

# Openreach Free Issue: HOW TO MONITOR BUFFER LEVELS AND PLACE MANUAL ORDERS

## Standard Operating Procedure

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## Section 1: Introduction

### Purpose

The purpose of this SOP is to explain how to read, understand and use the **Daily Status Report** to manage the ordering of free-issue materials.

### Scope

This SOP applies to anyone **managing an STA on behalf of MTS** and explains how to:

- Check Trigger Levels, Replenishment Quantities and the Total Inventory Buffer;
- Check for forthcoming deliveries;
- Create requests for additional materials;
- Request changes to the Buffer Levels;
- Read and use the Stock Buffer Report in MATS.

### Responsibilities

It is the responsibility of the **Store's Lead** to:

- Liaise with the regional **General Manager** and any other **Project Managers** to ensure that the stock and cable buffer levels are fit for purpose;
- Monitor, review and **request changes** to buffer levels;
- Place **additional orders** for Vendor Managed Inventory (VMI), non-buffer and new items or additional stock for increased work, when required;
- Return **surplus** stock.

It is the responsibility of **National Logistics** to

- Review the requests and changes submitted for accuracy, and then **forward them to Openreach** for processing;
- Progress **overdue orders** with Openreach;
- Check the Open Orders that require the **sites' action** and progress;
- Submit the Daily Status Report to MATS to **update the Buffer Report**;
- **Distribute** the Daily Status Report.

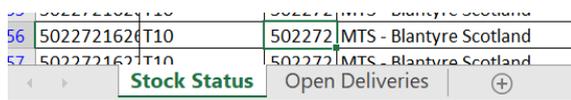
## Section 2: Daily Status Report

Monday to Friday, National Logistics receives a **Daily Status Report** from Openreach. Information contained in the report is from the previous day's MATS transactions uploaded to Openreach from the data extracted at 12 noon. The report is used to performance manage the STAs, monitor buffer levels, create additional orders and progress outstanding orders.

**National Logistics** update the report with additional information and distribute it to the STAs and the Satellite STAs daily.

The Report is comprised of two tabs, **Stock Status** and **Open Deliveries**.

The **Stock Status** tab contains the information relating to **Buffer Levels** and **excess stock holding**.



The **Store's Lead** is responsible for **checking the report daily**.

## Section 3: Automatic Replenishment

A stock-keeping unit (SKU) is a unique code used in stores management to track the movement of inventory.

The majority of regular moving SKUs will be eligible for **automatic replenishment** and allocated a **Total Inventory Buffer (TIB)**.

The Openreach system recalculates the TIB based on Average Daily Usage (ADU) and implements changes. There is no set date when this is performed, for this reason, the report includes a column called **Change in TIB since yesterday** so that the **Store's Lead** can track the changes. The **Store's Lead** must review the changes and request amendments via **National Logistics**, if the recommended figure is deemed not to be sufficient or is too high.

<p>The Total Inventory Buffer is calculated from the <b>Average Daily Usage (ADU)</b> from the previous transactions.</p>	ADU	ASC Qty View	Trigger Point	Replen Qty	Total Inventory Buffer	Change in TIB since yesterday	\$
	20.63	852	223	111	334	0	
	21.54	5600	518	200	718	0	
	3.85	1381	55	30	85	0	
	6.78	26	76	41	117	-6	
	0.06	25	2	1	3	0	
	0.11	0	3	1	4	0	
	1.05	55	9	10	19	0	
	11.2	324	120	70	190	-31	
	0.46	110	5	10	15	0	
0.71	6	3	1	4	0		

**Store's Leads** can generate the **Buffer Report from the MATS system** to aid their review process. The Buffer Report has additional information relating to historical issues to help determine a realistic buffer level; see section six.

## Section 3: Exclusions to Buffer Levels

Openreach build the SKUs on their ASC system and are shown on the **Daily Status Report**.

Some SKUs that are held in stock at the site are NOT LISTED on the **Daily Status Report** and some are listed without buffer levels.

Reasons for these exclusions include:

- Expensive items;
- Slow moving SKUs;
- New items;
- Vendor Managed Inventory (VMI);
- Obsolescent SKUs;
- Obsolete SKUs.

The **Store's Lead** will have to manually request these SKUs via **National Logistics** by monitoring their stock on MATS.

## Section 4: Order Replenishment

Openreach run the **Planning Board** report weekly to determine what will be included in the next delivery, this occurs **two days prior to the sites allocated delivery day**. For an SKU to be included in the next delivery **an order will only generate when the ASC quantity is equal to or below the Trigger Point and there is not an Open Order on the Open Deliveries Tab**. For this reason it is important that all transactions be completed daily or the there is a risk of missing the order replenishment cycle.

