



Sample Partnership

DRAFT

Procurement-Stores and Maintenance Requirements

Basis for Agreement:

- Procurement-Stores and Maintenance will work together to define the critical equipment for the area and common measures for both, e.g., inventory turns, stockout rate, customer (maintenance) satisfaction and supplier (stores) satisfaction and related measures. These will be used for improvement, not criticizing.
- Stores will develop a supply plan in cooperation with maintenance, identifying the maintenance parts requirements that support the maintenance and production plans, particularly for the parts required for the equipment that fails most often.
- Stores will maintain adequate Spare Parts Inventory to ensure timely and efficient work planning and execution.
- Maintenance will apply reliability principles to minimize the need for spares, utilizing appropriate PM and other resources available, including those that are anticipated through condition monitoring. This will enable maintenance inefficiencies to be avoided or minimized and maintenance execution to be done efficiently.
- Out of hours Stores coverage will be provided as needed to support the maintenance, e.g., provide for picking and kitting of parts for next day or this week requirements, doing cycle counts, doing receipt inspections, and other administrative tasks, but in time will be minimized through improved reliability, operating and maintenance practices.
- Maintenance will work to ensure that any work that has been scheduled has been thoroughly planned to ensure that parts are available as needed.

Delivery:

- Response will be consistent with urgency of the repair requirements but all efforts will be made to avoid emergencies, facilitating a more planned, controlled work process.
- 100% of critical PMs are to be completed on time. Stores must support this goal.
- 90% of other PMs and PdMs are to be completed on time. Stores must support this goal.
- Whenever possible, work requiring interruption of production will be scheduled during non-production hours.
- Maintenance and Stores will collaborate on:
 - Nomenclature for spares to minimize duplication.
 - Inventory/spares retained for long periods of time to determine its obsolescence.
 - Causes of stockouts, e.g., insufficient notice or insufficient inventory levels
 - General risk management to minimize maintenance inefficiencies and production losses due to unavailability of parts, and to minimize excess inventory.
 - The need for picking and kitting parts based on maintenance plans, and placing them in a designated area for use, the day before maintenance is planned.
- Maintenance will review time-based PMs to ensure that there is a compelling reason for doing intrusive maintenance on a time basis, e.g., so many running hours or elapsed time (monthly, yearly etc.). PMs, including inspections and condition monitoring tasks will be reviewed periodically to ensure they are adding value.
- Measurable criteria will be specified for inspections/condition monitoring to determine the need for intrusive restoration of the equipment to a "like new condition".



Quality:

- In order to minimize the repairs and maintenance required, maintenance will:
 - restore equipment to a “like-new” condition, and work with Production to conduct appropriate checks and commissioning to assure this condition.
 - Apply a “Don’t Just Fix It, Improve It” philosophy to maintenance repairs, including having one percent (1%) of all work orders having improvement activities in them. This will include addressing the root causes of the maintenance repair to eliminate the need for the same repair, and parts, in the future and identifying other faults or other inspections and PMs that could be done on the equipment when it is out for repair.
 - Apply root cause analysis (RCA) will be routinely performed according to a specific set of criteria, beginning with the simple 5 Whys, in order to improve equipment life and minimize failures and the need for parts.
- Stores will:
 - Keep the storeroom organized for ease of access and in a tidy, clean, and well-lit environment to facilitate pride of ownership and quality of service.
 - Store bearings and gaskets flat, and turn electric motor shafts monthly, keep sensitive electrical components in a static free environment.
 - Maintain an appropriate environment for equipment needing it, e.g., regulated temperature and humidity.
 - Perform cycle counts monthly/quarterly to assure accuracy of inventory levels. Each year each type of part should have been counted at least once.
 - Perform receipt inspection as needed to assure accurate quantity and proper quality of parts received.
 - Minimize counterfeit parts (10-15% of parts have been reported as counterfeit)
 - Consider use of a night shift to do this pick and kit parts, along with receipt inspection, stocking and cycle counts.

Communication:

- ONE plan will be used for running the plant; it will include both production and maintenance plans and it will be led by production. This will facilitate better planning of the need for parts.
- Plan deviations will be routinely communicated, including delays in handing over equipment, and spares needs.
- The weekly planning meeting will include as necessary:
 - Appropriate representatives of Maintenance and Stores to review weekly maintenance work schedule and parts needs.
 - Planners will distribute the draft schedule by 5PM Wednesday.
 - Items to be discussed will include:
 - Production schedules
 - PMs for supporting equipment maintenance
 - Planned repairs and parts needed
 - Backlog items
 - Final schedule will be distributed by 12PM noon on Friday.
- Maintenance will commit to the upkeep of relevant equipment history files by ensuring quality reporting of repairs undertaken, defects found and causes of failure. Changes to parts requirements will be made as needed.



RELIABILITYWEB.COM
A Culture of Reliability®

DRAFT



Finally, the stores and maintenance manager will both be jointly held accountable, as part of our personal KPIs, to assure excellence in collaborating and performing these requirements, and to be jointly held accountable for inventory levels/turns and for service levels/stockouts.

Formalization - Optional

If you so choose, you can add the following paragraph to make this agreement more formal.

I agree to the policies and related actions listed above, and the measures shown below in Attachment 1 and 2, and will work in cooperation with my counterpart to continuously work to achieve a superior level of performance for our plant.

Procurement/Stores Manager
Date:

Maintenance Manager
Date:

