performance to Procurement Sourcing Operations, Procurement Services Inventory Management, Departmental Technical Staff. Procurement Quality Technology communicates and coordinates with Departmental Technical Staff, Procurement Services Inventory Management, Procurement Sourcing Operations, MDC, users/clients, and repair vendors.
- 3.08 It is essential that the integrity of all data bases be maintained. Employees within each department must maintain the highest legal and ethical standards as set forth in Southwestern Bell

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Telephone Company's booklet entitled A Code of Business Conduct. All functions within the Return & Repair process must be performed with care and honesty for the successful management of the business.

#### 4. PURPOSE OF RETURN & REPAIR

- 4.01 The Return & Repair process can reduce the need to purchase new material.
- 4.02 The life of Return & Repair items is extended by sending them out to a repair vendor for repair and refurbish into a like new condition for reuse within SWBT.
- 4.03 Return & Repair provides maintenance stock which can be ordered by users/clients.
- 4.04 The Return & Repair process efficiently maximizes the use of products with long product life cycles in an economical manner.
- 4.05 Return & Repair items can be repaired or refurbished usually at less cost than the purchase of new material.
- 4.06 Return & Repair items may be repaired or refurbished several times before becoming non-repairable or obsolete.
- 4.07 Certain items can be repaired and converted from one item to another item thus reducing the need to purchase new material.

#### 5. OCS RESPONSIBILITIES

##### A. Returning OCS R&R Material To The MDC.

- 5.01 It is the responsibility of the user/client to return certain designated materials to the MDC for repair and refurbish. These Repair & Return items are listed on the Keeplist Dock Copy JA340-001.

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5.02 OCS may return material to the MDC in accordance with Data Capital Recovery Procedures, Operating Practice 126.

B. Ordering OCS Zero Price Reuse Material from the MDC

5.03 The use of reuse material can reduce the need for SWBT to spend new dollars for additional like items.

5.04 When a user/client removes material from service, the material should be returned to the MDC for repair or refurbish for reuse.

5.05 Before ordering MDC stocked OCS material, the user/client must check with the Corporate Telecommunications Service Center (CTSC) to determine which items are set up as reuse.

5.06 When an OCS user/client orders material from the MDC they will have an option to specify either reuse only or new only based on the Phrase Code used at the time of order entry. If no option is selected, SWIMS will attempt to ship reuse first. If no reuse is available new material will ship. Option message codes are as follows:

a. Reuse only Phrase Codes are:

1. Custom Order Entry System (COES) = 5R,
2. Procurement Order Entry System (PROES) = 3333333;

b. New only Phrase Codes are:

1. Custom Order Entry System (COES) = 4R,
2. Procurement Order Entry System (PROES) = 1111111.

5.07 If the "reuse" option is used, and no material is available, the item will not go on backorder. A notification Pick Ticket will print and be sent to the user/client. The notification will read: "NO REUSE AVAILABLE, REORDER W/O OPTION".

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- 5.08 If reuse material is shipped, a notification message will print on the packing slip as follows: "REUSE MATERIAL, NON-BUDGET AFFECTING".
- 5.09 If the "new" option is used, and no material is available, the item will go on backorder even if reuse material is available.
- 5.10 Available material will be selected and shipped, and the transaction will be passed to PLAS. PLAS will assign the appropriate EXTC and update DOPAC.
- a. If the EXTC for new material, SWIMS Material Type 01, is used the transaction will be budget affecting;
  - b. If the EXTC for reuse material, SWIMS Material Type 03, is used the transaction will be non-budget affecting, see definition.
- 5.11 When material is established in a substitution chain, the system will attempt to ship reuse material first. If no option is used and no reuse material is available, new material of the same Item ID will ship prior to reuse of the next item in the substitution chain.
- a. It should be noted that the oldest item in the substitution chain will ship, regardless of whether it is reuse or new.
  - b. If the "DO NOT SUB" phrase is used when the order is placed, SWIMS will ignore all other items in the substitution chain. In addition, if the new only option is used and no material is available the item will backorder, even if reuse material is available.

## 6. PUBLIC COMMUNICATIONS RESPONSIBILITIES

### A. Returning Public Communications R&R Material To The MDC

- 6.01 It is the responsibility of the user/client to return certain designated materials to the MDC for

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repair and refurbish. These Repair & Return items are listed on the Keeplist Dock Copy JA340-001.

6.02 There are four categories of material for Return and Repair activity:

- a. Defective - Items returned to the MDC that are defective should be labeled with color coded Defective tape. This tape will indicate where the item came from, i.e. Texas, Oklahoma, Kansas, Arkansas, Missouri, whether it is under warranty, and an Authority Number. The tape should be on the defective item and the box as well.
- b. Defective under warranty - Color coded Defective warranty return tape should be used to indicate whether an item is under warranty. Circling "YES" or "NO" and listing the authority number is all that is required by the technician. The tape should be on the defective item and the box as well.
- c. Returns no defects - (New/Unused) Returned material with no defects will be returned to MDC stock. New/Unused returns and their quantities are reviewed by the Inventory Manager before the material is placed on the shelf.
- d. Junk/Scrap - Material that is returned to the MDC which is beyond repair.

6.03 Use of the color coded Defective Warranty return tape eliminates the need for using the following:

- a. Defective (under warranty) sticker, SW-1902;
- b. Warranty Return Tag, SW-2611;
- c. Label - To Materials Distribution Center Or MARC Center, SW-9571;
- d. Defective Label, SW-3052Y

6.04 The flow of returning material to the MDC is as follows:

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- a. Technician removes item from service and forwards it to the Work Center.
- b. The Work Center forwards the item to the RDP/TCS.
- c. RDP/TCS forwards the item to the MDC Returns area.
- d. MDC receives the item and processes it.

6.05

There are some general guidelines the user/client should follow when returning material to the MDC. The purpose of the guidelines is to reasonably organize material for efficient identification, and processing of material.

- a. Fill out appropriate paperwork to identify material and provide accounting information. The Returned Material Notice (RMN) FASW-6381 is the suggested method for all returns. When filled out in its entirety, it provides the most appropriate documentation of the returns activity. See Returned Material Notice (RMN) practice 790-101-540SW.
- b. Segregate the returns into the appropriate categories. Appropriate categories for Return for Repair include:
  1. Defective;
  2. Defective under warranty;
  3. New/Unused;
  4. Scrap/Junk.
- c. Mark each carton with the identity and quantity of material contained therein. This aids in prompt and accurate processing.
- d. Return material to the MDC intact where possible. The return of cannibalized material increases repair and refurbish costs.

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- e. Package items adequately to avoid damage to delicate items. The MDC stocks packaging cartons, partitions, and pads to properly return coin parts. Coin parts include relays, signal units, chutes, chassis, dials, and totalizers.
- f. Circuit boards from electronic phone sets should be packaged using individual Electrostatic Discharge (ESD) cartons. Improper packaging and handling of these circuit boards increases repair and refurbish costs.
- g. Keep like items together on a pallet. For example, keep all Set Telephone Coin 1D2-C4 together. Keep all Set Telephone Coin 1E1-3 together.
- h. If material is indeed scrap material, separate and label as such. This aids in prompt and efficient processing at the MDC.
- i. Do not ship material to the MDC in large Gaylord boxes. Categories of material cannot be identified easily, and good material may be damaged beyond repair. A safety hazard can result with tangled handset cords.
- j. Remove locks. DO NOT return coin sets to the MDC with locks. Locks and keys are security items and should be safeguarded locally.
- k. Returns of scrap/junk material should be directed to the MDC for final disposition. It is essential to identify and process this material through the MDC to assure that Retirement of capital material takes place.
  - 1. In rare instances, remote locations for example, local scrapping may take place provided the FAS-6312 is processed to remove capital items from company books. All proceeds from scrap/junk activity must be forwarded to Logistics.

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2. It should be noted that if local scrap/junk sales are to occur, Logistics must be involved up front to establish scrap contracts or select a vendor, and to assure competitive bidding has occurred as well as effort to optimize recovery.

1. Credit for returning Public Communications material to the MDC is given at District level. Credit for returning material does not affect individual budgets unless arrangements to do so have been made within the budget organization affected.

6.06 Other helpful aids to returning material to the MDC are as follows:

a. The "Returns Procedures for Stock Material" published 1/1/93 can be used as a guideline for returning material to the MDC.

b. Packaging material is stocked at the MDC for the proper return of Coin expense items for users/clients. The packaging material can be ordered via COES or PROES as follows:

1. 400818480 Carton PS21803;
2. 701002560 Pad Coin Piece Part Separator;
3. 701002628 Partition Coin Chassis;
4. 701002602 Partition Coin Chute;
5. 701002586 Partition Coin Dial Network;
6. 701002594 Partition Coin Relay;
7. 701002610 Partition Coin Signal;
8. 701002578 Partition Coin Totalizer.

6.07 Material other than coin sets should be dismantled before return to the MDC. For example, coin sets should be removed from posts, and housings should be removed from posts and masts.

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B. Ordering Public Communications Zero Price Reuse Material From the MDC

- 6.08 It is the responsibility of the user/client to determine if new material is to be ordered from the MDC.
- 6.09 When a user/client orders material from the MDC they will enter the order for new only.
- a. The new only Phrase Code is:
1. Custom Order Entry System (COES) = 4R,
  2. Procurement Order Entry System (PROES) = 1111111.
- 6.10 When the new option is used, and no material is available, the item will go on backorder even if reuse material is available.
- 6.11 If the user/client wants reuse material no Phrase Code is entered. If reuse material is available, reuse material will ship. If new only is available, new material will ship. If a partial of reuse is available and a partial of new is available, a combination of material will ship reuse first then new.
- 6.12 If reuse material is shipped, a notification message will print on the packing slip as follows: "REUSE MATERIAL, NON-BUDGET AFFECTING".
- 6.13 Available material will be selected and shipped, and the transaction will be passed to PLAS. PLAS will assign the appropriate EXTC and update DOPAC.
- a. If the EXTC is for new material, SWIMS Material Type 01, the transaction will be budget affecting;
  - b. If the EXTC is for reuse material, SWIMS Material Type 03, the transaction will be non-budget affecting, see definition.
- 6.14 When material is established in a vintage substitution chain, the system will attempt to ship

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reuse material first. If no option is used and no reuse material is available, new material of the same Item ID will ship prior to reuse of the next item in the substitution chain.