## Section 5: Inventory levels

Monday to Friday all transactions performed in MATS are extracted at 12 noon and are automatically transmitted to Openreach. The **ASC Qty View** is the total quantity of stock at an STA (and its satellite site) from the 12 noon transmission shown in the **Stock Status** tab of the **Daily Status Report**. It also contains the information relating to buffer levels.

The **Total Inventory Buffer** is calculated to ensure your site has sufficient stock to last for at least the next 3 weeks' demand.

In theory, if the buffer is set accurately, your STA will not run out of stock unless there is unexpected change in demand, or a supply problem.

It is the responsibility of the **Stores Lead's** and **Warehouse Operatives** to physically monitor the stock bins and compare MATS to see if stock shown in the ASC Qty View column is accurate, **remembering the data is from 12 noon the day before.**

### Buffer Levels

<p>The <b>Trigger Point</b> is based on two weeks' demand; this ensures there is one week's safety stock.</p> <p>The <b>replenishment quantity</b> is a further week's supply.</p> <p>The <b>Total Inventory Buffer</b> is the sum of the Trigger Point and the Replen Qty</p> <p>Review anything above the TIB, as this is excess stock and should be returned following the correct process.</p>	Safety Stock	One week's demand	One week's demand	3 week's demand	Excess	
	Trigger Point		Replen Qty		Total Inventory Buffer	Stock Held Above Total Inventory Buffer
	18		9		27	0

### When will an order generate?

<p>If the <b>Trigger Point is below or equal to the ASC Qty View</b>, an order will automatically trigger <b>in multiples of Replenishment Quantity</b> to bring the stock level back up to the <b>Total Inventory Buffer</b>, but it will not exceed the Total Inventory Buffer.</p>	ASC Qty View	Trigger Point	Replen Qty	Total Inventory Buffer
	27	28	14	42
	8	9	5	14
	8	5	2	7

## Section 5: Difference between ASC & MATS

Discrepancies between ASC and MATS are in the column Difference between ASC & MATS. Negatives are in red and positives in green. These are reconciliation errors.

A difference generally indicates there has been a receipting error. Remember, it is the responsibility of the person receipting the orders to double-check the accuracy of their transactions and report any errors to National Logistics immediately after receipting is complete.

If you notice a stock discrepancy, do not try to fix the error by booking out or in as this only creates other problems. National Logistics work with Openreach to correct them and advise the site if they need to take any actions.

## Section 6: MATS - Stock Buffer Report

A report is available in MATS to help with the buffer review process.

Log onto MATS. Go to **Reports>Stock Buffers**.

Limit the report to your STA code and download the report.

Part No	Type	Part No Description	UoM	MATSQty	ASCQty	QtyDiff	TotalInvBuf	TotalNI30d	MaxNDI30d	AvgNDI30d	TotalNI90d	MaxNDI90d	AvgNDI90d	DaysStock30
004624	Stock	CONNECTOR WIRE INSULATED 8A TYPE 1 (BOX OF 500)	BOX	23	23	0	35	0	0	0	7	5	0.11	999
011114	Stock	BRACKET 22	EACH	890	890	0	379	1152	260	50.09	1853	260	28.51	17.76801757
014700	Stock	SCREW COACH	EACH	5400	5400	0	727	400	200	17.39	1600	590	24.62	310.5232892
014809	Stock	PLUGS CONDUIT 20 (BAG OF 100)	BAG	21	21	0	11	0	0	0	14	14	0.22	999
015550	Stock	STEP POLE 1	EACH	1681	1681	0	121	300	180	13.04	460	180	7.08	128.9110429
015708	Stock	STRIP ALUMINIUM 16 X 80MM (BAG OF 25)	BAG	93	93	0	117	236	33	10.26	457	33	7.03	9.064327485
016229	Stock	GRIP STAY ANCHOR	EACH	4	4	0	19	0	0	0	24	24	0.37	999
016266	Stock	HZ PLUG CREOSOTE 2X3/8IN 100	BAG	23	23	0	3	3	1	0.13	6	1	0.09	176.9230769
016445	Stock	EYEBOLT EXPANDING 1A (PK 20)	PACK	0	0	0	4	3	1	0.13	7	2	0.11	0
016980	Stock	BARREL CLMP TERM STAY	EACH	15	15	0	11	0	0	0	14	14	0.22	999
016988	Stock	UNIVERSAL POLE BRCKET (UPB)	EACH	55	55	0	54	0	0	0	68	68	1.05	999

The report compares the last update file's data with MATS value for the same working day, which is always the previous working day to the report date.

Key columns:

MATSQty = Quantity on MATS for Item Code/STA (parent site and child sites for STA)

ASCQTY = Quantity on ASC (from the upload file)

QtyDiff = ASCQty – MATSQty = reconciliation error

TotalNI30d = Total Net Issues over a 30 day period (net Issues = Issues less Returns)

- a negative number is more returned than issued

MaxNDI30d = Maximum net Daily Issue value over 30 days

AvgNDI30d = Average net Daily Issues over 30 days

90d values = same as 30d, but calculation over a 90 day period

DaysStock30= Days stock based on MATS Qty and 30d avg net issues

- a negative number is stock increasing

Note that all calculations and days' stock are based on working days (Monday to Fridays excluding Bank Holidays).

## Section 7: How to request Buffer increases

### Checking Buffer Levels

In order to check your sites buffer levels open the most recent **Daily Status Report** and open the **Stock Status** tab.

Click on the filter button in the **Location** column and select your site from the drop-down menu. Remember that the data shown is from the *previous day at noon* and take into account *your delivery day* when looking at the column **Stock Held Above Total Inventory Buffer**. If you have a delivery due expect there to be 'red' items and consider returning 'green' items where there is a surplus.

Use the information from the **Stock Buffer Report** to make an informed decision as to whether to make a **New Buffer Request**. Enter the *new Total Inventory Buffer* in the **New Buffer Request** column and add a reason for the request in the **Comments** column. Request increases and decreases, as appropriate.

Submit the request to **National Logistics** via email and monitor the subsequent reports to ensure the change has been implemented.

