

Openreach Free Issue: OVERVIEW OF OPENREACH FREE ISSUE STOCK & CABLE MANAGEMENT

Standard Operating Procedure

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Section 1: Introduction

Purpose

The purpose of this SOP is to provide an overview the Openreach free-issue stores and cable supply process

All personnel who are working with and require stock and cable on behalf of MTS must read and understand this SOP to ensure compliance

Scope

This SOP applies to:

- All Store's Leads who are engaged in managing or operating a store on behalf of MTS for the purposes of Openreach works
- All engineers who require stock or cable from an MTS STA or supplier STA
- All managers who plan and programme works for MTS engineers and suppliers

This document provides the guiding principles under which all store must operate

Responsibilities

It is the responsibility of the National Logistics team to:

- Update and issue the Daily Status Report
- Liaise with STAs and communicate with Openreach on all stores matters

It is the responsibility of all Stores Leads to:

- Manage their assigned store
 - All following SOPs offer guidance on how to achieve this with MATS
- Liaise with the Programme Managers and National Logistics

It is the responsibility of engineers to:

- Provide a valid UIN & WO Estimate
- Return unused stock
- Return all cable drums

Section 2: Managed Service Provider Responsibilities

Openreach provide stocks and cables (materials) to its Managed Service Providers (MSP) for the maintenance and build of the Openreach network.

As an MSP Morrison Telecom Services is the custodian of the materials provided, and is financially accountable to Openreach for its storage at the MTS and sub-contractor stores nationwide.

The MSP has an obligation to evidence that stock is being controlled and MTS extend the use of MATS (*Morrison Asset Tracking System*) to its suppliers do so.

Free issue does not mean free of charge and the materials remains the property of Openreach until used. Openreach will only deliver to an approved **Ship to Address** (STA) and each STA has its own unique six-digit code and T code location.

Suppliers that do not qualify for their own STA can be set up as a dependant satellite site of another STA at the discretion of Morrison Telecoms Services. A satellite STA must operate under the same conditions as an STA and is subject to the same deadlines.

National Logistics maintain and manage regular contact with those in Openreach responsible for stores management and all contact with Openreach must be conducted via the National Logistics Store's Lead or the nominated deputy. Suppliers, Managers and Store's Leads must not contact Openreach directly.

Section 3: Standard Operating Procedures

National Logistics has created a series of **Standard Operating Procedures** (SOPs), which outline the processes that suppliers **MUST** follow when operating an STA, in order to remain compliant.

The SOPs, and any associated forms, will be stored in the **Document Repository on MATS at a later date** for all sites to access. National Logistics will make them available prior to this.

If you have any questions about SOPs, guidance or MTS processes then email National Logistics (national.logistics@morrison.co.uk) in the first instance.

Training will be provided to support you or any new starters.

National Logistics will monitor the SOPs for completeness and accuracy and, when needed, will produce new revisions containing the latest information. If you notice any inaccuracies please notify National Logistics, in the first instance.