- a. It should be noted that the oldest item in the vintage substitution chain will ship, regardless of whether it is reuse or new.
- b. If the "DO NOT SUB" phrase is used when the order is placed, SWIMS will ignore all other items in the substitution chain. In addition, if the new only option is used and no material of the option is available the item will backorder, even if reuse material is available.

## 7. DEPARTMENTAL TECHNICAL STAFF RESPONSIBILITIES

- 7.01 The Departmental Technical Staff determines whether an item should be stocked at the MDC in accordance with practice SW 748-100-900 Adding or De-Stocking Items At The Materials Distribution Center.
- 7.02 If it is determined that an item(s) should be stocked, the Departmental Technical Staff must then determine if the item should be recommended to Procurement Sourcing Operations as a candidate for repair, and/or repair and convert.
- 7.03 Once an item is determined to be a repair item, or a repair and convert item, the Departmental Technical Staff must notify the appropriate Procurement Sourcing Operations Manager who in turn notifies the Procurement Services Inventory Manager via established SW-6538 routines. Departmental Technical Staff information regarding the filling out of SW-6538 can be found in Section 5 of the CAPRI/SWIMS Item Update Form SW-6538 Workbook.
- 7.04 The Departmental Technical Staff is responsible for approval of repair specifications or creating one if an acceptable specification does not exist. He/she also handles all Engineering Complaints initiated by users/clients. The Departmental Technical Staff

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designates which MDC stocked items will be classified as Zero Price Reuse.

7.05 The Departmental Technical Staff must communicate with Procurement Services Inventory Management and determine the appropriate Keep Level Quantity and monitor this level:

- a. Public Communications, quarterly;
- b. OCS Data, twice per year.
- c. OCS Voice, twice per year.

See Section 13 of this Practice for more information about the Keplist Dock Copy.

7.06 If the item is a substitute item, the Departmental Technical Staff must determine the appropriate substitution routine if there are two or more items involved.

7.07 If unrepaired material (Material Type 02) is to be scrapped, the Departmental Technical Staff must approve and communicate the quantity and dollar impact to States affected.

7.08 If new and unused material (Material Type 01) is to be scrapped, the Departmental Technical Staff must approve and communicate the quantity and dollar impact to States affected. See SW 748-100-900 Adding Or De-Stocking Items At The Materials Distribution Center, Section 6.

7.09 The Departmental Technical Staff must approve items for De-Stock.

7.10 The Departmental Technical Staff provides disposition for de-stocked items. Disposition includes:

- a. Use existing material until exhausted;
  - 1. There is a six month time limit for the "use until exhausted" situation. The Procurement Services Inventory Manager should review these items for activity

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during this time frame and report the status to the Departmental Technical Staff on a monthly basis. At the end of the six month time period, the Procurement Services Inventory Manager should contact the Departmental Technical Staff SME for final disposition.

2. In certain instances, depending on the item(s) involved, the Departmental Technical Staff may elect to keep the material beyond the six month time limit to support existing services with maintenance spares. The item(s) should be reviewed every six months by Procurement Services Inventory Management and the Departmental Technical Staff for disposition to assure that these items do not remain in MDC stock indefinitely with no demand.
  - b. Scrap a partial amount of the material and use the remaining MDC stock until it is exhausted;
  - c. Scrap all material;
  - d. Return material to the vendor.

## 8. PROCUREMENT SOURCING OPERATIONS RESPONSIBILITIES

- 8.01 The Procurement Sourcing Operations organization is responsible for negotiating and obtaining agreements for the purchase of material from vendors as indicated in practice SW 748-100-900, Adding Or De-Stocking Items At The Materials Distribution Center. Negotiations are conducted by the acquisition Sourcing Operations Manager for new material.
- 8.02 In the event that an item being stocked is designated as a repair item by the Departmental Technical Staff, agreements must be negotiated with repair vendors to have the item refurbished for reuse within SWBT. Negotiations are conducted by the Return & Repair Sourcing Operations Manager.

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- 8.03 Once an item has been designated as a repair item, and a repair vendor has been established, the Return & Repair Sourcing Operations Manager must notify the appropriate Manager-Quality Technology.
- 8.04 Procurement Return & Repair Sourcing Operations must notify the Procurement Services Inventory Manager of repair vendors and vendor repair arrangements. This can be done by attaching a Contract Synopsis to the SW-6538, or filling out the Miscellaneous section of the SW-6538. Pricing and warranty information applicable to the repair should be included.
- 8.05 Procurement Return & Repair Sourcing Operations must assure that the most current price for repair activity is loaded into CAPRI. Additional pricing for missing parts, upgrade to latest technology and conversions should be forwarded in writing to the Inventory Manager for invoicing approval and payment.
- 8.06 Procurement Sourcing Operations is responsible for providing vendor performance information to the Departmental Technical Staff for acquisition and Return & Repair items. Vendor performance data is communicated through several sources:
- a. One method is via local "Vendor Service Complaint" form. The "Vendor Service Complaint" form is originated by the Procurement Inventory Manager and is forwarded to the Procurement Sourcing Operations Manager as needed.
  - b. Another method is communication with the appropriate Manager-Quality Technology.
  - c. A third method is user/client feedback to Quality Technology.
- 8.07 The Departmental Technical Staff forwards Engineer Complaint information to Procurement Sourcing Operations, Acquisition and Return & Repair. Procurement Sourcing Operations acts on the Engineer Complaint if appropriate.

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8.08 The Procurement Sourcing Operations Manager negotiates the purchase of refurbished, or re-manufactured, material for selected items. Particular attention is paid to product quality and price.

9. PROCUREMENT SERVICES INVENTORY MANAGEMENT RESPONSIBILITIES

- 9.01 Procurement Services Inventory Management is responsible for adding, maintaining, and deleting items within SWIMS in accordance with practice SW 748-100-900, Adding Or De-Stocking Items At The Materials Distribution Center.
- 9.02 The Procurement Services Inventory Manager is responsible for coordinating with the Departmental Technical Staffs to determine appropriate keep levels for the Keep List Administrative Copy and the Keep List Dock Copy reports:
- a. Public Communications, quarterly;
  - b. OCS Data, twice per year.
  - c. OCS Voice, twice per year.
- 9.03 The Procurement Services Inventory Manager updates and monitors keep level quantities on an ongoing basis. See Section 14 of this practice for more detail about the Keplist Dock Copy.
- 9.04 Procurement Services Inventory Management is responsible for monitoring item stock levels. When the need arises for additional stock to be replenished, the Inventory Manager will determine whether to replenish through the purchase of new from a vendor, or replenish through the repair of Material Type 02 items currently in unrepaired stock.
- 9.05 New material will be purchased via normal vendor purchase routines.
- 9.06 Material being sent out for repair will be processed via established Return & Repair processes.

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A. Straight Return & Repair Process

- 9.07 Material processed through routine Return & Repair procedures will end up in Material Type 01 or Material Type 03 balances. See Exhibit 2 for general flow of the R&R process.
- 9.08 Sufficient material, Material Type 02 unrepaired material, must be available to send out for repair and/or repair and convert. The Inventory Manager will create a Material Request for purchase in SWIMS with the repair indicator set to "Y" = YES.
- 9.09 The Material Request will be transmitted to CAPRI for repair vendor selection;
- 9.10 When a repair vendor has been selected, a Purchase Order will be created in CAPRI.
- 9.11 Once the Purchase Order has been created, a Pick Ticket will print at the MDC for material selection. The Pick Ticket will include the following information:
- a. Material Request Number;
  - b. Pick Ticket Number;
  - c. Purchase Order Number.
- 9.12 If the order is for a Repair and Convert item, both the converted "FROM" and converted "TO" Item IDs will be printed on the Pick Ticket and noted as such.
- 9.13 Unrepaired material, Material Type 02, will be selected and shipped to the manufacturer or repair vendor for repair and/or repair and convert.
- 9.14 Once the unrepaired material has been selected, the Pick Ticket will be ship verified via the SWIMS Manufacturing Management (MF) system.
- 9.15 When the material has been repaired by the vendor, and is returned to the MDC, it will be received as per normal procedures for vendor receiving of

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Material Type 01 or Material Type 03 material, see MDCI 147-90.

- a. Vendor receipts for repair items can be received as follows:
  1. Full receipt - all items were returned/repared by the vendor;
  2. Partial receipt - Purchase Order remains open. Vendor has not yet returned/repared all items, and MDC is awaiting receipt of the remaining items;
  3. Partial receipt - Purchase Order is closed. Vendor is unable to repair all items.

9.16 After the material has been received from the vendor, the SWIMS balances will be updated to reflect the receipt. System balances will automatically be updated in the following manner:

- a. Full receipt - Material Type 01 or Material Type 03 item balance will be updated to reflect full amount;
- b. Partial receipt (Purchase Order still open) - Material Type 01 or Material Type 03 item balance will be updated to reflect partial amount. (Still awaiting completion of order).
- c. Partial receipt (Purchase Order closed because not all material could be repaired) - system will automatically do the following:
  1. Material Type 01 or Material Type 03 will be updated with the amount repaired,
  2. Unrepaired amount will be returned to Material Type 02 stock balances,
  3. The amount of Material Type 02 items which could not be repaired will be scrapped via Activity Code 81. See local practice MDCI 109-85.

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9.17 Once balances have been updated, the material is then available for allocation and shipment to users/clients.

B. Repair And Convert Process

- 9.18 Some product lines are of a nature that lend themselves to be converted from one item to another. For example, a Unit Coin Dial 61B3 can be converted to a Unit Coin Dial 61C2.
- 9.19 The Repair and Convert candidates must be set up in the SWIMS Material Type 01 and Material Type 02 records. In addition, appropriate addition or updates must be made to the SWIMS Manufacturing Management system. See SWIMS System documentation.
- 9.20 The need to perform Repair and Convert is identified by the Inventory Manager or Technical Staff. Coordination is required between the two entities to assure that each is aware of the Repair and Convert activity.
- 9.21 If there is a price difference other than what is loaded in CAPRI for the Repair and Convert activity, the difference must be communicated and resolved among the Inventory Manager, Sourcing Operations Manager, and Technical Staff.
- 9.22 Once it has been determined what the item is going to be converted to, and what quantity, the Inventory Manager generates an MR for purchase in SWIMS.
- 9.23 The MR for purchase is transmitted to CAPRI at the straight repair price. If the repair and convert price is different from the straight repair price, a record must be kept by the Inventory Manager to resolve the invoice discrepancy.
- 9.24 CAPRI generates a Purchase Order for the vendor to repair and convert the item.
- 9.25 MDC personnel select and ship Material Type 02 items to the vendor. It should be noted that in some rare instances Material Type 01 items can be converted to other items as well.

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- 9.26 The repair vendor repairs and converts the material and sends it back to the MDC.
- a. Public Communications repair vendors have been instructed by Procurement Sourcing Operations to return good coin parts from Repair & Convert orders to MDC Returns in separate cartons. These cartons will be marked "SCRAP CONVERSION". This material should be segregated from Distribution Way scrap and put back into the unrepaired (CLA02) balance.
- 9.27 The MDC receives the converted items and adds them to the Material Type 01 or Material Type 03 balance via a SWIMS Activity Code of 15. (SWIMS PRRC screen activity).
- 9.28 Items that could not be repaired or converted by the vendor are receipted into the Material Type 02 record and scrapped via a SWIMS Activity Code of 81. (SWIMS PRRC-C screen activity).

C. Return & Repair Processing Warranty Items

- 9.29 Currently warranty activity is performed on Public Communications (Coin) items only. This is due to the warranty process being a manual effort.
- 9.30 The Inventory Manager will receive the Warranty Items Log Sheet from the MDC on a weekly basis.
- 9.31 A Warranty Order Entry sheet will be filled out for each item that has enough material to send out for warranty repair. The items are grouped by vendor or repair vendor.
- 9.32 Based upon the information noted on the Warranty Order Entry form, the Inventory Manager will generate a SWIMS Material Request (MR) for transfer with appropriate warranty notations:
- a. "UW" in Message Code 4 for the message section of the Pick Ticket;
- b. "UW" in Message Code 1 for the item Description section of the Pick Ticket.

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- 9.33 Once the MR for transfer has been generated by the Inventory Manager, the Warranty Order Entry form will be forwarded to the Manager-Inventory Management Operations for entry into CAPRI.
- a. A confirming Purchase Order will be generated in CAPRI using the Warranty Standard Supply Item (SSI) number. This is a CAPRI nine digit number followed by a "W".
  - b. The Vendor Copy of the Purchase Order is forwarded to the repair vendor.
  - c. The Receipt Copy of the Purchase Order is forwarded to the MDC receiving clerk.
- 9.34 When the repaired under warranty material is received at the MDC, SWIMS balances are updated using exception receipting routine MQER.
- 9.35 Warehouse personnel will forward the Receipt Copy of the Purchase Order to the Inventory Manager.
- 9.36 The Inventory Manager will forward the Receipt Copy to Manager-Inventory Management Operations who will load the information into CAPRI.
- 9.37 The Manager-Inventory Management Operations will verify the vendor's invoice to assure correct billing. If a discrepancy is noted, it will be forwarded to the Inventory Manager who will coordinate and resolve any billing discrepancies.
- 9.38 The repaired, or replaced, warranty item is available in SWIMS for users/clients.

D. OCS Return & Repair Process Zero Price Reuse

- 9.39 Material being sent out to be repaired will be processed using the straight Return & Repair routine. The category of material known as zero price reuse, however, will end up in Material Type 03 balances.
- 9.40 Material Type 02 unrepaired material is available to be sent out for repair and/or repair and convert. The Inventory Manager will create a Material Request

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- for purchase with the repair indicator set to "Y" = YES.
- 9.41 The Material Request will be transmitted to CAPRI for repair vendor selection.
- 9.42 When a repair vendor has been selected, a Purchase Order will be created in CAPRI.
- 9.43 Once the Purchase Order has been created, a Pick Ticket will print at the MDC for material selection. The Pick Ticket will include the following information:
- a. Material Request Number;
  - b. Pick Ticket Number;
  - c. Purchase Order Number.
- 9.44 If the order is for a Repair and Convert item, both the converted "FROM" and converted "TO" Item IDs will be printed on the Pick Ticket and noted as such.
- 9.45 Unrepaired material, Material Type 02, will be selected and shipped to the repair vendor for repair and/or repair and convert.
- 9.46 Once the unrepaired material has been selected, the Pick Ticket will be ship verified via the Manufacturing Management (MF) system.
- 9.47 When the material has been repaired by the vendor, and is returned to the MDC, it will be received as per normal procedures for vendor receipt of Material Type 03 material, see MDCI 147-90.
- a. Vendor receipts for repair items can be receipted as follows:
    - 1. Full receipt - all items were returned/repared by the vendor;
    - 2. Partial receipt - Purchase Order remains open. Vendor has not yet

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returned/repaired all items and MDC is awaiting receipt of the remaining items;

3. Partial receipt - Purchase Order is closed. Vendor is unable to repair all items.

9.48 After the material has been received from the vendor, the SWIMS balances will be updated to reflect the receipt. System balances will be updated in the following manner:

- a. Full receipt - Material Type 03 item balance will be updated to reflect full amount;
- b. Partial receipt (Purchase Order still open) - Material Type 03 balance will be updated to reflect partial amount. (Still awaiting completion of order).
- c. Partial receipt (Purchase Order closed because not all material could be repaired) - system will do the following:
  1. Material Type 03 will be updated with the amount repaired;
  2. Unrepaired amount (Material Type 02) will be returned to stock balances;
  3. The amount of Material Type 02 items which could not be repaired will be scrapped via Activity Code 81. See MDC local practice MDCI 109-85.

9.49 Once the Material Type 03 balances have been updated, the material is then available for allocation and shipment to users/clients.

E. Public Communications R&R Zero Price Reuse

9.50 Material being sent out for repair will be processed using the straight Return & Repair routine. Certain selected capital items are designated as Zero Price Reuse items and will end up in Material Type 03 balances.

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- 9.51 Material Type 02 unrepaired material is available to be sent out for repair and/or repair and convert. The Inventory Manager will create a Material Request for purchase with the repair indicator set to "Y" = YES.
- 9.52 The Material request will be transmitted to CAPRI for repair vendor selection.
- 9.53 When a repair vendor has been selected, a Purchase Order will be created in CAPRI.
- 9.54 Once the Purchase Order has been created, a Pick Ticket will print at the MDC for material selection. The Pick Ticket will include the following information:
- a. Material Request Number;
  - b. Pick Ticket Number;
  - c. Purchase Order Number.
- 9.55 If the order is for a Repair and Convert item, both the converted "FROM" and converted "TO" Item IDs will be printed on the Pick Ticket and noted as such. CAPRI only shows the "TO" item and its current price. The Conversion price and piece parts are negotiated by Procurement Sourcing Operations and a list is forwarded to Inventory Management for invoice validation and payment.
- 9.56 Unrepaired material, Material Type 02, will be selected and shipped to the repair vendor for repair and/or repair and convert.
- 9.57 Once the unrepaired material has been selected, the Pick Ticket will be ship verified via the Manufacturing Management (MF) system.
- 9.58 When the material has been repaired by the repair vendor, and is returned to the MDC, it will be received as per normal procedures for vendor receiving of Material Type 03 material, see MDCI 147-90.

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- a. Vendor receipts for repair items can be receipted as follows:
  - 1. Full receipt - all items were returned/repared by the vendor;
  - 2. Partial receipt - Purchase Order remains open. Vendor has not yet returned/repared all items, and MDC is awaiting receipt of the remaining items;
  - 3. Partial receipt - Purchase Order is closed. Vendor is unable to repair all items.

9.59 After the material has been received from the repair vendor, the SWIMS balances will be updated to reflect the receipt. System balances will automatically be updated in the following manner:

- a. Full receipt - Material Type 03 item balance will be updated to reflect full amount;
- b. Partial receipt (Purchase Order still open) - Material Type 03 balance will be updated to reflect partial amount. (Still awaiting completion of order).
- c. Partial receipt (Purchase Order closed because not all material could be repaired) - system will automatically do the following:
  - 1. Material Type 03 will be updated with the amount repaired;
  - 2. Unrepaired amount (Material Type 02) will be returned to stock balances;
  - 3. The amount of Material Type 02 items which could not be repaired will be scrapped via Activity Code 81. See MDC local procedure MDCI 109-85.

9.60 Once the Material Type 03 balances have been updated, the material is then available for allocation and shipment to users/clients.

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**F. Testing - Rubber Products**

- 9.61 Certain rubber products stocked at the MDC are tested in-house for reuse. The SWIMS Material Transfer routine is used to move material.
- 9.62 The rubber products include:
- a. Insulating Blankets;
  - b. Insulated Gloves.
- 9.63 These rubber products are safety items, and they must be tested periodically, gloves every nine months, and blankets every twelve months.
- 9.64 Rubber products get into the Material Type 02 balance from two sources:
- a. Returns from users/clients;
  - b. From the shelf when the expiration date is reached.
- 9.65 The Inventory Manager looks at the Material Type 01 balance to determine what quantity is available, and what amount may need to be ordered. Ordering decisions are based on demand.
- 9.66 The Inventory Manager looks at the Material Type 02 unrepaired balance to determine what quantity of material is available to send out for repair.
- 9.67 If there is sufficient quantity to send out for repair the Inventory Manager initiates a Material Transfer ticket to move material from the 02 balance to be repaired. Transfer tickets are dropped with the quantities being multiples of 50 each for gloves, and multiples of 25 each for blankets.
- a. On the 02 record, the material shows to be "ALLOCATED";
  - b. On the 01 record, the material shows to be in "REQ IN QTY" status;

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- 9.68 MDC personnel perform an MQSV transaction to move the material into the "IN-TRANSIT" status, indicating to the Inventory Manager that the products are being tested.
- 9.69 Testing is done in-house at the MDC and includes cleaning, testing, powdering, and packaging the items.
- 9.70 After the material has been tested, an MQER Ship Verification transaction is performed to move the material from "IN-TRANSIT" status into the Material Type 01 balance.
- 9.71 Once material is in the Material Type 01 balance, material is available for shipment to users/clients.
- 9.72 Material that failed the test will be scrapped via an Activity Code 81 transaction out of the Material Type 02 balance.

G. Testing - NCTE

- 9.73 Certain designated NCTE items are part of a MDC test program. These items are retired by NCTE personnel and sent to the MDC for testing.
- 9.74 The items are accumulated by the warehouse and tested periodically. Items that test good are placed in the SWIMS Material Type 03 balance for reuse. Items that test bad are placed in SWIMS Material Type 02 balances to await sending out for repair.
- 9.75 The Inventory Manager reviews the status of SWIMS Material Types 01, 02, and 03 balances weekly to determine whether to order new material or send material out for repair and return.
- 9.76 If there is sufficient Material Type 02 unrepaired material available, the Inventory Manager creates and MR for purchase in SWIMS.
- 9.77 The MR for purchase transmits to CAPRI in the daily batch cycle. CAPRI creates a purchase order and feeds back the purchase order information to SWIMS in the daily batch cycle.

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- 9.78 The unrepaired material is selected and shipped to the repair vendor by warehouse personnel.
- 9.79 The repair vendor repairs the material and returns it to the MDC.
- 9.80 The MDC receives the repaired material into Material Type 03 balances via a SWIMS Activity Code of 22. Material that cannot be repaired is scrapped via a SWIMS Activity Code of 81.
- 9.81 SWIMS balances are updated, and the activity flows to PLAS, from PLAS to DOPAC, and the PIR is updated.
- 9.82 Material is available to user/clients from the CLA03 balances.

10. MATERIALS DISTRIBUTION CENTER RESPONSIBILITIES

- 10.01 MDC personnel are responsible for the physical handling of material to assure that the proper accounting transactions are generated to pass to downstream systems (PLAS to DOPAC to PIR).
- 10.02 Material Type 01, 02, and 03 items are stored separately within the MDC. Material Type 01 activity affects new and unused balances, and Material Type 02 affects unrepaired balances, and Material Type 03 is for Reuse balances.
- 10.03 The MDC receives Returned material from three sources:
- a. Users/Clients;
  - b. Telephone Company Storerooms (TCSs), and
  - c. Remote Distribution Points (RDPs).
- 10.04 Returned material can be of two categories:
- a. MDC stocked material, or

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- b. Non-stock material. Material that is not stocked at the MDC for users/clients.

A. Straight Return & Repair Process Stocked Items

- 10.05 The following are MDC activities that occur for MDC stocked Return & Repair (includes Repair & Convert) activity:
- 10.06 Returned material is received on the dock at the MDC.
- 10.07 Material that is MDC stocked is identified.
- 10.08 The Keeplist Administrative copy is checked to determine the correct amount to keep.
  - a. If the keep quantity is "ALL" then all material is forwarded to the Material Type 02 unrepaired balance,
  - b. If the unrepaired balance on-hand quantity is less than the keep quantity indicated, then an amount equal to the keep level is added to the Material Type 02 unrepaired balance,
  - c. If the amount of returned material is greater than the amount on the Keeplist then that amount is sent to Distribution Way for disposition.
  - d. Particular attention should be paid to the Keeplist Dock Copy "special instruction" section. Special handling messages are indicated here for MDC action.
- 10.09 Once the correct amount of returned material is determined it is added to the Material Type 02 balance.
- 10.10 Material residing in the Material Type 02 on-hand balance is available to be sent out for repair as the need is determined by the Procurement Services Inventory Manager.
- 10.11 Returned material that is not on the Keeplist Administrative copy is handled as follows:

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- a. MDC personnel determine if the item is a MAJOR or MINOR item;
- b. If the item is MAJOR, SWIMS Activity Codes 04 and 81 are performed. Activity Code 04 is an unrepaired return which triggers PLAS to Retire the item. Activity Code 81 is a SWIMS scrap transaction.
  1. The 04 and 81 Activity Codes transmit to PLAS,
  2. PLAS transmits the 04 and 81 activity to DOPAC,
  3. The 04 and 81 Activity Codes are posted to the Company books.
- c. If the item is a MINOR item, the item is sent to Distribution Way for disposition. No accounting transactions are performed.

B. Non-Stock Items

- 10.12 Another category of material returned to the MDC is non-stock material.
- 10.13 If the item is a MAJOR item, a FAS-6312 Salvage and Retirement Report is prepared to retire the item.
- a. The FAS-6312 Salvage and Retirement Report is forwarded to Disbursement Accounting for updating Company books.
- 10.14 If the item is a MINOR item, the material is forwarded to Distribution Way for disposition. No accounting transactions are performed.

C. Return & Repair Processing Warranty Items

- 10.15 Another category of material returned to the MDC is stock material under warranty.
- 10.16 Warranty items are separated from non-warranty items:

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- a. Warranty items are accumulated daily and stored by repair vendor. They are stored in Material Type 04 through 12 balances, depending on the vendor loaded for the particular Material Type. Warranty items should be reviewed weekly by the Inventory Manager to determine if there is sufficient quantity to send out for warranty repair;
  - b. Non-warranty items are placed into the Material Type 02 unrepaired balance based on the Keplist.
- 10.17 Pick Tickets will be generated weekly by the Procurement Services Inventory Manager for warranty items to be sent out for repair.
- 10.18 MDC personnel send out warranty items for repair according to the information on the Pick Ticket.
- 10.19 Once material has been processed by the vendor and returned to the MDC it is received based on what the vendor repaired.
- a. Full receipt - Material Type 01 item balance will be updated to reflect full amount sent out for repair.
  - b. If part of the material receipted is un-repairable, the un-repairable amount will be transferred to Material Type 04 through 12, depending on the repair vendor loaded.
  - c. Un-repairable material will be scrapped via Activity Code 81.

D. OCS Return & Repair Process Zero Price Reuse

- 10.20 Stocked material is returned to the MDC. The MDC brings the material into SWIMS at current Average Disbursement Price.
- 10.21 New returns and unused returns are brought into SWIMS via Activity Codes 05 or 06, and Material Type 03 balance is updated.

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- a. It will be necessary for MDC personnel to mark all new returns and unused returns with "refurbished" tape to differentiate this material from Material Type 01 or Material Type 02.
  - b. Repair vendors will also mark all Material Type 03 items with "refurbished" tape to differentiate this material from Material Type 01 and 02.
- 10.22 Returned unrepaired material is brought into SWIMS via Activity Code 04, and Material Type 02 balance is updated.
- 10.23 SWIMS will pass each returned material Activity Code (04, 05, 06) transaction to PLAS.
- 10.24 Unique Bin Row storage locations will be established for Material Type 03 items to keep it separate from Material Types 01 and 02. This is necessary since the Material Type 03 item will have the same SWIMS Item ID as Material Type 01 and 02.
- 10.25 When the unrepaired Material Type 02 item is scheduled for repair by Inventory Management, the Return & Repair Material Request (MR) will include the "TO LOC" as "CLA 03". The purpose of this is to help the MDC identify the item as reuse when it is returned to the MDC from the repair vendor, and update balances.
- 10.26 The repair vendor is to identify the repaired material with a tape stating "refurbished" on each box. This will enable the MDC to readily identify the repaired item as Material Type 03 when it arrives at the MDC receiving dock.
- 10.27 It should be noted that the item is in the Material Type 02 balance until the item is repaired, returned, and receipted into the Material Type 03 balance.
- 10.28 All reuse Material (Material Type 03) will reside at the MDC only. No reuse material will be stocked at the TCSs.

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E. Public Communications R&R Zero Price Reuse

- 10.29 Stocked material is returned to the MDC. The MDC brings the material into SWIMS at current Average Disbursement Price.
- 10.30 New returns and unused returns are brought into SWIMS via Activity Codes 05 or 06, and Material Type 03 balance is updated.
- a. It will be necessary for MDC personnel to mark all new returns and unused returns with "refurbished" tape to differentiate this material from Material Type 01 or Material Type 02.
  - b. Repair vendors will also mark all Material Type 03 items with "refurbished" tape to differentiate this material from Material Type 01 and 02.
- 10.31 Returned unrepaired material is brought into SWIMS via Activity Code 04, and Material Type 02 balance is updated.
- 10.32 SWIMS will pass the returned material Activity Code of 04 to PLAS.
- 10.33 Unique Bin Row storage locations will be established for Material Type 03 items to keep it separate from Material Types 01 and 02. This is necessary since the Material Type 03 item will have the same SWIMS Item ID as Material Type 01 and 02.
- 10.34 When the unrepaired Material Type 02 item is scheduled for repair by Inventory Management, the Return & Repair Material Request (MR) will include the "TO LOC" as "CLA 03". The purpose of this is to help the MDC identify the item as reuse when it is returned to the MDC from the repair vendor, and update balances.
- 10.35 The repair vendor is to identify the repaired material with tape stating "refurbished" on each box. This will enable the MDC to readily identify the repaired item as Material Type 03 when it arrives at the MDC receiving dock.

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- 10.36 It should be noted that the item is in the Material Type 02 balance until the item is repaired, returned, and receipted into the Material Type 03 balance.
- 10.37 All reuse Material (Material Type 03) will reside at the MDC only. No reuse material will be stocked at the TCSs.

F. Testing - Rubber Products

- 10.38 Return & Repair of rubber products is performed in-house at the MDC. See MDCI 119-86.
- 10.39 Rubber products for Return & Repair come from two sources:
- a. Returns from users/clients;
  - b. Products whose expiration dates expire while the products are on the shelf.
- 10.40 Rubber products returned from users/clients to the MDC must be accompanied by the correct paperwork, an RMN or equivalent document.
- 10.41 The rubber products are placed into the SWIMS balances using an Activity Code of 04. Activity Code of 04 places the material into the SWIMS Material Type 02 unrepaired balances. It also passes the activity to PLAS, DOPAC, and the PIR.
- 10.42 Users/clients receive credit at a state level for returning the rubber products to the MDC. No credit is given to an individual user/client budget for returning the material.
- 10.43 The Inventory Manager reviews the Material Type 02 unrepaired balances on a regular basis to determine a proper amount to have tested and placed back into the Material Type 01 balances.
- 10.44 When an appropriate amount is determined to be needed by the Inventory Manager, he/she originates a SWIMS Material Transfer (60) transaction to move the

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material from the Material Type 02 unrepaired balances to the testing area.