Location	Item Code	Item Description	ADU	ASC Qty View	Trigger Point	Replen Qty	Total Inventory Buffer	Change in TIB since yesterday	Stock Held Above Total Inventory Buffer	%Above Buffer	Difference between ASC & MATS	Order Qty Required	New Buffer Request	
MTS - Border (Dumfries)	463	LETTER A POLE PLASTIC BAG 50	0	0	2	1	3	0	-3	-100%	0			
MTS - Border (Dumfries)	464	LETTER B POLE PLASTIC BAG 50	0	1	2	1	3	0	-2	-67%	0			
MTS - Border (Dumfries)	466	LETTER D POLE PLASTIC BAG 50	0.02	3	2	1	3	0	0	0%	0			
MTS - Border (Dumfries)	467	LETTER E POLE PLASTIC BAG 50	0	1	2	1	3	0	-2	-67%	0			
MTS - Border (Dumfries)	470	NUMBER 0 POLE PLASTIC BAG 50	0.02	3	2	1	3	0	0	0%	0			
MTS - Border (Dumfries)	471	NUMBER 1 POLE PLASTIC BAG 50	0.02	2	3	1	4	0	-2	-50%	0			
MTS - Border (Dumfries)	472	NUMBER 2 POLE PLASTIC BAG 50	0.02	3	2	1	3	0	0	0%	0			
MTS - Border (Dumfries)	473	NUMBER 3 POLE PLASTIC BAG 50	0.02	3	2	1	3	0	0	0%	0			
MTS - Border (Dumfries)	474	NUMBER 4 POLE PLASTIC BAG 50	0.02	3	2	1	3	0	0	0%	0			
MTS - Border (Dumfries)	475	NUMBER 5 POLE PLASTIC BAG 50	0.02	3	2	1	3	0	0	0%	0			
MTS - Border (Dumfries)	476	NUMBER 6 POLE PLASTIC BAG 50	0.03	3	4	1	5	0	-2	-40%	0			
MTS - Border (Dumfries)	477	NUMBER 7 POLE PLASTIC BAG 50	0.02	2	2	1	3	0	-1	-33%	0			
MTS - Border (Dumfries)	478	NUMBER 8 POLE PLASTIC BAG 50	0	3	2	1	3	0	0	0%	0			
MTS - Border (Dumfries)	479	LETTER P POLE PLASTIC BAG 50	0.02	3	2	1	3	0	0	0%	0			
MTS - Border (Dumfries)	4008	HZ EDGE SEALANT	0.11	3	0	0	0	0	3					NOT RETURNABLE
MTS - Border (Dumfries)	4624	CONN WIRE INS BA (BOX 500)	0	1	0	0	0	0	-1					
MTS - Border (Dumfries)	4821	PAD CLEANING 1 (PK 10)	0	0	0	0	0	0	0					
MTS - Border (Dumfries)	5367	SDMBS SEAL 2 (BAG OF 25)	0.15	6	0	0	0	0	6					
MTS - Border (Dumfries)	5381	A1024 LABELS - BAG OF 10	0	4	0	0	0	0	4					
MTS - Border (Dumfries)	6878	RIL RETURNS LABEL (ROLL OF 50)	0.08	1	0	0	0	0	1					
MTS - Border (Dumfries)	7852	NTESA/B BACK BOX (BOX OF 32)	0.12	0	0	0	0	0	0					
MTS - Border (Dumfries)	8733	TRANSPORT BARCODE LABL ROLL50	0.09	1	0	0	0	0	1					
MTS - Border (Dumfries)	9561	BRACKET 44	0	5	0	0	0	0	5					
MTS - Border (Dumfries)	10094	FBRE OPT CON CLN STK LC/MU	0.02	0	0	0	0	0	0					
MTS - Border (Dumfries)	11114	BRACKET 22	2.52	20	93	7	100	0	-80	-80%	0			
MTS - Border (Dumfries)	13603	CLIPS BAND STAIN STL BAG 100	0	1	0	0	0	0	1					
MTS - Border (Dumfries)	13608	TOOL FIXING S/STEEL BANDING	0	10	0	0	0	0	10					
MTS - Border (Dumfries)	13610	BANDING STAINLESS STEEL (20MM)	0	0	0	0	0	0	0					
MTS - Border (Dumfries)	13612	STAY GUARD HIGH VISIBILITY	0	14	0	0	0	0	14					
MTS - Border (Dumfries)	14700	SCREW COACH	0	0	100	200	300	0	-300	-100%	0			
MTS - Border (Dumfries)	14808	CONDUIT 20	0.15	11	0	0	0	0	11					
MTS - Border (Dumfries)	14809	PLUGS CONDUIT 20	0.02	2	0	0	0	0	2					
MTS - Border (Dumfries)	15550	STEP POLE 1	0.46	90	190	10	200	0	-110	-55%	0			
MTS - Border (Dumfries)	15708	STRIP ALUMINIUM 80 (BAG OF 25)	0.58	19	21	4	25	0	-6	-24%	0			
MTS - Border (Dumfries)	16152	WASHER GALVANISED 4	0	2	14	1	15	0	-13	-87%	0			
MTS - Border (Dumfries)	16162	WASHER GALVANISED 17	0	2	14	1	15	0	-13	-87%	0			
MTS - Border (Dumfries)	16228	GRIP STAY POLE	0	6	0	0	0	0	6					
MTS - Border (Dumfries)	16229	GRIP STAY ANCHOR	0	0	14	1	15	0	-15	-100%	0			
MTS - Border (Dumfries)	16231	GRIP WIRE SUSPENSION 3	0	4	0	0	0	0	4					
MTS - Border (Dumfries)	16233	ANCHOR WIRE SCREW STAY 1	0	1	0	0	0	0	1					
MTS - Border (Dumfries)	16264	BRACKET 32	0	0	1	25	26	0	-26	-100%	0			
MTS - Border (Dumfries)	16266	HZ PLUG CREOSOTE 2X3/8IN 100	0	2	0	0	0	0	2					

## Section 8: Open Deliveries

The **Open Deliveries** tab of the **Daily Status Report** will show details of the replenishment orders, but will not contain orders that begin with VK or FS.

The new orders will first be visible as **New** in the **MR/PO** column, 2 days before the regular delivery day. The word 'New' will be replaced with the actual MR/PO number the day before delivery and this will match the Advance Ship Note that is generated.

Previous orders are listed on the **Open Deliveries** if there are any unresolved queries or outstanding deliveries. **National Logistics** will use the Comments / Drum ID column if there is an action for the site to perform. **The Store's Lead must check the report daily for their actions.**

