Eskom	**Work Instructions**	**Procurement & Supply Chain Management**

Title: **Repair Process Work Instructions**

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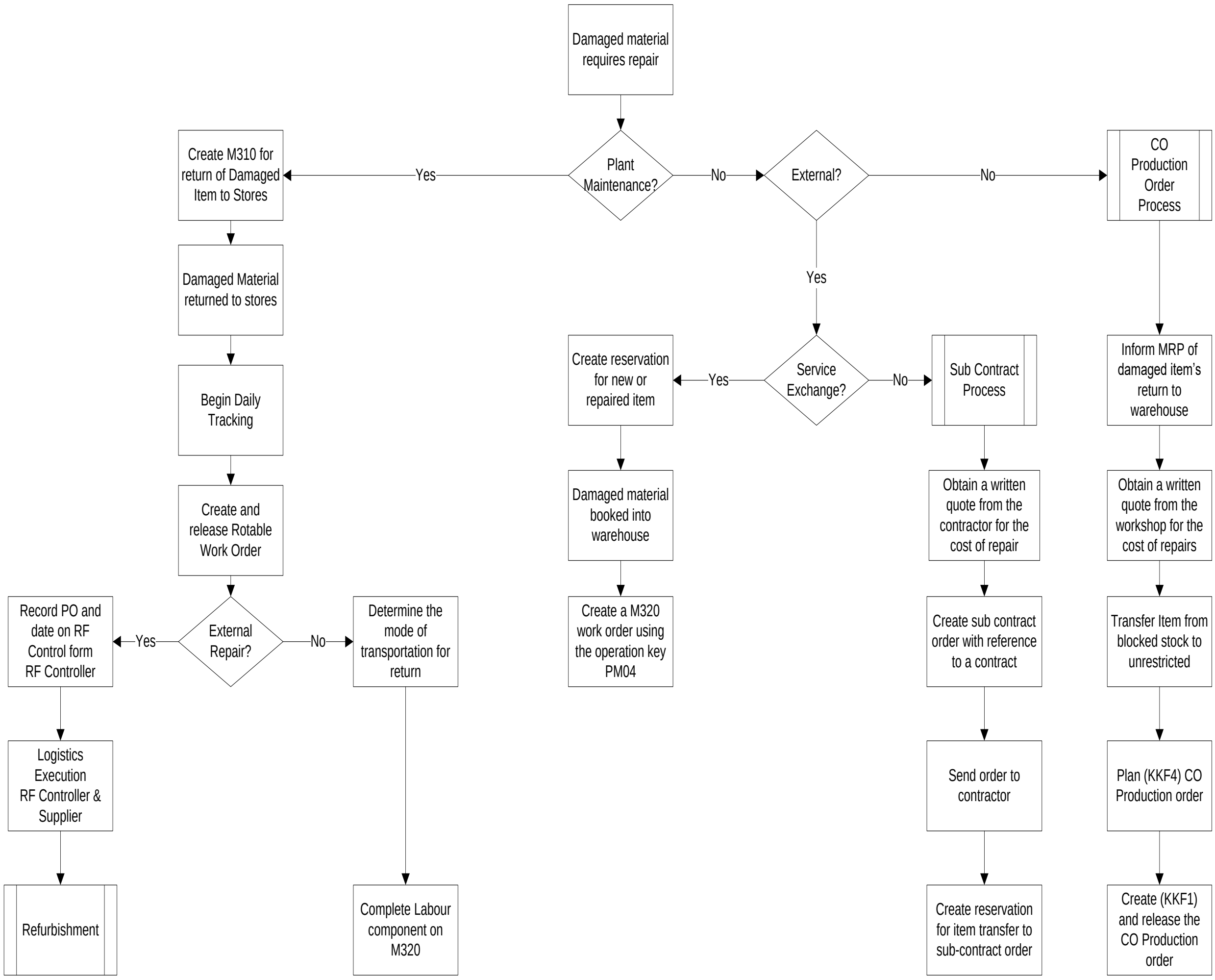
CONTENTS



9

1. Introduction

This work instruction is to instruct the RF Controller on how to manage repair of materials.

2. Supporting Clauses

2.1 Scope

To describe the process for the execution of the repair of materials

2.1.1 Purpose

To describe the requirements and processes related to the management of rotable materials in accordance with Eskom's Procurement procedure 32-1034 and the Process Control Manual (PCM 32-1226)

2.1.2 Applicability

This document shall apply throughout Eskom Holdings SOC Limited Divisions.

2.1.3 Effective date

This document shall be effective from date of authorisation.

2.2 Normative/Informative References

Parties using this document shall apply the most recent edition of the documents listed in the following paragraphs:

2.2.1 Normative

[1] ISO 9001 Quality Management Systems

[2] 32-1033 Eskom Procurement and Supply Management Policy

[3] 32-1034 Eskom Procurement and Supply Management Procedure

[4] 32-1226 Process Control Manual / Manage Warehouse and Haulage

[5] Process Control Manual (PCM) for Define Strategic Maintenance Plan 240-41931861

[6] Process Control Manual for Define Maintenance Objectives 240-419131550

[7] Process Control Manual (PCM) for Define Integrated Resource Plan 240-41931892

[8] Process Control Manual (PCM) for Manage Work 32-1304

[9] Process Control Manual (PCM) for Execute Maintenance Work 32-1303

[10] Process Control Manual (PCM) for Perform Continuous Improvement 240-41931928

[11] Process Control Manual (PCM) for Manage Repairs (240-49739191)

[12] Financial Inventory valuation and closing procedure(240-84166435)

2.2.2 Informative

240-54819052 Perform Inventory Control Movements Work Instruction

240-54818977 Storage of Materials Work Instruction

240-54819262 Manage Obsolete and Inactive Inventory Work Instruction

240-54819861 Material Picking and Issuing Work Instruction

240-54820279 Receive Materials Work Instruction

240-54819241 Identify Items for Repair Work Instruction

240-54820268 Manage Stock Transfer of Receipt between Plants Work Instruction

2.3 Definitions

2.3.1 ***Rotable stock item:*** A material that is kept in the store that can be economically repaired.

2.3.2 ***RF Controller:*** Person responsible for the management of the rotable materials.

2.3.3 ***MMPP status:*** This code defines the category type of a material on the SAP system. (e.g. 02 is a rotable material, 04 is a strategic material).

2.3.4 ***Repaired Materials:*** Any material or spare that is kept in the warehouse and was repaired on previous occasion.

2.3.5 ***Rotable Materials:*** SAP / Plant Maintenance terminology for repairable materials.

2.3.6 ***New*:** A valuation type on the SAP system for newly purchased materials.

2.3.7 ***Repaired:*** The valuation type for materials that have been used in the plant and repaired.

2.3.8 ***Damaged:*** The valuation type for materials that failed and are waiting to be repaired.

2.3.9 ***Scrapped:*** The valuation type for materials that is beyond repair.

2.3.10 ***PM01 and PM03:*** A control key on the rotable order that determines the method used for the repair.

2.3.11 ***Field:*** Refers to sub-station as well as Distribution and Transmission lines.

2.3.12 ***Retired Stock:*** The old stock or parts of the material can be used during the time of the upgrade and the material will only become obsolete when the upgrade is completed.

2.3.13 ***Scrap:*** Scrap is seen to be various commodities, for example, redundant, damaged items or *unrestricted stock* where the *shelf life* has expired.

2.3.14 ***Rotable order:*** SAP PM Order that is issued to a supplier to perform repair on certain material.

2.4 Abbreviations

Abbreviation	Explanation
CNC	Customer Network Centre
Dx	Distribution
GL	General Ledger
MRP	Materials Requirements Planning
PCM	Process Control Manual
PM	Plant Maintenance
RDC	Regional distribution Centre
RF Controller	MRP Controller (Repairable Material)
RF	Repairable Material
DOA	Delegation of Authority
EA	Each
ERI	Eskom Rotek Industries
GR	Goods Receipt
IR	Investment Recovery
IRO	Investment Recovery Officer
MAP	Moving Average Price
MDDA	Material Delivery Discrepancy Advice
MM	Materials Management
PO	Purchase Order
PR	Purchase Requisition
RESA	Results Analysis
SC	Shopping Cart
SI	Standards Implementation
SOP	Standard Operating Procedure
Sr.	Senior
TECO	Technically Close
TGS	Turbo Gen Services
WBS	Work Breakdown Structure
WIP	Work in Progress

2.5 Roles and Responsibilities

Role	Responsibility	Accountability
Ensure that the material picking and issuing process is implemented and adhered to	Senior Warehouse Supervisors	Manager Materials Management
Familiarise themselves with the proper procedure in creating and releasing of work orders for repairs of rotable items	End User/ RF Controller	End User/ RF Controller
Ensure that proper controls and checks are done on the material picking and issuing process.	Manager Materials Management	Business Partner Cluster and Senior Manager Warehousing, Logistics and MM

2.6 Process for Monitoring

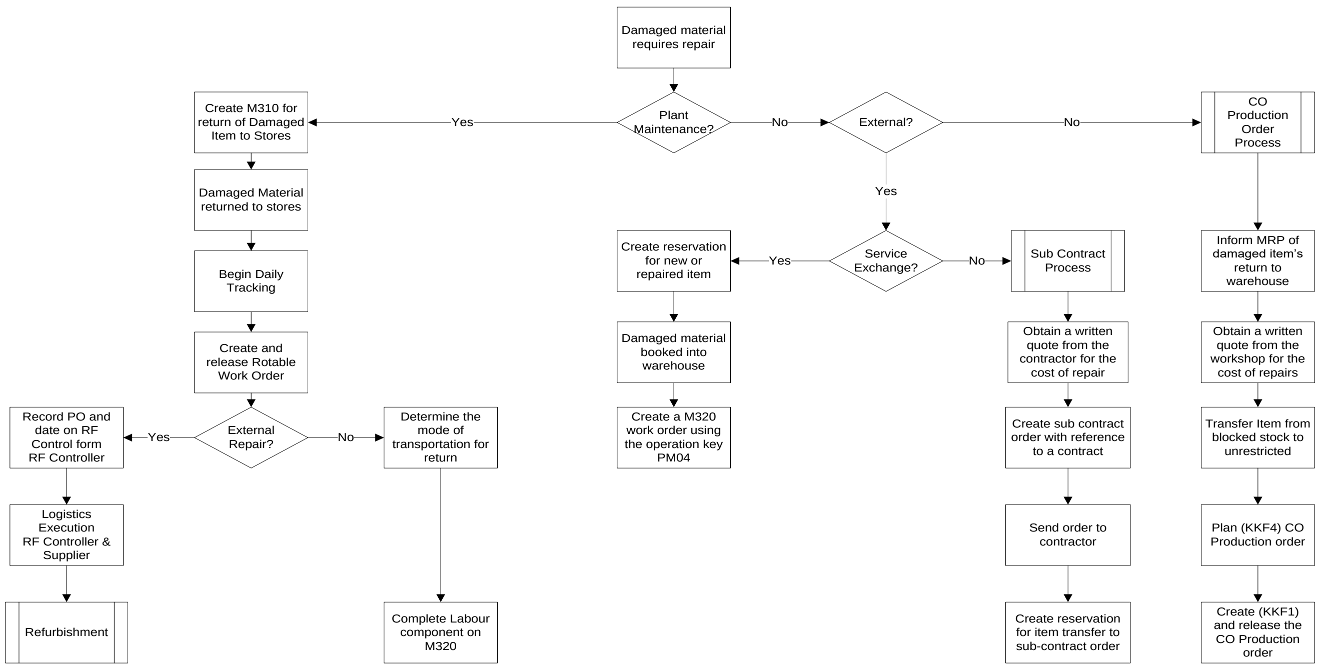
The Business Support department will, on an adhoc basis, do an in house review to monitor adherence to this work instruction.