Workflow with SOPs

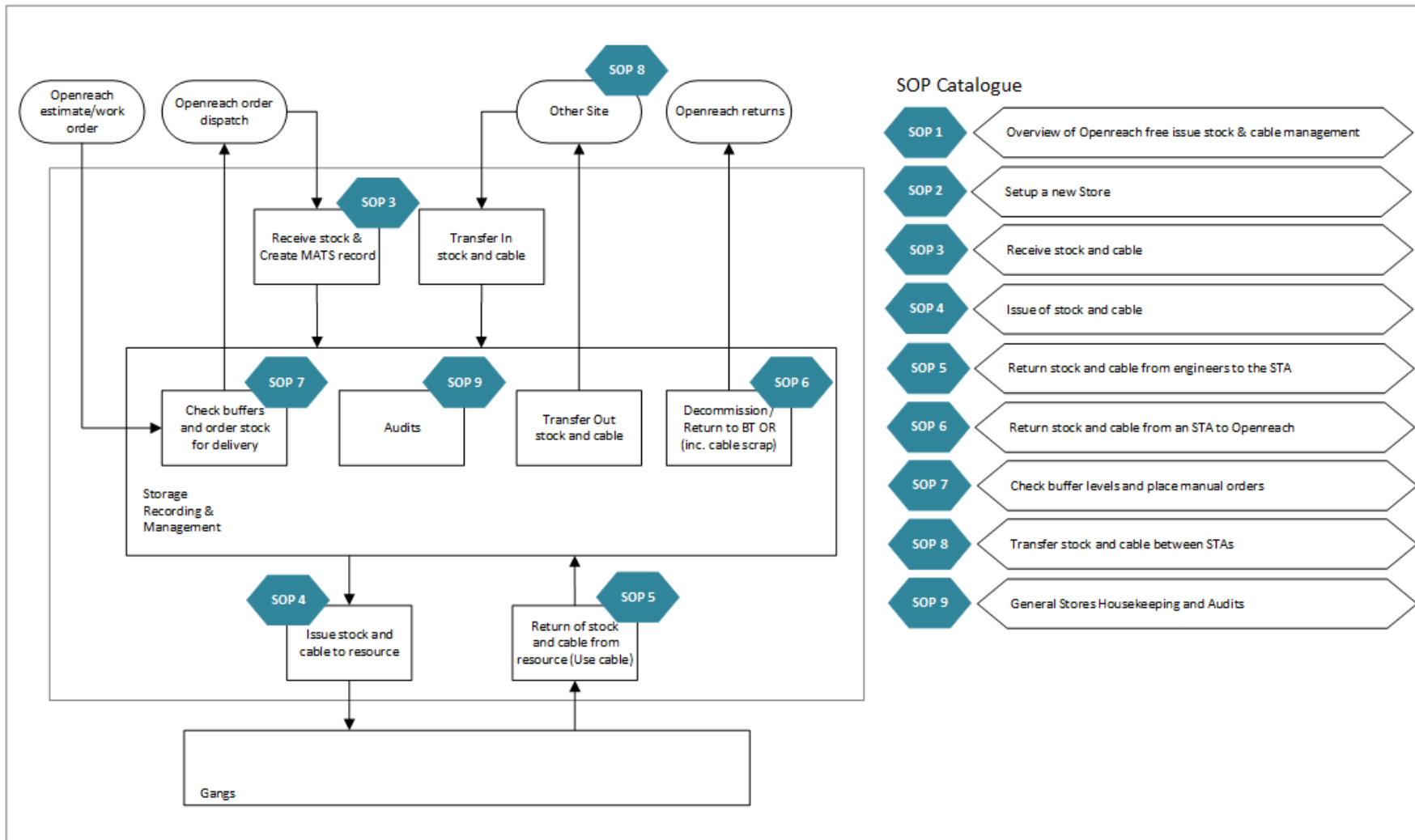


Figure 1: Where SOPs fit into the Stores Management process

Section 4: Openreach stock management approach or DDMRP

The current approach to stock management is **Demand Driven Materials Requirements Planning** or **DDMRP** for short.

Demand Driven Material Requirements Planning is made up of 5 repeating steps



- 01** Deciding what stock is placed in the DDMRP system.
The majority of free issue stock has been placed into the DDMRP System implemented by Openreach. Exceptions are noted in the Exceptions section.
- 02** All stock items with a **Total Inventory Buffer (TIB)** level generally have a Trigger Point of 2/3 of the TIB with a Replenishment Quantity of 1/3 of the TIB.
Buffers are configurable to take account of STA Size, order volume and lead times.
- 03** Once set, the TIB levels can be changed on request.
Additional orders can be placed to reflect variability in work programmes .
- 04** The Openreach system automatically reviews the net level of stock and when it is equal to or below the Trigger Point, an automatic replenishment order is triggered for the Replenishment Quantity where a buffer has been created.
- 05** The replenishment orders are visible in the **Daily Status Report** which provides details of all outstanding deliveries in the DDMRP system allowing planning and execution of stock control.

Openreach have introduced DDMRP in order to;

- Replace manual Kanban ordering
- Provide greater accountability of their free-issue stock
- Provide the near real-time view of their free-issue stock
- Calculate and plan for actual stock usage
- Allocate actual stock costs to individual programmes of work
- Drive towards weekly deliveries and move away from random deliveries
- Provide improved stock governance

Section 4: Daily Status Report

Monday to Friday, National Logistics receives a **Daily Status Report** from Openreach which is used to manage the process of monitoring outstanding orders, the creation of additional orders and the progression of outstanding orders.

More detailed information is available in **Section 5** of **SOP #7 Monitor buffer levels and place manual orders**.

Section 5: Timeliness of Receipts and Issues

The **Replenishment Report** is generated by the Openreach system at 5 pm, 3 days before any scheduled delivery day (t-3) to an STA. The delivery day is referred to a t.