Supplier Name	T Location	Item Code	Item Description	MR/PO	Use Num	Original Order C	Order C	Order Stat	Order Dt	Due Dt	Delivery Location	Comments / Drum ID
PRYSMIAN CABLES AND SYSTEMS	T10	90059	36F ULW0H CABLE 11KV 1000M	B8001436 0263238	0001	3000	3000	Open	05-Nov-20	23-Nov-20	502272 MTS - Blantyre Scotland	INVOICE QUERY, POD PROVIDED FOR 3 DRUMS, SITE HAS RECEIVED: PW049865 AND PW049866 C
PRYSMIAN CABLES AND SYSTEMS	T10	90059	36F ULW0H CABLE 11KV 1000M	B8001436 0263374	0001	6000	4000	Open	06-Nov-20	23-Nov-20	502272 MTS - Blantyre Scotland	INVOICE QUERY, POD PROVIDED FOR 4 DRUMS, SITE HAS RECEIVED: PW049982 AND PW049984 C
EMTELE UK LTD	T59	76070	50MB 5(CCI - AGN) 30W OPOQ	B80174844000039	0001	1000	1000	Open	08-Oct-20	20-Oct-20	502525 MTS - HAL (Dereham)	OR TO CANCEL SITE IN ADMINISTRATION
Northallerton NDC	T59	17807	JOINT KIT SUPPORT 1A	101540344	0001	30	30	InTransit	09-Nov-20	09-Nov-20	502525 MTS - HAL (Dereham)	OR TO CANCEL SITE IN ADMINISTRATION
Magna Park NDC	T59	16162	WASHER GALVANISED 17	101541336	0001	100	100	InTransit	19-Nov-20	19-Nov-20	502525 MTS - HAL (Dereham)	OR TO CANCEL SITE IN ADMINISTRATION
STERILITE TECHNOLOGIES LTD	T59	92343	COF600 36F LUG ONLY 2000M STER	B8001842 0020770	0001	2000	2000	Open	10-Nov-20	24-Nov-20	502525 MTS - HAL (Dereham)	OR TO CANCEL SITE IN ADMINISTRATION
PRYSMIAN CABLES AND SYSTEMS	T32	20296	CABLE OPT FIBRE 200 276 FIBRES	B8001436 0265338	0002	3000	3000	Open	07-Dec-20	21-Dec-20	504541 MTS - Plancast Deeside	SITE ADMIN ENDRD (11 METRE RECEIVED) / JB ADJUSTED 20.12.20 K6339991 DECOMMISSIONED
British Cables Warehouse	TBF	67522	CABLE PET 50/0.5 (IN METRES)	001745665	0001	650	650	InTransit	10-Dec-20	10-Dec-20	501144 MTS - TLF Ilkeston	SITE CONFIRMED RECEIPT BUT BELIEVES ORDER HAS BEEN DUPLICATED
British Cables Warehouse	TBF	67522	CABLE PET 50/0.5 (IN METRES)	101543489	0001	650	650	InTransit	11-Dec-20	11-Dec-20	520144 MTS - TLF Ilkeston	SITE CONFIRMED RECEIPT BUT BELIEVES ORDER HAS BEEN DUPLICATED

**NOTE:** **MATS** transactions that take place **AFTER** the **12 noon** deadline will not be visible on the following day's report, it will be the subsequent day.

## Section 9: How to Create a Manual Request

Request additional stock manually if there is insufficient stock to last until the next delivery is due or the item does not have a Total Inventory Buffer.

On the **Stock Status** tab of the **Daily Status Report**, enter the **Order Qty Required** in the column. Filter the rest out of the report and send the extract in an email to **National Logistics**.

T location	STA	Location	Item Code	Item Description	ADU	ASC Qty View	Trigger Point	Replen Qty	Total Inventory Buffer	Change in TIB since yesterday	Stock Held Above Total Inventory Buffer	%Above Buffer	MATS 18.12.20 @ 1200	Difference between ASC & MATS	Order Qty Required
T10	502272	MTS - Blantyre Scotland	16229	GRIP STAY ANCHOR	0.37	4	16	3	19	0	-15	-79%	4	0	10
T10	502272	MTS - Blantyre Scotland	16445	EVEBOLT EXPANDING 1A (PK 20)	0.11	0	3	1	4	0	-4	-100%	0	0	4
T10	502272	MTS - Blantyre Scotland	66611	FTTP 36F EXTERNAL LOCKING M	4.98	34	61	30	91	0	-57	-63%	34	0	60

**NOTE:** If the item code is listed, but not for your STA then create a new line at the bottom of the report overwriting it with your sites details.

- In the **T Location** field type '**Please build**'
- If it is not listed as all, contact **National Logistics**

## Section 10: Contacting National Logistics

When contacting **National Logistics** ensure that in the subject header of the email contains your **T code, STA number and STA name** along with a **reason** for the email, e.g. Buffer Change Request, VMI Order, and Manual Orders.

**National Logistics** will review and submit the requests to Openreach for processing.

If the request has not been processed, request a follow the following week.