2.7 Related / Supporting Documents

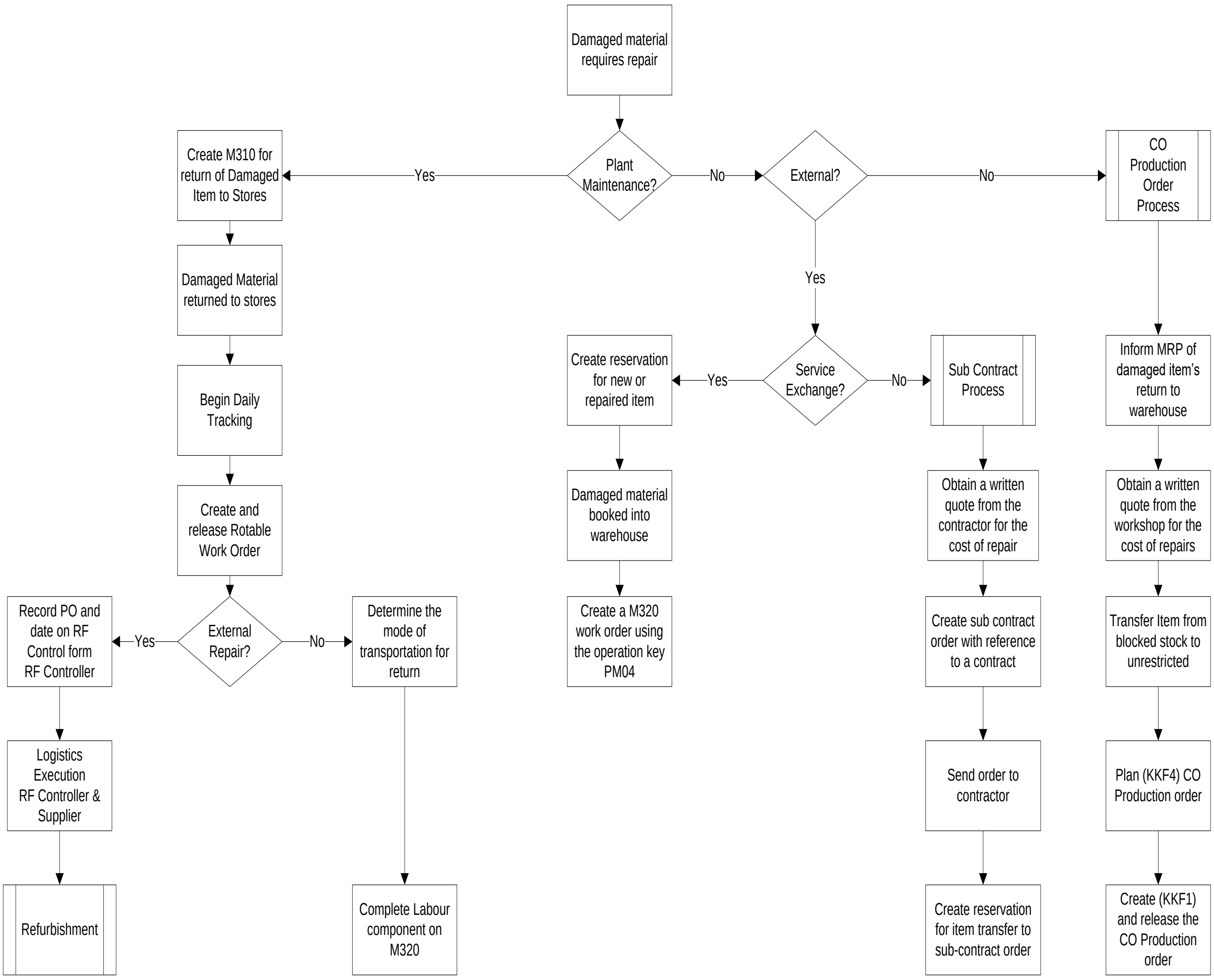
Unique Identifier	Hyperlink	Unique Identifier	Hyperlink
240-120131666	Disposal of Material Work Instruction	**240-68601934**	Materials Management Warehouse Document Control
240-54819241	Identify Repairable item	**240-134127140**	Modular Spares Standard Operating Procedure
240-54819262	Manage Scrap, Obsolete and Inactive Inventory Work Instructions	**240-54819031**	Perform Inventory Control
240-54820144	Master Data for Rotable	**240-54819052**	Perform Inventory Control Movements
240-54819861	Material Picking and Issuing Work Instructions	**240-54820279**	Receive Materials
240-113305970	Renewables Materials Management Standard Operating Procedure	**240-85325885**	Shipping and Haulage Outbound Process
240- 76617311	Contingency Book Register	**240-58974263**	MATERIALS MANAGEMENT ITEMS IDENTIFIED AS SCRAP.doc
240-58971982	Contingency Goods Issue Form	**210-66**	NCR Template - Material.doc
240-5872038	Count Sheet	**240-66492686**	Obsolete Material Approval Form
240-97369764	Delivery Note	**240-129582557**	Outstanding Returns (damaged) Register
240-85801666	Incoming Deliveries Register	**240-58972326**	Petrol and Diesel Recon
240-58974942	Items awaiting quality inspection	**240-86100270**	Quality Inspection Register
240-84490296	Items Identified as Scrap	**240-135107292**	Quality Inspection Register - End User

Unique Identifier	Hyperlink	Unique Identifier	Hyperlink
240-58972713	Items to be sent for repairs	**240-62944134**	Re-count sheet
240-58977626	Material Receipt Register	**240-58974346**	Refurbishment Control Form
240-84490060	Material Receipt Register - Non Stock	**240-58974413**	Return Delivery Note
240-58974713	Material Rejection Note	**IMI-04**	Return to Vendor Form
240-84490136	Material Return to Stores - Register - Credit Yard	**240-129311561**	Return Transformer Register
240-82770078	Material Returned to Warehouse Register	**240-86216359**	SCOPs Travel Authorisation Form
240-58972613	Stock Variance Investigation Sheet - Below R 10000	**240-62944482**	Scrap Adjustment Letter
IM-I04	Stores Return Form	**240-58972386**	Scrap Authorisation Form
240-114652863	Transport Request Form	**240-58972459**	Scrap Contract Spreadsheet Weekly and Monthly
240-62069542	Transport Request Form	**240-58974502**	Scrapping of a repairable item
240-58972543	Stock Variance Investigation Sheet - Above R10000	**240-139307744**	RF Daily Tracking Template

3. Repair Process



CONTROLLED DISCLOSURE

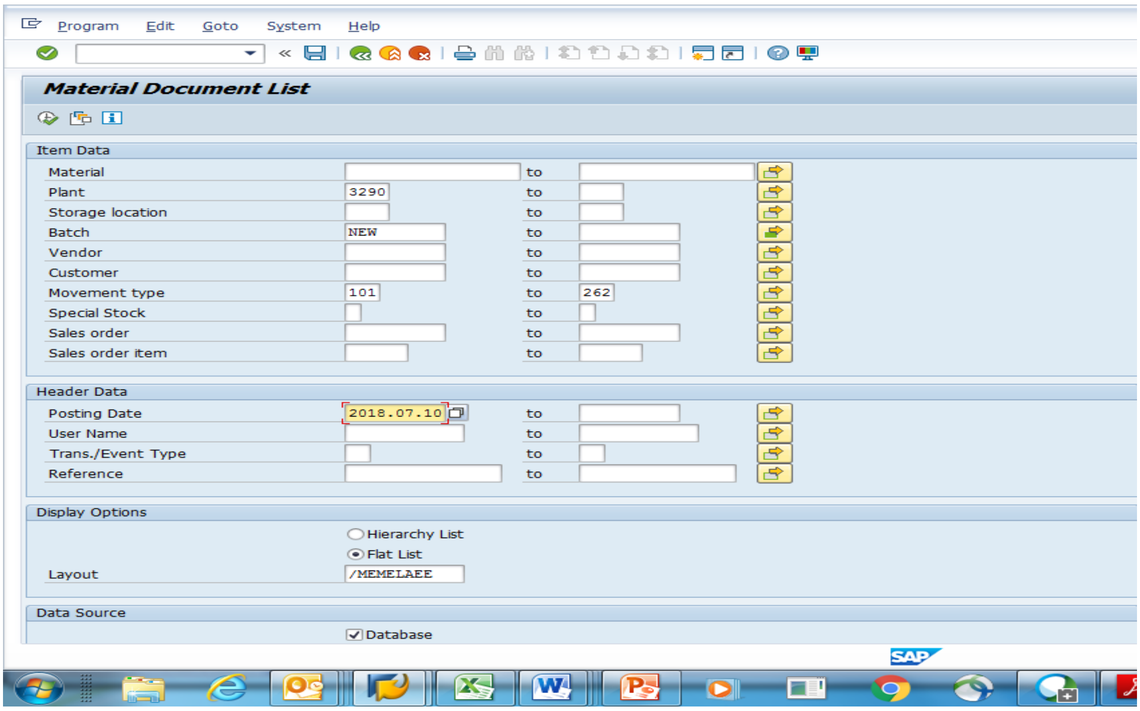


3.1 Daily RF Tracking Process

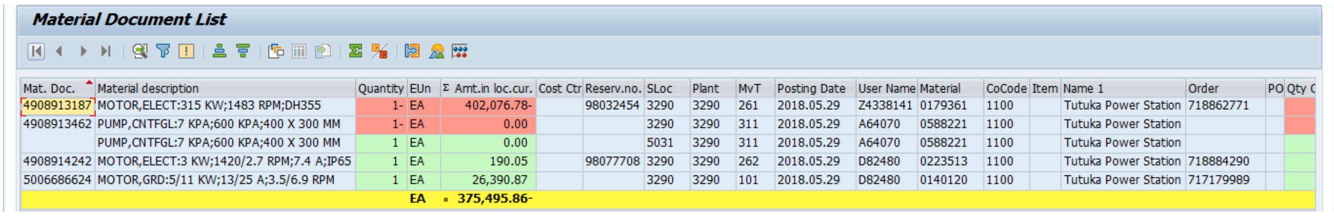
- In order to track the progress of repairs, the following tracking process is used by the RF Controller:

3.1.2 Daily Movement Report RF

- The RF Controller shall draw the SAP MB51 (stock movement) report daily, on all movements types (101-262) and on all valuation types.

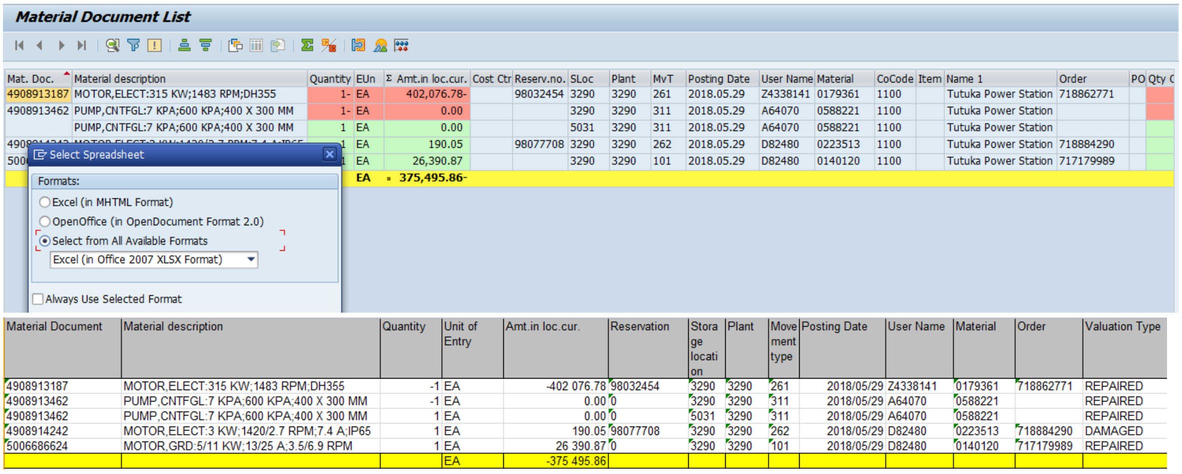


- This will result in the below:



Mat. Doc.	Material description	Quantity	EUn	Σ Amt.in loc.cur.	Cost Ctr	Reserv.no.	SLoc	Plant	MvT	Posting Date	User Name	Material	CoCode	Item	Name 1	Order	PO	Qty (
4908913187	MOTOR,ELECT:315 KW;1483 RPM;DH355	1-	EA	402,076.78-		98032454	3290	3290	261	2018.05.29	Z4338141	0179361	1100		Tutuka Power Station	718862771		
4908913462	PUMP,CNTFGL:7 KPA;600 KPA;400 X 300 MM	1-	EA	0.00			3290	3290	311	2018.05.29	A64070	0588221	1100		Tutuka Power Station			
	PUMP,CNTFGL:7 KPA;600 KPA;400 X 300 MM	1	EA	0.00			5031	3290	311	2018.05.29	A64070	0588221	1100		Tutuka Power Station			
4908914242	MOTOR,ELECT:3 KW;1420/2.7 RPM;7.4 A;IP65	1	EA	190.05		98077708	3290	3290	262	2018.05.29	D82480	0223513	1100		Tutuka Power Station	718884290		
5006686624	MOTOR,GRD:5/11 KW;13/25 A;3.5/6.9 RPM	1	EA	26,390.87			3290	3290	101	2018.05.29	D82480	0140120	1100		Tutuka Power Station	717179989		
			EA	▪ 375,495.86-														

- Download the report to Microsoft Excel.



Material Document	Material description	Quantity	Unit of Entry	Amt.in loc.cur.	Reservation	Storage location	Plant	Movement type	Posting Date	User Name	Material	Order	Valuation Type
4908913187	MOTOR,ELECT:315 KW;1483 RPM;DH355	-1	EA	-402 076.78	98032454	3290	3290	261	2018/05/29	Z4338141	0179361	718862771	REPAIRED
4908913462	PUMP,CNTFGL:7 KPA;600 KPA;400 X 300 MM	-1	EA	0.00	0	3290	3290	311	2018/05/29	A64070	0588221		REPAIRED
4908913462	PUMP,CNTFGL:7 KPA;600 KPA;400 X 300 MM	1	EA	0.00	0	5031	3290	311	2018/05/29	A64070	0588221		REPAIRED
4908914242	MOTOR,ELECT:3 KW;1420/2.7 RPM;7.4 A;IP65	1	EA	190.05	98077708	3290	3290	262	2018/05/29	D82480	0223513	718884290	DAMAGED
5006686624	MOTOR,GRD:5/11 KW;13/25 A;3.5/6.9 RPM	1	EA	26 390.87	0	3290	3290	101	2018/05/29	D82480	0140120	717179989	REPAIRED
			EA	-375 495.86									

- Once the report is exported, it must be printed and filed daily, in a separate file, for audit purposes.
- The downloaded SAP MB51 report information must be transferred to Daily RF tracking Sheet 240-139307744 below:

Daily RF Movements Tracking Sheet

From ……. to ……. 2018

ISSUES/Returns 261/262

M320 (blue)
Damaged still to be RTS (red)

Material	Pstng Date	Order	Quantity	Batch	MvT(261/2	Material de	Mat. Doc.	Comments	Departmen	End User	Date Expedited	M320	Feedback

Daily Movments | M320 | TECO'd (Not Compulsory)

- Example of a completed “Daily Movement Report” sheet on the Daily RF Tracking Sheet 240-139307744 :

DAILY MOVEMENT REPORT

ROTABLES

From 1 April to 24 May 2018

ISSUES/Returns

Ben to create M320

Damaged to return

Material	Pstng Date	Order	Quant	Batch	MvT	Material description	Mat. Doc.	Comments	Department	End User	Expedite	Expedite	Expedite	Feedback
225632	2018.04.03	7.2E+08	-1	REPAIRED	261	PINION:HELICAL;ID 305 X WD 560 MM	4.909E+09	Damaged to return	MNT MECH MILLS UNIT 1 - 3	TOKKIE 5978/Fre	2018.04.24	2018.05.02	2018.05.16	
501129	2018.04.03	7.2E+08	-1	NEW	261	MOTOR,GRD:16/32 KW;34.3/58.5 A;90:1	4.909E+09	Damaged to return	MNT MECH PRECIPS	BAFANA 5515	2018.04.24	2018.05.02	2018.05.16	
140190	2018.04.04	7.2E+08	-1	REPAIRED	261	MOTOR,ELECT:0.06 KW;1320 RPM;380 VAC	4.909E+09	Damaged to return	MNT EMD SECTION 1	terrence	2018.04.24	2018.05.02	2018.05.16	
141844	2018.04.05	7.2E+08	1-	NEW	261	MOTOR,ELECT:22 KW;1450 RPM;DX180LD	4.909E+09	Damaged to return	MNT MECH CIVIL	Rhulani	2018.04.24	2018.05.02	2018.05.16	
176930	2018.04.05	7.2E+08	1-	NEW	261	GEARBOX:199274;WORM-CS10;20:1;11 KW	4.909E+09	Damaged to return	MNT MECH ASH PLANT	BLIKIES	2018.04.24	2018.05.02	2018.05.16	
628180	2018.04.10	7.2E+08	1-	REPAIRED	261	GEARBOX:BTA500;REDUCTION;22.4:1;350 K	4.909E+09	Damaged to return	MNT MECH & OPS COAL STOCKYARD	SURPRISE	2018.04.24	2018.05.02	2018.05.16	
218944	2018.04.11	7.2E+08	1-	REPAIRED	261	RUNNER:RH FAN;2.04 M;ROQTUF	4.909E+09	Damaged to return	MNT MECH BOILER AUXILLARIES	Sihle L	2018.04.24	2018.05.02	2018.05.16	
178276	2018.04.12	7.2E+08	1-	NEW	261	ACTUATOR,ELECT:40A;1020 NM;24 RPM;15	4.909E+09	Damaged to return	MNT ROTK TRB TECH (MNT)	HLENGIWE	2018.04.24	2018.05.02	2018.05.16	
223513	2018.04.12	7.2E+08	1-	REPAIRED	261	MOTOR,ELECT:3 KW;1420/2.7 RPM;7.4 A;IP65	4.909E+09	Damaged to return	MNT EMD O\PLT WEST	VUSI	2018.04.24	2018.05.02	2018.05.16	
26981	2018.04.16	7.2E+08	1-	NEW	261	PULLEY,CONV:T205-03;TAKE UP;DIA 500 MM	4.909E+09	Damaged to return	MNT MECH CONVEYOR PLANT	Sekese5853	2018.04.24	2018.05.02	2018.05.16	
179046	2018.04.16	7.2E+08	1-	REPAIRED	261	MOTOR,ELECT:75 KW;1480 RPM;D250M;143	4.909E+09	Damaged to return	MNT EMD O\PLT EAST	TERRENCE	2018.04.24	2018.05.02	2018.05.16	
140425	2018.04.17	7.2E+08	1-	REPAIRED	261	MOTOR,ELECT:0.22 KW;2850 RPM;MD9040	4.909E+09	Damaged to return	MNT MECH TURBINE & AUXILLARIES	Terrence	2018.04.24	2018.05.02	2018.05.16	
179366	2018.04.17	7.2E+08	1-	REPAIRED	261	ANALYZER,GAS:ZR22G-200-S-KCTMEA;OXY	4.909E+09	Damaged to return	MNT C&I SECTION 1 U1 TO U3	Kabelo 5592	2018.04.24	2018.05.02	2018.05.16	
233498	2018.04.17	7.2E+08	1-	NEW	261	POSITIONER,VLV:ELECTROPNEUMATIC	4.909E+09	Damaged to return	MNT C&I SECTION 1 U1 TO U3	Kabelo 5592	2018.04.24	2018.05.02	2018.05.16	
501128	2018.04.17	322258	1-	NEW	201	MOTOR,GRD:15 KW;28.5 A;16.54 RPM;90:1	4.909E+09	Damaged to return	Mechanical Maintenan	D Govender	2018.04.24	2018.05.02	2018.05.16	
66185	2018.04.18	7.2E+08	1-	REPAIRED	261	HEAD:R226(A1)888/1	4.909E+09	Damaged to return	ENG TURBINES	Phumza/Romeo	2018.04.24	2018.05.02	2018.05.16	
233485	2018.05.22	7.2E+08	3-	REPAIRED	261	TRANSMITTER,PRESS:0-160 KPA ;4-20 MA	4.909E+09	Damaged to return	MNT C&I SECTION 2 U4 TO U6	Tumelo5909				201805
252826	2018.05.22	7.2E+08	1-	NEW	261	MODULE:6ES7431-1KF10-0A B0;24 VDC	4.909E+09	Damaged to return	MNT C&I SECTION 1 U1 TO U3	Kabelo 5592				201805
140072	2018.01.24	7.2E+08	6	DAMAGED	262	MOTOR,ELECT:0.18 KW;1320 RPM;C63B	4.909E+09	To create M320		Ben				
140072	2018.01.26	7.1E+08	1	DAMAGED	262	MOTOR,ELECT:0.18 KW;1320 RPM;C63B	4.909E+09	To create M320		Ben				
140072	2018.01.26	3.3E+08	1	DAMAGED	262	MOTOR,ELECT:0.18 KW;1320 RPM;C63B	4.909E+09	To create M320		Ben				
18109	2018.04.06		1-	REPAIRED	201	PAD,BRG:THRUST;STL	4.909E+09	On Loan to Duvha						
140072	2018.04.12	7.2E+08	2	DAMAGED	262	MOTOR,ELECT:0.18 KW;1320 RPM;C63B	4.909E+09	To create M320		Ben				
179367	2018.04.19	7.2E+08	1	DAMAGED	262	ANALYZER,GAS:27EA13775;OXYGEN	4.909E+09	To create M320		Ben				
140072	2018.04.30	7.2E+08	1	DAMAGED	262	MOTOR,ELECT:0.18 KW;1320 RPM;C63B	4.909E+09	To create M320		Ben				
176869	2018.05.02	7.2E+08	1	DAMAGED	262	COUPLING,VOITH VARIABLE SPEED 562SVN	4.909E+09	To create M320		Ben				
46050	2018.05.08	7.1E+08	7	DAMAGED	262	PAD:SURGE	4.909E+09	To correct system						