- 10.45 MDC personnel test the rubber products according to established safety guidelines.
- 10.46 Rubber products that pass the testing procedures are placed into the SWIMS Material Type 01 balances via a Material Transfer (40) transaction. Material that does not pass the testing procedures is scrapped via Activity Code 81.
- 10.47 Material that is placed into the Material Type 01 balances is available for shipment to users/clients.
  - a. New rubber gloves purchased from a vendor have a shelf life of twelve months before they must be tested for safety.
  - b. Used, or previously tested, rubber gloves have a shelf life of nine months before they must be tested for safety.
  - c. Users/clients should be aware that they will be charged the Average Disbursement Price when rubber products are ordered. There is no like-for-like exchange.

G. Testing - NCTE

- 10.48 Designated NCTE items are sent to the MDC for testing. These items are retired by NCTE personnel before being returned to the warehouse.
- 10.49 NCTE test items are received at the Returns dock. The material is validated against the Returned Material Notice (RMN), and separated and counted by type.
- 10.50 Returns personnel fill out a "NCTE Inhouse Returns to NCTE Testing" form and forward the material to testing.
- 10.51 The material is tested on a periodic basis. The quantity of material that passes the test is recorded on the "NCTE Inhouse Returns to NCTE Testing" form. Material that fails the test is

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recorded on the "NCTE Inhouse Returns to NCTE Testing" form.

- 10.52 The "NCTE Inhouse Returns to NCTE Testing" form is forwarded to Returns personnel for entry into SWIMS.
- a. Material that passed the test is entered into SWIMS via an Activity Code of 06; This placed the material into SWIMS Material Type 03;
  - b. Material that did not pass the test is entered into SWIMS via an Activity Code of 04; This placed the material into SWIMS Material Type 02.
- 10.53 The tested material is forwarded to the storage location from the testing area.
- 10.54 The SWIMS Activity Codes of 04, and 06 update SWIMS, PLAS, DOPAC, and the PIR.
- 10.55 Material Type 02 is available to be sent out for repair by the Inventory Manager. Material Type 03 is available for use by users/clients.

#### 11. QUALITY TECHNOLOGY RESPONSIBILITIES

- 11.01 It is the responsibility of Procurement Quality Technology to administer vendor quality performance.
- 11.02 Procurement Quality Technology monitors standard quality guidelines.
- 11.03 Procurement Quality Technology may visit and inspect vendor repair and refurbish efforts.
- 11.04 Procurement Quality Technology keeps a log of inspection records.
- 11.05 Identifies vendor product failure rates and communicates this information to Procurement Sourcing Operations, Procurement Services Inventory Management, and Departmental Technical Staff.

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- 11.06 Coordinates and communicates user/client complaints of product failure, or product quality that does not meet the needs of the business.
- 11.07 May place a quality hold on designated material due to unsatisfactory quality of repair vendor effort.
- 11.08 Procurement Quality Technology coordinates with Procurement Contract Manager, Departmental Technical Staff, Procurement Services Inventory Management, users/clients, and vendors when a quality concern is noted.

12. DISBURSEMENT ACCOUNTING METHODS RESPONSIBILITIES

12.01 Disbursement Accounting Methods assures that Return & Repair and Repair & Convert transactions flowing from SWIMS through PLAS to DOPAC and to the PIR are in accordance with appropriate accounting procedures. This activity is documented in the Disbursement Accounting Practice, Section 25.01. The following paragraphs attempt to describe the basic flow of transactions as they pass through the various systems and impact the Company books. Section 12 of this practice is not intended to replace existing practices and procedures.

A. Accounting For Capital Returns

- 12.02 Capital, or Major, material is returned to the MDC from users/clients.
- 12.03 SWIMS Returns Activity Codes (04, 05, 06) are applied depending on the type of return. Return types can be as follows:
  - a. Activity Code 04 is unrepaired returns; (Initiates a retirement transaction for stock items in PLAS, and updates Material Type 02 balances)
  - b. Activity Code 05 is an MR return; (Updates Material Type 01 balances)
  - c. Activity Code 06 is a new and unused return.

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## (Updates Material Type 01 balances)

- 12.04 The SWIMS Activity Code transactions pass to PLAS. PLAS passes the transactions to DOPAC.
- 12.05 DOPAC processes the Activity Codes by crediting the capital account, and debiting the "X" account. This "retires" the item(s) from the company books. In addition, the "X" account is credited and the 1220.195 is debited. This action places the item(s) in the MDC holding account (Material Type 02 balances).
- 12.06 This credit activity flows back to the State entities. To determine at what level the credit is being given, the local budget organization must be contacted.
- 12.07 User/clients can monitor activity by reviewing monthly CAPRI/SWIMS Itemized Purchases report, JA378-001, which is distributed at District level. In addition, capital activity can be monitored by reviewing Southwestern Account-based Tracking and Reporting Network (SATRN) reports.

B. Accounting For Expense Returns

- 12.08 Expense, or Minor, material is returned to the MDC from users/clients.
- 12.09 If the material is stocked, if the material is new and unused, and if there is a need for the material, the Inventory Manager will direct the material to be placed into stock. This reduces the need to purchase new material from vendors. SWIMS Activity Codes of 05 or 06 may be applied.
- a. Activity Code 05 is an MR return.  
(Updates Material Type 01 balances)
- b. Activity Code 06 is a new and unused return.  
(Updates Material Type 01 balances)
- 12.10 For expense material, credit is given for returning the material to the MDC. Credit does flow to the individual RCO if proper accounting information is provided to MDC personnel. If the return accounting

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information cannot be identified, credit will be given to a default RCO established for each area for each material type.

- 12.11 If the returned material is not stocked, the material will be forwarded to Logistics Services for disposition. Disposition includes selling the material for salvage value, or selling the material for scrap value. No SWIMS Activity Codes will be passed. Salvage credit will be applied based on the Authority Number from the RMN.

C. Accounting for OCS R&R Zero Price Reuse

- 12.12 Accounting for OCS Repair and Return Zero Price Reuse is identical to accounting for ordering new material with one exception. The material cost is booked at a high-level RC and not charged at the user/client level. All other charges apply as normal i.e. taxes, transportation, Procurement rate. The accounting occurs this way because SWBT budgets funds for "gross" capital expenditures at high level RCs. State budgeting entities only have access to "net" capital reporting. See Exhibit 3 for a general flow of this process.
- 12.13 When Zero Price Reuse material is shipped to a user/client from the MDC, PLAS will generate an EXTC for the transactions as follows:
- a. Material Type 03 transactions will generate an EXTC of CJL. CJL equates to code E31 on SATRN.
- 12.14 When new material is shipped to a user/client from the MDC, PLAS will generate an EXTC for the transactions as follows:
- a. Material Type 01 transactions will generate an EXTC of CJ9. CJ9 equates to code E38 on SATRN.
- 12.15 Material Type 02 unrepaired transactions will not have an EXTC applied.
- 12.16 Returns of material to the MDC, Activity Codes 04, 05, 06 are non-budget affecting.

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- 12.17 When material is scrapped at the MDC, Activity Code 81, it is budget affecting.
- 12.18 Material costs will be applied to the appropriate Company books at the current ADP.
- 12.19 User/clients can monitor activity by reviewing monthly CAPRI/SWIMS Itemized Purchases report, JA378-001, which is distributed at District level. In addition, activity can be monitored by reviewing SATRN reports.
- D. Accounting for Public Communications R&R Zero Price Reuse
- 12.20 Accounting for Public Communications Repair and Return of Zero Price Reuse is identical to accounting for ordering new material with one exception, the material cost is booked at a high-level RC and not charged at the user/client level. All other charges apply as normal i.e. taxes, transportation, Procurement rate. The accounting occurs this way because SWBT budgets funds for "gross" capital expenditures at high level RCs. State budgeting entities only have access to "net" capital reporting. See Exhibit 4 for general flow of this process.
- 12.21 When Zero Price Reuse material is shipped to a user/client from the MDC, PLAS will generate an EXTC for the transactions as follows:
- a. Material Type 03 transactions will generate an EXTC of CJL. CJL equates to code E31 on SATRN.
- 12.22 When new material is shipped to a user/client from the MDC, PLAS will generate an EXTC for the transactions as follows:
- a. Material Type 01 transactions will generate an EXTC of CJ9. CJ9 equates to code E38 on SATRN.
- 12.23 Material Type 02 unrepaired transactions will not have an EXTC applied.
- 12.24 Returns of material to the MDC, Activity Codes 04, 05, 06 are non-budget affecting.

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- 12.25 When material is scrapped at the MDC, Activity Code 81, it is budget affecting.
- 12.26 Material costs will be applied to the appropriate Company books at the current ADP.
- 12.27 User/clients can monitor activity by reviewing monthly CAPRI/SWIMS Itemized Purchases report, JA378-001, which is distributed at District level. In addition, activity can be monitored by reviewing SATRN reports.

E. Accounting for Stock Repair Prorates

- 12.28 Repair charges for material repaired by repair vendors is prorated back to the states.
- 12.29 Prorate percentages are calculated quarterly by Procurement Accounting Methods personnel, using the previous three month's data. They are calculated in January, April, July, and October for acceptance into DOPAC within those months. They must be accepted by the 15th work day of the month.
- 12.30 OCS prorate type code is "WS", Public Communications prorate type code is "WC", and NCTE repair is "WN".
- 12.31 A percentage is calculated for each prorate type (WS, WC, WN) per accounting area.
- 12.32 To calculate the percentages, obtain the report F415 (Ledger Ending Balance Proof Report) for the previous three months.
- a. Add each area's balance and the total company balance in the accounts within a prorate type code for the three months. Divide each area's total by the company total to derive the prorate percentage to be applied to the states. All percentages within each prorate type code must add to 100%.
- b. For example:

$$\% = \frac{\text{Sum WS balance for 3 months each acctg area}}{\text{Sum total company balance 3 months}} \quad \text{X100}$$

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$$\% = \frac{\text{Sum WC balance for 3 months each acctg area}}{\text{Sum total company balance 3 months}} \quad X100$$

$$\% = \frac{\text{Sum WN balance for 3 months each acctg area}}{\text{Sum total company balance 3 months}} \quad X100$$

### 13. KEEPLIST ADMINISTRATIVE COPY

- 13.01 The Keeplist Administrative Copy is generated weekly for all MDC stocked items, see Exhibit 5. Its purpose is to identify items with a Keep Quantity assigned. It will be used by Procurement Services Inventory Managers and MDC Returns personnel for:
- a. Regulation of input of material into unrepaired balances at the Returns dock;
  - b. Identification of overstock quantities in the unrepaired balances.
- 13.02 Keep levels are determined by communication between Departmental Technical Staffs and State committees to meet the needs of the business, and budget considerations.
- 13.03 The Keeplist Administrative Copy is reviewed and/or updated by the Procurement Services Inventory Manager weekly.
- 13.04 The Keeplist Administrative Copy should be worked daily by MDC personnel.
- 13.05 The Keeplist Administrative Copy contains the following information:
- a. PID - This is the unique nine-digit SWIMS Item ID, (in CAPRI it is known as SSI);
  - b. DESCRIPTION - The SWIMS alphanumeric product Control Description;
  - c. MANUAL KEEP - A quantity determined between the Departmental Technical Staff and State committees. It is populated by the Procurement Services Inventory Manager on the SWIMS IAHM

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screen. A value of "ALL" is also a valid entry.

- d. **CALCULATED KEEP** - A quantity calculated by the system based on forecasted usage. The calculation includes new and unrepaired material.
- e. **OVERSTOCK/UNDERSTOCK** - This figure indicates that an item is either over or under the keep quantity (manual or calculated). The letter "U" to the right of the number indicates an understock condition. (i.e., total stock is less than the quantity on the Keeplist). If letter appears, that indicates an overstock condition.
- f. **QUANTITY UNREPAIRED/TOTAL** - The top figure represents the Material Type 02 unrepaired quantity. The bottom figure represents both the unrepaired and new quantities (Material Type 02 and 01).
- g. **YTD SHIPS** - The year-to-date item demand for SWIMS Level 1 in the Forecasting data base.
- h. **B/O QUANTITY** - The quantity shown as being on backorder.
- i. **FORECASTS MO-DMD** - The next month's forecasted demand.

### 13.05

A note about manual keep levels. Should the need arise for a keep level other than those calculated by the system, "Manual Keep Levels" may be placed on an item. They may be expressed as "all", "none", or a specific quantity.

- a. Manual keep levels will override the system calculated keep level. That is, when the system reviews stock balances against the keep levels, it will first check the manual keep level fields. If it is populated with a specific quantity and that quantity is greater than the stock balance, it will identify the difference as the keep quantity. If the manual keep level column is not populated, the system

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will calculate the keep quantity from the calculated keep level field.

- b. It is recommended that items for which returns consistently exceed demand, or for which demand consistently exceeds returns, a manual keep level of "none" or "all" respectively be imposed.
- c. It is not recommended that manual numeric keep levels be used except for select items for which keep levels cannot be computed reliably. This may be for items with sporadic or seasonal demand, known fluctuations in future demand not forecasted by the system, or for other unusual circumstances.

#### 14. KEEPLIST DOCK COPY

- 14.01 The Keeplist Dock copy is the working copy from which the MDC Returns dock personnel will determine material disposition. See Exhibit 6
- 14.02 The Keeplist Dock Copy should be worked daily by MDC Returns dock personnel. The purpose for this is to keep material flowing on a consistent basis to meet the needs of the Return for Repair process.
- 14.03 The Keeplist Dock Copy should be reviewed daily by the Inventory Manager to assure that proper levels of inventory are being maintained to support the Return for Repair process. The Inventory Manager controls Keeplist Dock Copy quantities based on communication with the Departmental Technical Staff.
- 14.04 Careful consideration should be given to the impact of establishing a keep level, raising a keep level, or lowering a keep level. Keep levels are determined by communication between the Departmental Technical Staffs and the Procurement Services Inventory Managers.
  - a. When a keep level is established it should be done so based on the actual demand for the item. This is because the keep level has a

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direct impact on the unrepaired investment, and material available to send out for repair. Having material available to send out for repair can reduce the need to purchase new material.

- b. In some instances the keep level must be raised from the established keep level. This is usually done when the demand for the item increases. Raising the keep level results in having more unrepaired material available to send out for repair, and can decrease the need to buy new material.
- c. In some instances the keep level must be lowered from the established keep level. This is usually done when the demand for the item decreases. It should be noted that reducing a keep level can result in the scrapping of the excess material in stock. This will impact state budgets, and written communication between affected organizations is required.
- d. As indicated in Adding Or De-Stocking Items At The Materials Distribution Center, SW 748-100-900, "In the event that a single product to be scrapped is greater than or equal to \$100,000.00, the District Manager-Logistics and District Manager-Technical Staff must be notified. The District Manager-Technical Staff will communicate to the states the effect of scrapping large dollar value items on state budgets". Only after agreement has been reached, may the item(s) be scrapped.

14.05 The Keeplist Dock Copy is produced daily and contains the following information:

- a. PID - This is the unique nine-digit SWIMS Item ID, (in CAPRI it is known as SSI);
- b. DESCRIPTION - The SWIMS alphanumeric product Control Description.
- c. KEEP QUANTITY - The entry in this column can be one of the following:

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1. ALL - Indicates to the Returns personnel to keep all material being returned,
  2. NONE - Indicates to the Returns personnel to keep none of the material being returned,
  3. QUANTITY - Indicates to the Returns personnel to keep up to a specified quantity only,
- d. OVERSTOCK/UNDERSTOCK - This figure is either the Manual Keep Level or the Calculated Keep Level minus the total balance on hand. The letter "U" to the right of the number indicates an understock condition. (i.e., total stock is less than the quantity on the Keeplist). If no letter appears, that indicates an overstock condition.
  - e. WD - Indicates the Warranty Duration figure for this item.
  - f. SPECIAL INSTRUCTIONS - This is a 20 character alphanumeric field used to provide special disposition instructions to Returns personnel.

14.05

Inventory Managers should note that the Keep List Dock Copy does not take into consideration the following facts:

- a. How much material is on order from a vendor;
- b. How much material is currently out for repair;
- c. Sudden increases or decreases user/client demand;
- d. How much material is on backorder.

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15. DE-STOCKING OF MATERIAL

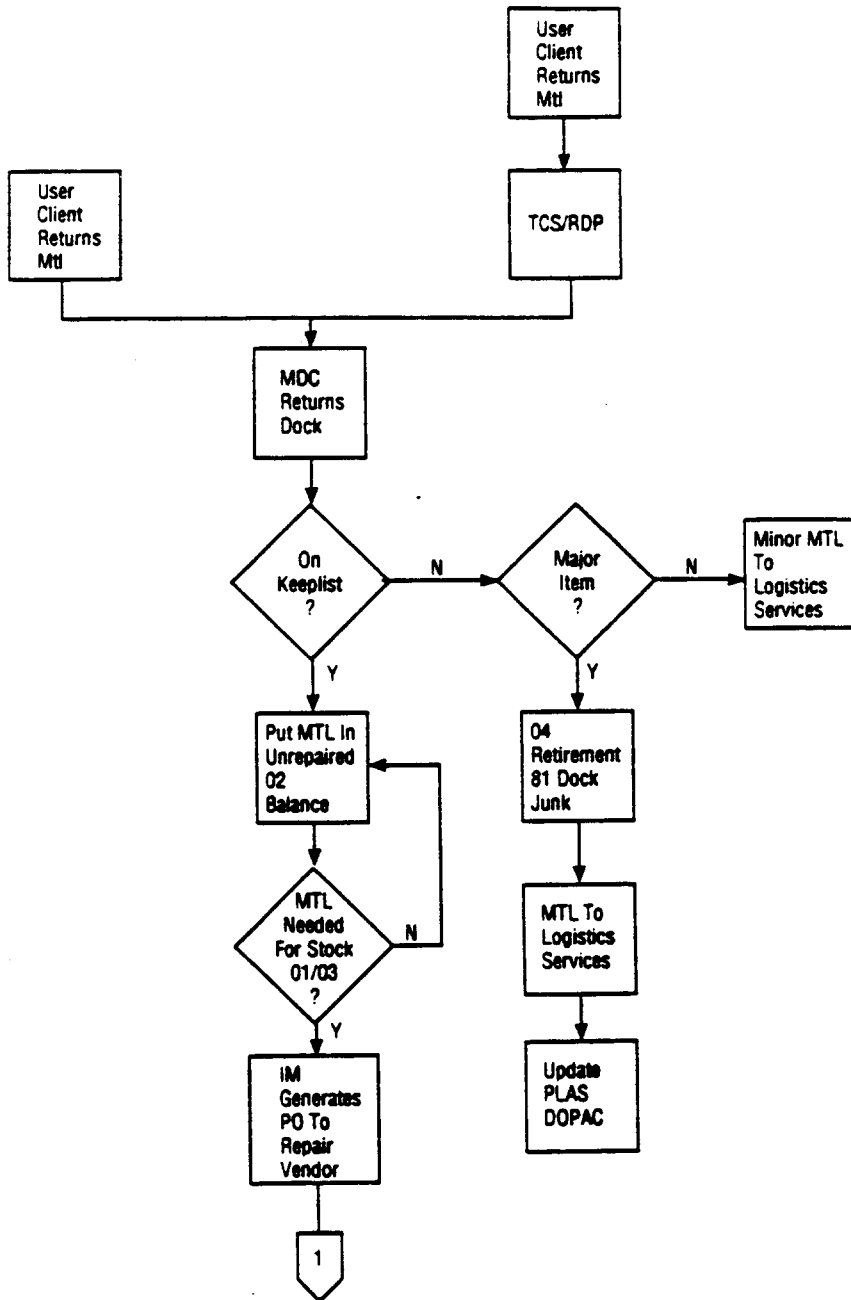
15.01 When MDC stocked material is to be de-stocked, it should be done so in accordance with SWBT Practice SW 748-100-900, Adding Or De-Stocking Items At The Materials Distribution Center.

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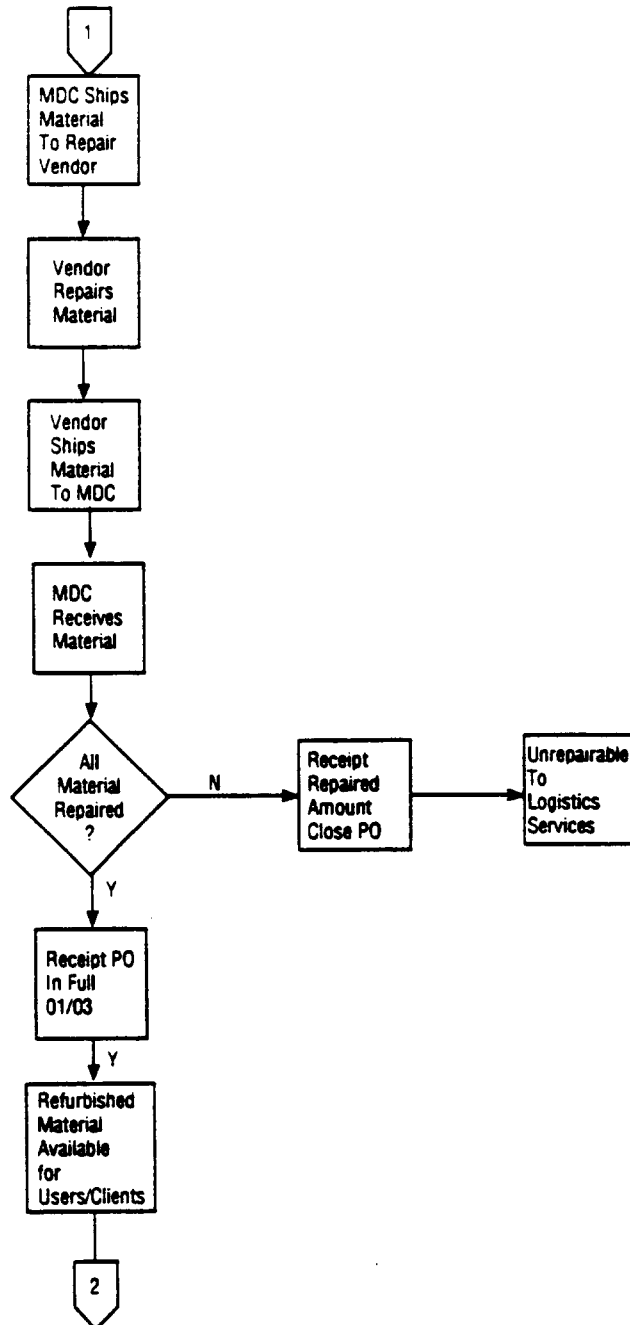
EXHIBIT 2  
GENERAL FLOW OF RETURN FOR REPAIR



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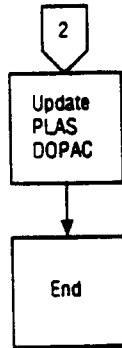
EXHIBIT 2 (CONTINUED)  
GENERAL FLOW OF RETURN FOR REPAIR



**PROPRIETARY**

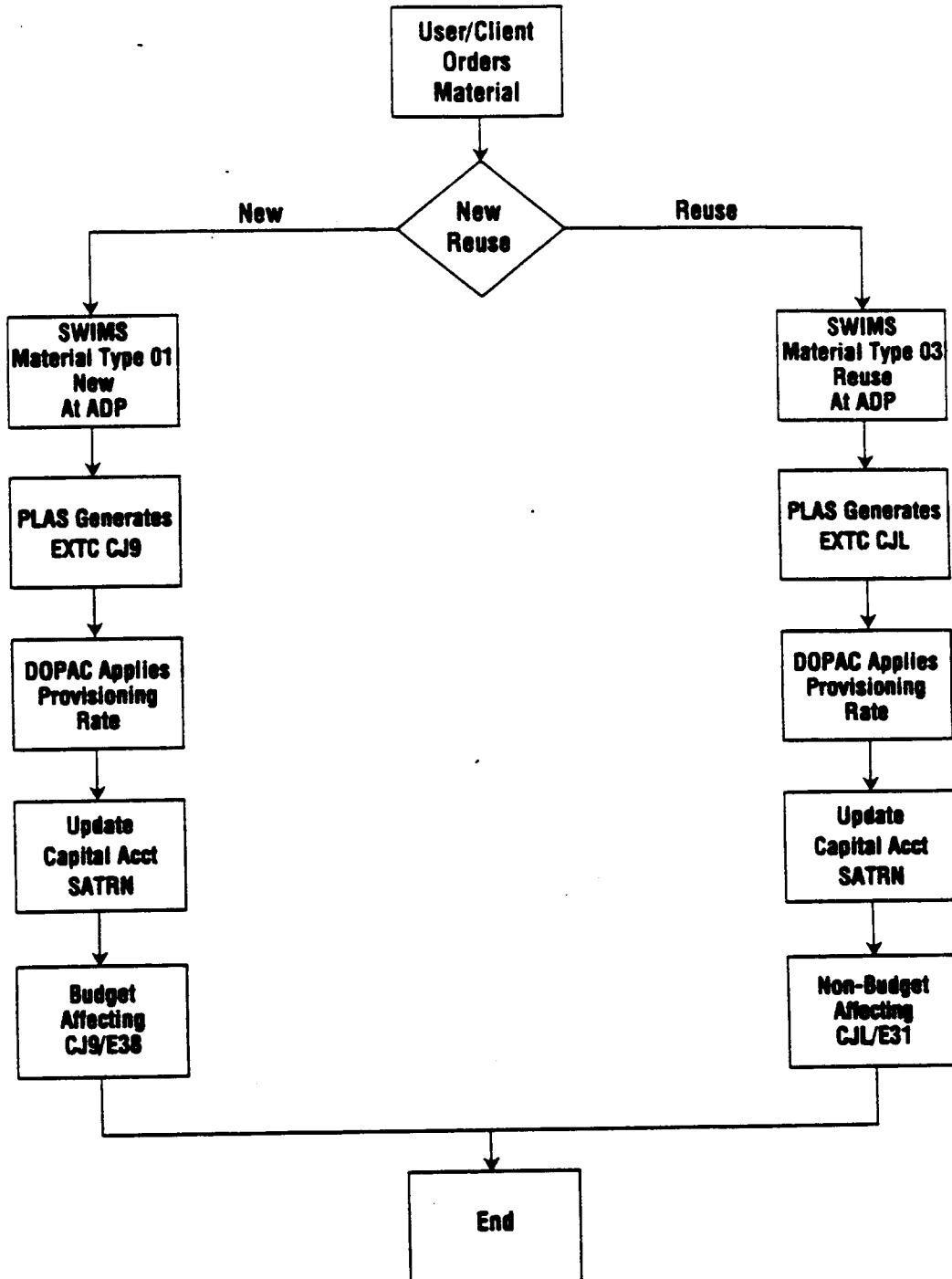
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EXHIBIT 2 (CONTINUED)  
GENERAL FLOW OF RETURN FOR REPAIR



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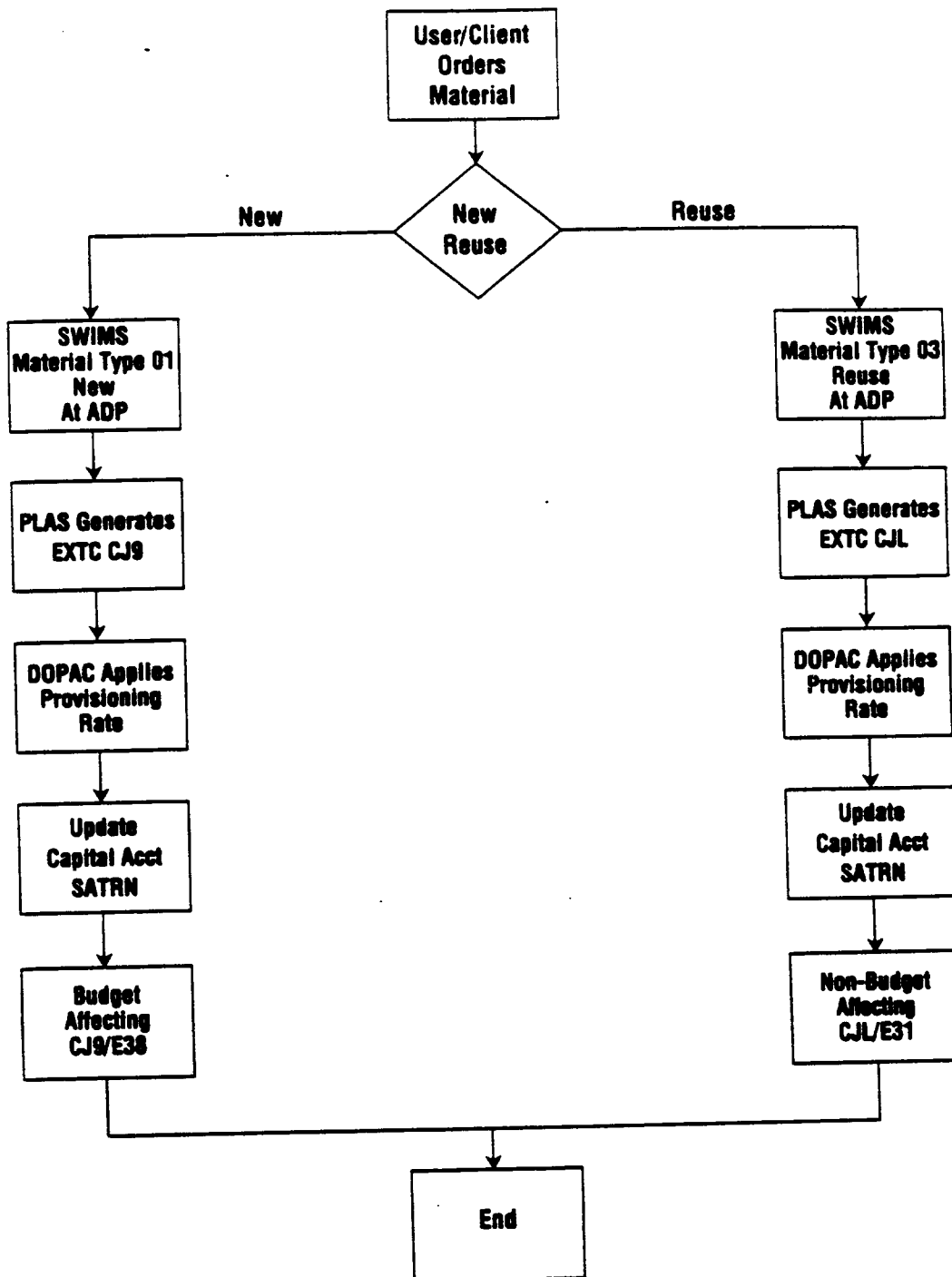
EXHIBIT 3  
GENERAL ACCOUNTING FLOW OCS