The materials are picked at Magna Park the evening before delivery, at this point an **Advance Ship Note** is automatically generated and emailed to each supplier's generic mailbox. A copy is also emailed to National Logistics.

Materials **must** be unpacked and receipted in **MATS** before 12 noon within 1.5 days of arrival. **This is a time critical activity**. You must also have completed the transactions of any issued materials stock for the previous week, as far as is possible. Data relating to transactions is automatically transmitted to Openreach. Failure to do either the receipts (incoming stock) or the issues (outgoing stock) prior to the deadline, will result in inaccurate data being transmitted for the generation of the next Replenishment Report. If stock then falls below the Trigger Point after the data is transmitted, it will delay the next replenishment cycle by another week, potentially putting works in jeopardy.

Report Generated at p.m.	New Orders Generated	Stock Picked	Delivery Day	Receipt BEFORE 12 noon
T-3	T-2	T-1	T	Data transmitted to OR
Wednesday	Thursday	Friday	Monday	Wednesday
Thursday	Friday	Monday	Tuesday	Thursday
Friday	Monday	Tuesday	Wednesday	Friday
Monday	Tuesday	Wednesday	Thursday	Monday
Tuesday	Wednesday	Thursday	Friday	Tuesday

Figure 2: Explanation of Timeline for the DDMRP Order Generation

Section 6: Dependant Satellite Sites

Materials are replenished by Openreach to the main STAs only. If a dependant satellite site does not perform their transactions in MATS in keeping with the STAs delivery day, then there will be no replenishment of stock to the main STA.

Sites with more than one dependant satellite site will suffer if all suppliers do not meet the Time Critical Activities.

Section 7: UIN and Work Order Estimates

All materials must only be issued to an engineer with a **valid UIN**.

All materials must only be issued to a **valid MTS WO Estimate**.

Do not issue high volumes of stock or cable to one WO Estimate. This will generate an **investigation of your STA practices**. Openreach and MTS are **validating the data entered** and any unusual activity will trigger an exception report.

It is the responsibility of engineers to;

- Present their ID badge so that their UIN can be validated
- Present their job pack with WO estimate when requesting materials
- Return **unused materials** to the originating STA with the associated WO estimate
- **Return all cable drums** to the STA with a record how much cable has been used on each WO Estimate

Section 8: Stock and Cable Transfers

All sites can transfer materials from:

- An STA to any other STA
- An STA to any other satellite STA
- Satellite sites can transfer to any STA
- Satellite sites can transfer to any other satellite site

There are no restrictions.

Please refer to **SOP #8 Transfer stock and cable between STAs** for an overview and explanation of the processes.

Section 9: Cable Lifecycle

All cable provided by Openreach is **monitored through its whole lifecycle**. Cable drums and reels will be tracked from initial delivery, through to decommissioning of the physical drum or reel or the return to the supplier.

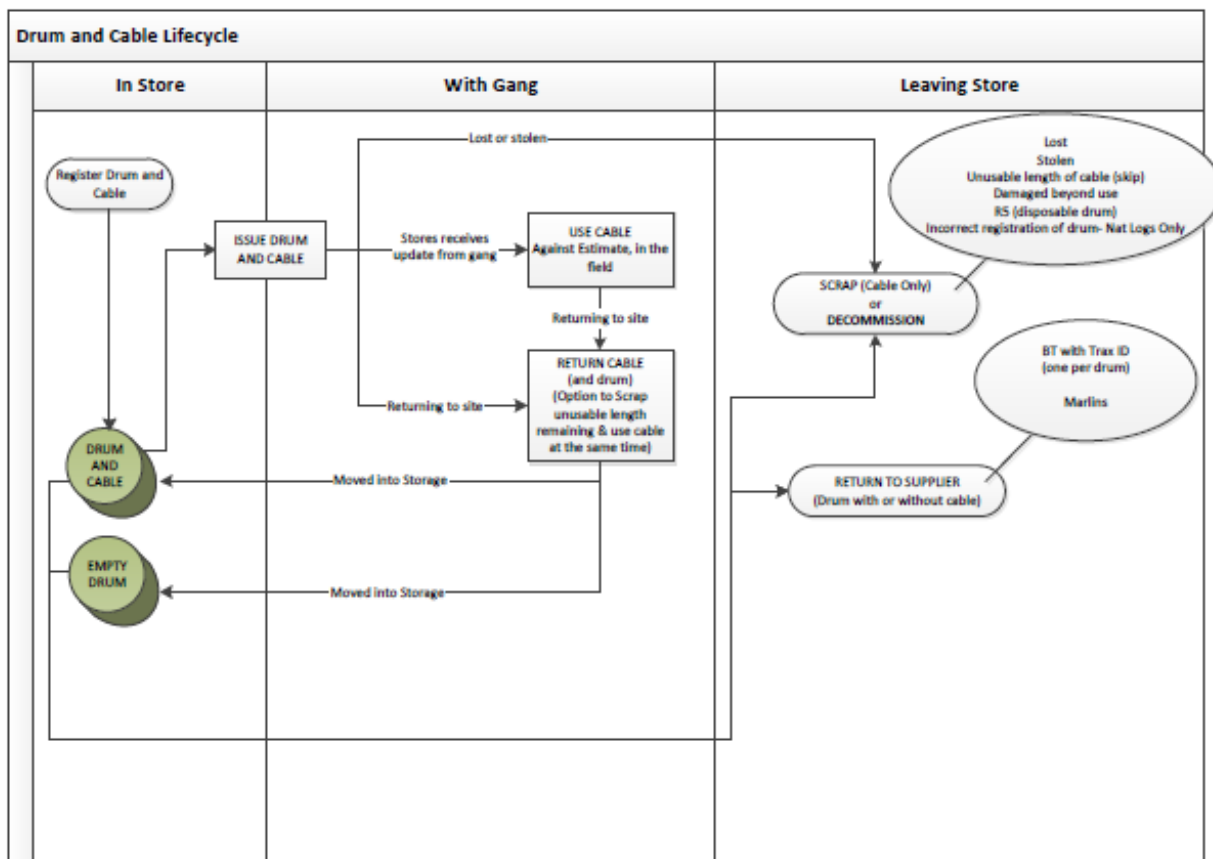


Figure 3: Explanation of the Cable Lifecycle

Section 10: Order Numbers

The Openreach system requires orders to be booked in **using the correct order number, item code and quantity** to create a **'3-way match'**.

Order Numbers **must** be **copied** electronic documents, where they exist, using the copy and paste functions. If they are entered manually and a receipting error occurs, then this will be rejected by the Openreach system. The knock-on effect is that a **mismatch between MATS and the Openreach ASC system** is recorded which will affect and delay replenishment;

Order numbers are in the following format:

- 9-digit MR/PO (Manifest Request / Purchase Order) number
- 9-digit VK, PR or FS order number
- 16-digit Blanket Order Number

Section 11: Advanced Ship Notes

An electronic pre-advice note, referred to as an **Advance Ship Note (ASN)**, contains details of forthcoming deliveries and is emailed to the STAs generic store's email address and copied to the National Logistics mailbox;

The ASN *should* arrive in the mailbox **the evening before the delivery** at the latest.

Print out your ASN and keep it in a physical file or an in-tray awaiting the delivery.

It is not unusual for cable deliveries to arrive before the Advance Ship Note.

Section 12: Errors and Adjustments

Transactions which have been rejected due to administration errors will have to be corrected by either National Logistics or Openreach.

If, following an investigation, a **genuine error** has been made it will require an adjustment.

If you have made an error before it has been identified, please notify national.logistics@morrisonts.co.uk by email, **stating the reason** for the error. You will then either be instructed to correct this yourself, or National Logistics will make the necessary correction.

This will be an authorised adjustment.

Section 13: Audit Overview

Openreach require **perpetual audits** by category and an **annual audit**. The perpetual system ensures that every item will be counted at least once within that calendar year.

Category	Description	Frequency of Check
A	All items with a unit stock value of > £250	Monthly
B	All Cable (Fibre & Copper)	Quarterly
C	All items with a unit stock value of > £10 & <£249.99	6 Monthly
D	All items with a unit stock value of < £10	Annually

The **Audit Administrator** oversees the audit schedule and will notify each site by email when an audit is due. During an audit MATS will be restricted while the physical count takes place.

The Audit Administrator will investigate any discrepancies for action and close out the audit instructing the site of their action.

Suppliers will be financially accountable for any unaccounted stock losses.

Please refer to **SOP #9 Stores Housekeeping and Audit Preparation** for full details.

Section 14: Records Retention

All documents relating to stores and their deliveries are to be retained for 2 full calendar years.