- The RF Controller shall, on a daily basis:
    - Capture all 261, 201 and 221 movement types from the SAP MB51 daily movement report.
    - Verify whether the work order numbers of the 262,202 and 222 movement types, on report, are related to or linked to any movement types 261 on the report to enable the corrective process to be closed out.
    - Follow up on all 261 movement types where the damaged items have not been returned.
    - Contact the relevant end user to determine date of return of any repairable item back to stores (on the system and physically).
    - Capture the dates, as agreed with end user, under the “expediting” column until damaged item is received into stock on the sheet then delete the relevant 261 line once the M320 order is created.
    - Ensure that the physical damaged item is at warehouse or still on site. All repairable items shall be marked appropriately with the relevant tag.(New, Repaired, Damaged or Scrap)
    - Once the Rotable order for repair is created, it can be noted in the comments column and this line on the report shall be transferred from movements tab to the M320 tab (below). The line will now be removed from the daily movements tab.

				M320 Tracking Sheet								Mvt 101 on MB51	
Material	Material description	M320	Quantity	Batch	PR Number	PO number	Delivery date	Issue mvt	Posting date	Issue Mat. Doc.	Comments	IW8W Mat. Doc.	RF order Mat. Doc.

- Example of a complete "M320" sheet:

											Mvt 101 on MB51	
Material	M320		PR Number	Description	Mat	Date	Order	Del date	Damaged item issue doc number	Comments	IW8W Mat. Doc.	RF order Mat. Doc.
666	717804087	2017.11.03	1073414589	STRIPANDQOUTEMOTOR,ELECT:0.18 KW;1320 RP	140072	2018.02.22	3070354430	2018.03.22	4908828317	Collected		
1234	718689605	2018.04.12	1073642818	STRIPANDQOUTEMOTOR,ELECT:1000 KW;1489 RP	178888	2018.05.22	4502711788	2018.06.29	4908827571	Collected		
12345	718689611	2018.04.12	1073642816	STRIPANDQOUTEMOTOR,ELECT:350 KW;1481 RPM	222675	2018.05.22	4502711788	2018.06.29	4908831013	Collected		
78987	718689615	2018.04.12	1073642815	STRIPANDQOUTEMOTOR,ELECT:350 KW;1481 RPM	222675	2018.05.22	4502711788	2018.06.29	4908831612	Collected		
56432	718721590	2018.04.19	1073647196	STRIPANDQOUTEANALYZER,GAS:ZR22G-200-S-KC	179366	2018.05.22	4502711870	2018.12.31	4908832881	Collected		
105678	718721592	2018.04.19	1073647195	STRIPANDQOUTEANALYZER,GAS:ZR22G-200-S-KC	179366	2018.05.22	4502711870	2018.12.31	4908839673	Collected		
108908	718721594	2018.04.19	1073647194	STRIPANDQOUTEANALYZER,GAS:ZR22G-200-S-KC	179366	2018.05.22	4502711870	2018.12.31	4908839982	Collected		
76555	718721596	2018.04.19	1073647193	STRIPANDQOUTEANALYZER,GAS:ZR22G-200-S-KC	179366	2018.05.22	4502711870	2018.12.31	4908843688	Still to be collected		
456908	718721597	2018.04.19	1073647190	STRIPANDQOUTEANALYZER,GAS:ZR22G-200-S-KC	179366	2018.05.22	4502711870	2018.12.31	4908843031	Still to be collected		
89012	718781347	2018.05.03	1073681180	ASSESSANDQUOTEBRG,SLV:R110KGS;6 SEC SHAF	32383	2018.05.22	4502711880	2018.12.31	4908848672	Still to be collected		

- Ensure that the work order has been released.
- Record the system generated PR number for line 1 (strip and quote) in the appropriate column.
- Expedite the PR and in the case of contract process the release. Once the Buyer converts the PR into a PO, then record PO number on data sheet.
- Inform the supplier that the material is ready for collection for a strip and quote.
- On day the supplier collects the damaged item, issue the damaged reservation to the supplier using a movement type 261.
- Record the issue material document number on the data sheet.
- Complete gate release and delivery note.
- Continuously expedite the material at the supplier to meet expected delivery date.
- Upon receipt, record the IW8W document number when the actual repaired item is received into stock.
- Record the GR number for the receipt of the Purchase Order.
- RESA, SETTLE and TECO the order (ensure that no items have been issued out before order has been settled).

Note:

Once the strip and quote is completed and the item repair scope has been defined then RF Controller must create line two on work order for repair.

The TECO / Archive tab are not compulsory. It can be used to transfer completed order to this tab for reference/historical purposes.

3.2 Plant Maintenance

3.2.1 Plant Maintenance – External

3.2.1.1 Damaged Material Returned to Stores

The end user shall add a line for the return of the damaged item using the same corrective work order (M310) as the new / repaired material being drawn from the warehouse.

The end user shall return the damage item back on the same work order within 72 hours of the new or repaired item being drawn from the warehouse.

The RF Controller shall do the following:

- Obtain the scope of work for the damaged item from the end user using the Refurbishment Control Form 240-58974346.
- Create the rotable order using SAP Transaction IW81.
- On the SAP IW81 screen populate the following:
  - The priority 3 (should not be 01 – emergency status)
  - Material number
  - Plant number
  - Serial number (if required)
- On the header screen the following fields shall be completed:
  - Short description of the work to be done
  - Planner group
  - Main work centre
  - Quantity that needs to be repaired (preferably quantity of 1 at a time)
  - Plant
  - Storage location
  - Valuation category (from damaged to repaired)
- On the component general data enter (pop-up screen) populate:
  - Goods recipient

- Unloading point

- On the operations screen:
  - Indicate the maintenance activities for the repair of the material.
  - The control key PM01 is a default and shall be changed to PM03 (external repair); this will create a purchase requisition that will follow the procurement process.
  - Change the date on the operations screen – the start date must be the possible delivery date in order.
  - The unit of measurement for services will be “LE”.
  - Material group
  - Purchase group
  - Purchase organisation (0002)
  - Recipient
  - Requisitioner
  - Unloading point
  - Tracking number

Note:

If there is a contract in place then add the agreement number and contract line number.

i. **If a contract exists**

- The detail scope of work shall be attached to the rotable work order.
- Create a one line for a strip and assess quote, but if it is a contract it could be one line for total repair.
- Select the operation line.
- Click on the external button.
- Populate the contract number, line number and purchase group.
- Complete the pop-up screen with the required information.
- Select the service lines from the contract applicable to the scope of work.