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**EXHIBIT 4  
GENERAL ACCOUNTING FLOW PUBLIC COMMUNICATIONS**



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EXHIBIT 6  
KEEP LIST DOCK COPY

REPORT- J4340-001  
REFERENCE - REPORTS MANUAL  
SWRT OP CTR-SAINTE LOUIS

KEEP LIST  
DOCK COPY

PAGE 1  
RUN DATE- 920523  
RETENTION- 6 MONTHS

LOCATION CLA	PTD	DESCRIPTION	KEEP QUANTITY	OVERSTOCK/ UNDERSTOCK	WD	SPECIAL INSTRUCTIONS
	701117251	ADAPTER APERTUS RCM-RS232 #	ALL	ALL		
	701069452	ADAPTER AC399930	ALL	ALL		
	700040132	ADAPTER DST 7620	ALL	ALL		
	701068670	ADJUNCT NT4X345A-35 ASM	ALL	ALL		
	701068660	ADJUNCT NT4X34JA-03 BLACK	ALL	ALL		
	701068652	ADJUNCT NT4X38EA ASM	ALL	ALL		
	701068604	ADJUNCT NT4X3RJA BLACK	ALL	ALL		
	700044027	ADJUNCT, NT4E20AG	ALL	ALL	00	
	701099410	AMPLIFIER 2M/4M 4324-00 #	ALL	ALL		
	701040529	AMPLIFIER 2484 #	ALL	ALL		
	701099458	AMPLIFIER 4906 #	ALL	ALL		
	701040537	AMPLIFIER 4709 #	ALL	ALL		
	701031791	AMPLIFIER 4324-08 #	ALL	ALL		
	701031409	AMPLIFIER 4357-00#	ALL	ALL		
	700006093	AMPLIFIER 4401 #	44	44U		
	701086473	ASSEM CONTRL PANEL OPER TOUCH 43CLPM	2	2U		
	701069252	BAR POWER 40349107	ALL	ALL		
	40C407704	BLANKET INSULATING PURCA	ALL	ALL	00	
	700054634	BLNWR 1E-270C-35	NONE	2	00	
	701098022	BOARD LOGIC 44C502530-G01	ALL	ALL		
	701097990	BUFFER 10K 44A503777-G01	19	19U		
	401174239	CABINET CR20013 L11A #	4	4U	00	
	401399454	CABINET CR20018 L15A #	ALL	ALL	00	DISAGGREGATE
	701080900	CABINET RJ30R 40 CKT USAFC-	NONE	5		
	701117178	CABLE APERTUS 9.5 FT OIN/RS232 R/W #	ALL	ALL		
	701069460	CABLE EXPANSION DS-10	ALL	ALL		
	701033672	CABLE 07-7043-00 CBL-TC6-1.5/55	ALL	ALL		
	700082993	CARD ASYNCH 1297A #	ALL	ALL		
	701069234	CARD BUTTON DESIGNATION PR10	ALL	ALL		
	700093644	CARD CENY PROC UNIT 411-411A #	ALL	ALL		
	701033579	CARD CIRCUIT (06001414) SIG-V.355 MOD #	ALL	ALL		
	701055426	CARD CIRCUIT 08-0142-001C-V.355 #	ALL	ALL		
	700093410	CARD COMMUNICATIONS CONTROLLER 411-411A #	ALL	ALL		
	701032427	CARD EXPANSION 1271 #	ALL	ALL		
	701045425	CARD FEATURE 4900 #	ALL	ALL		
	700093436	CARD MULTI PORT ASYNCH ADPT 411A #	ALL	ALL		
	701062713	CARD P-FMC	ALL	ALL		
	701062759	CARD P-12-STU-X	ALL	ALL		
	701062721	CARD P-6-COU-X	ALL	ALL		
	700094407	CARD STATION ADAPTER 411-411A #	ALL	ALL		
	700083207	CARD SYNCH 1270 #	ALL	ALL		
	701020760	CARD 54C270A11 #	ALL	ALL	00	
	701020745	CARD 54C290C11 #	ALL	ALL	00	
	701020752	CARD 54C290D11 #	ALL	ALL	00	
	701060287	CARD 54C270X11 #	ALL	ALL		
	700078405	CARD, 510332	NONE	10	00	
	700078470	CARD, 510041	ALL	ALL	00	
	700078467	CARD, 510111	ALL	ALL	00	
	700078512	CARD, 510120	ALL	ALL	00	
	701020943	CARD, 510253	NONE	2	00	

NOTICE - NOT TO BE DISCLOSED OUTSIDE TOLL SYSTEM EXCEPT UNDER WRITTEN AGREEMENT.

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APPENDIX 1  
ACRONYMS

1.	ADP	AVERAGE DISBURSEMENT PRICE
2.	CAPRI	COMPUTER ASSISTED PURCHASING RECEIVING AND INVOICING
3.	CTSC	CORPORATE TELECOMMUNICATIONS SERVICE CENTER
4.	COES	CUSTOM ORDER ENTRY SYSTEM
5.	DOPAC	DISK ORIENTED PROPERTY & COST (system)
6.	EXTC	EXPENDITURE TYPE CODE
7.	FCC	FEDERAL COMMUNICATIONS COMMISSION
8.	FRC	FIELD REPORTING CODE
9.	I&M	INSTALLATION & MAINTENANCE
10.	MDC	MATERIALS DISTRIBUTION CENTER
11.	MDCI	MATERIALS DISTRIBUTION CENTER INSTRUCTION
12.	MF	MANUFACTURING MANAGEMENT
13.	MQER	MATERIAL REQUEST EXCEPTION RECEIPTING
14.	MR	MATERIAL REQUISITION
15.	MR/IBPS	MANAGEMENT REPORTS/INTEGRATED BUDGET PLANNING SYSTEM
16.	NCTE	NETWORK CHANNEL TERMINATING EQUIPMENT
17.	OCS	OFFICIAL COMMUNICATIONS SERVICES
18.	PIR	PERPETUAL INVENTORY RECORD
19.	PLAS	PROCUREMENT LOGISTICS ACCOUNTING SYSTEM
20.	PROES	PROCUREMENT ORDER ENTRY SYSTEM
21.	R&R	RETURN AND REPAIR
22.	RDP	REMOTE DISTRIBUTION POINT
23.	RMN	RETURNED MATERIAL NOTICE
24.	SATRN	Southwestern Account-based Tracking and Reporting Network
25.	SSI	STANDARD SUPPLY ITEM
26.	SWB	SOUTHWESTERN BELL
27.	SWIMS	SOUTHWESTERN INVENTORY MANAGEMENT SYSTEM
28.	TCS	TELEPHONE COMPANY STOREROOM

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**APPENDIX 2  
RELATED DOCUMENTATION**

1. Accounting Handbook Telephone Plant.
2. Adding Or De-Stocking Items At The Materials Distribution Center (MDC), SW 748-100-900.
3. CAPRI/SWIMS Item Update Form SW 6538 Workbook.
4. CAPRI/SWIMS Itemized Purchases report, JA378-001.
5. Data Capital Recovery Procedures, Operating Practice 126.
6. Disbursement Accounting Practice Part F, Section 25.01, Task Breakdown T9.
7. Disbursement Accounting Practice Part F, Section 25.01, Procurement Logistics Accounting System.
8. Network Channel Terminating Equipment (NCTE) Field Returns Procedures, SW 749-000-903.
9. Materials Distribution Center Instructions, local procedures:
  - a. MDCI 109-85 - Receiving/Receipting Stock Material;
  - b. MDCI 119-86 - Insulated Gloves and Blankets;
  - c. MDCI 126-86 - Warranty Repair;
  - d. MDCI 141-89 - Returned Material;
  - e. MDCI 142-89 - Keelist;
  - f. MDCI 144-89 - Return Material Notice;
  - g. MDCI 145-89 - Disposing Stock Material from MDC;
  - h. MDCI 147-90 - Reuse Material.
10. Optimum Returns pamphlet.
11. Purchasing and Contracting Policies, Operating Practice 112.
12. Returned Material Notice (RMN) SW 790-101-540.
13. Returning Non-Stocked Material Returned Material Notice (RMN) FA Form SW 6381, SW 745-011-901.
14. Returning Stock Material (MDC Sourced Only), SW 745-011-902.
15. Stocked and Non-Stocked Material Returned To The MDC, SW 745-011-905.
16. Warranty Procedures, local procedure administered by Manager-Procurement Operations.

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**APPENDIX 3  
REPORTS USED FOR R&R**

**PROCUREMENT INVENTORY MANAGEMENT:**

1. As-Used Bill of Material - PBM120
2. Backorder Summary Analysis RMQ049-R01
3. Inventory Activity - By Item RIA040-R01
4. Investment Ranking Report - New JA318-01
5. Investment Ranking Report - Unrepaired JA318-02
6. Keplist Administrative Copy JA341-001
7. Keplist Dock Copy JA340-001
8. Return And Repair Production Order Activity POS330-R01
9. Return And Repair Production Order Add Errors POS330-R02
10. Return And Repair Stock Status Report POS510-R01
11. Unacknowledged Material Requests (M/R) For Purchase JA247-R01
12. Unrepaired Balance And Dollar Amount JA349-002
13. Where-Used Bill of Material PBM125

**MATERIALS DISTRIBUTION CENTER:**

1. Backorder Summary Analysis RMQ049-R01
2. Inventory Activity - By Item RIA040-R01
3. Investment Ranking Report JA318-01
4. Keplist Administrative Copy JA341-001
5. Keplist Dock Copy JA340-002
6. Mechanized Locator System MLS Exception Report RLS140
7. Mechanized Locator System: Unassigned Bin Report RLS110-R03
8. SWIMS Receipts Report (Daily) JA352-001
9. Unrepaired Balance And Dollar Amount JA325-001/2

**PROPRIETARY**

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