NOTE:

If shipping is required, add a transport condition for the shipping costs to the purchase order.

(a) Creating the forex line on an existing Contract

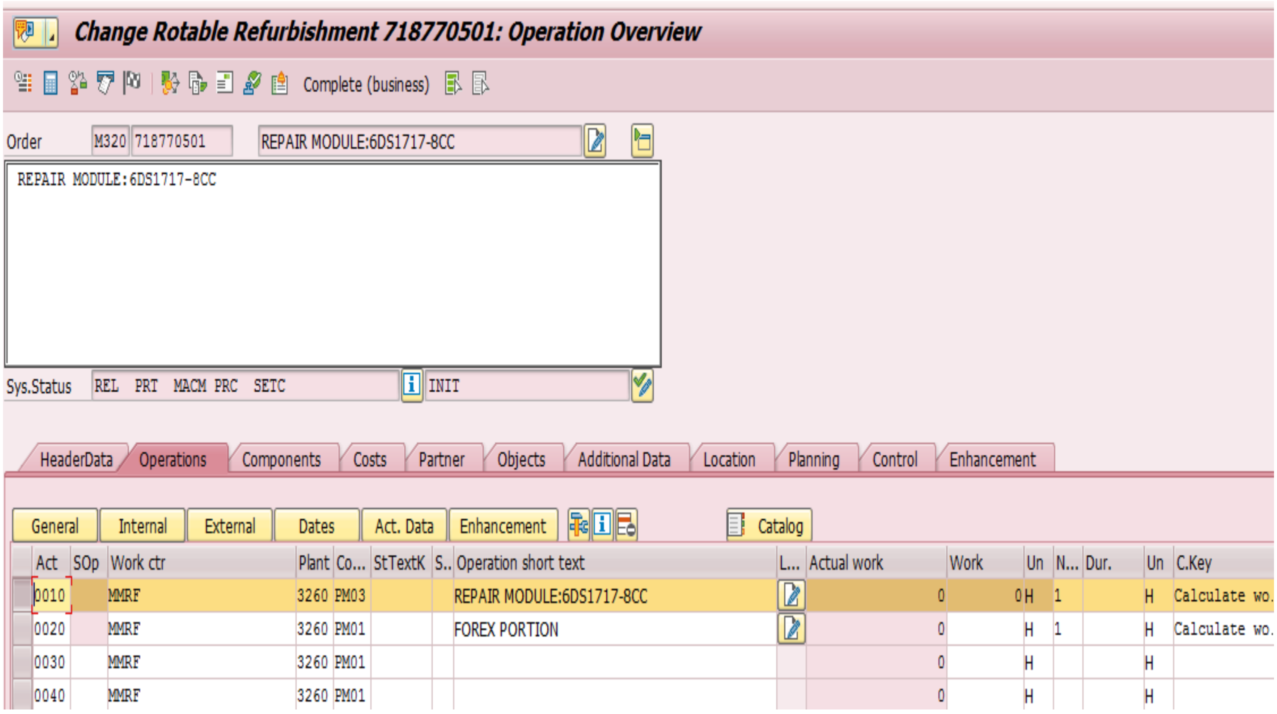
- The contract must be loaded with one line as a service (D) per item for local payment and repairs.
- Another line must also be loaded for forex which will not be a service line also per item.

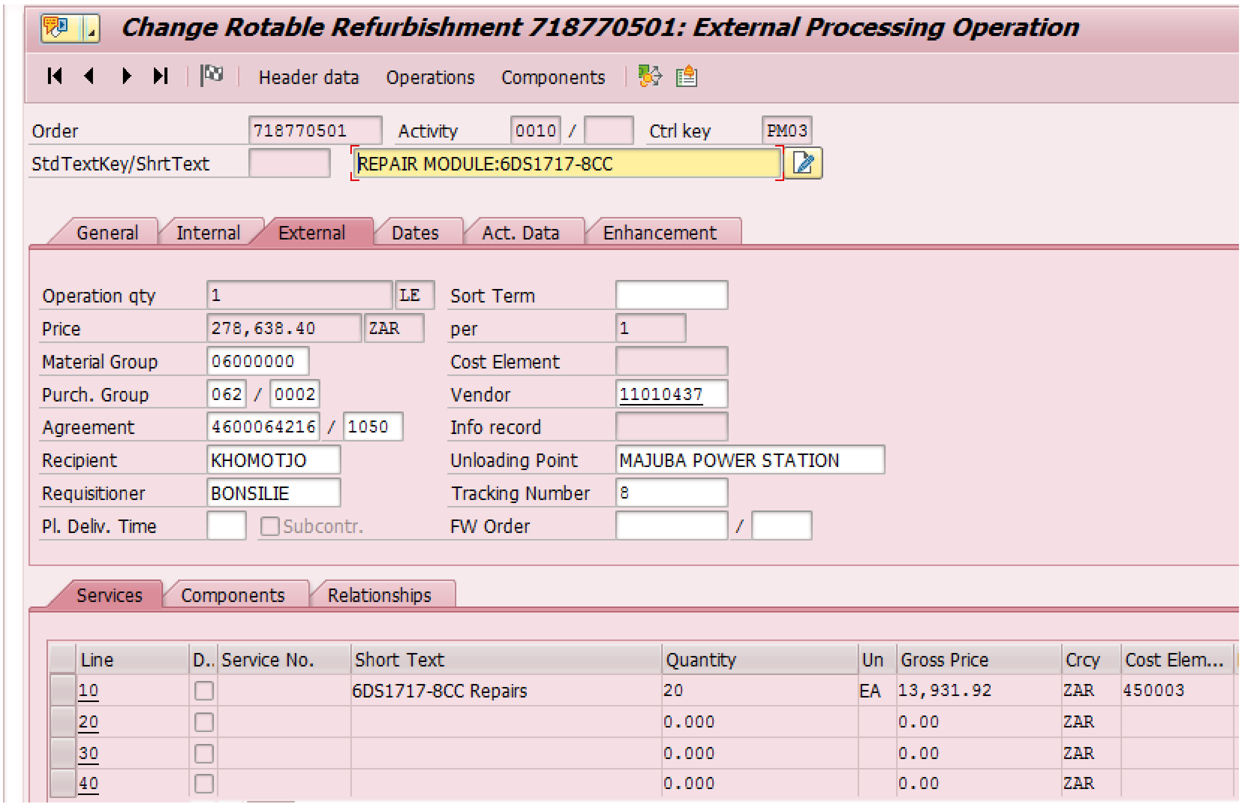
NOTE:

Foreign currency cannot be paid on a service line (PM03).

Local amount

- On the rotable order M320, line 0010 operation PM03, is created for the repair using contract and line number of the contract.

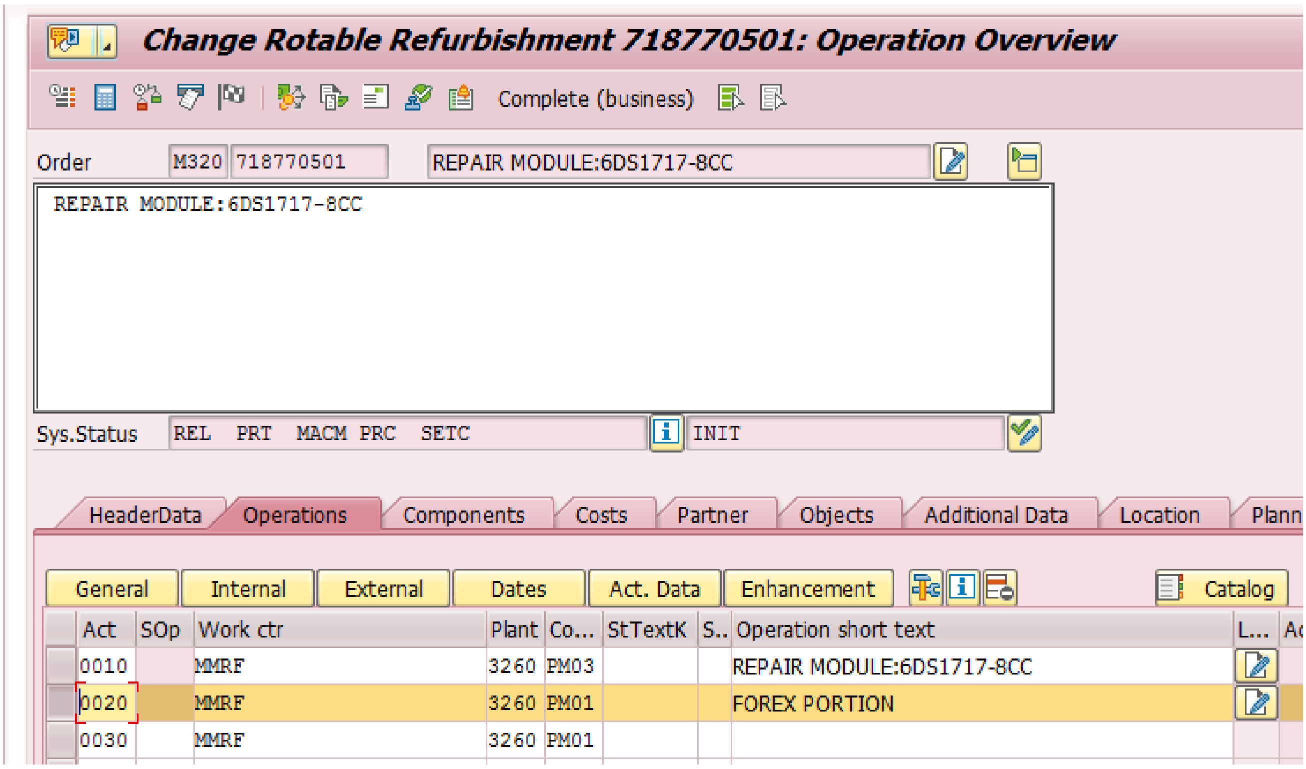




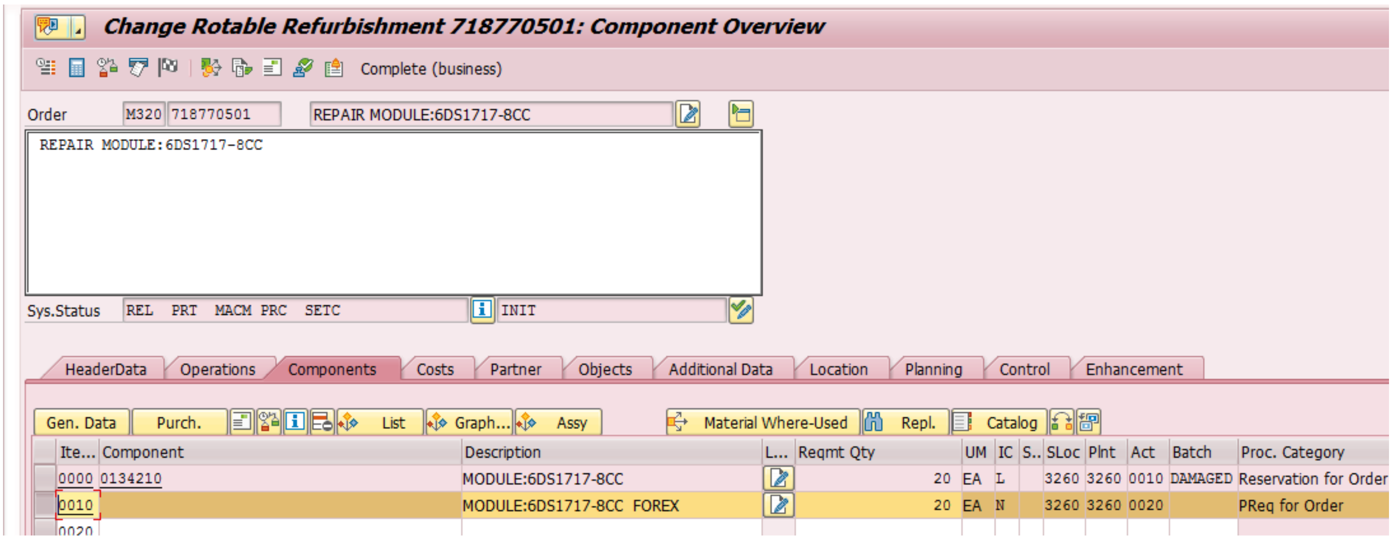
Change Rotable Refurbishment 718770501: External Processing Operation
Header data Operations Components
Order 718770501 Activity 0010 / Ctrl key PM03
StdTextKey/ShrtText REPAIR MODULE:6DS1717-8CC
General Internal External Dates Act. Data Enhancement
Operation qty 1 LE
Price 278,638.40 ZAR
Material Group 06000000
Purch. Group 062 / 0002
Agreement 4600064216 / 1050
Recipient KHOMOTJO
Requisitioner BONSILIE
Pl. Deliv. Time
Subcontr.
Sort Term
per 1
Cost Element
Vendor 11010437
Info record
Unloading Point MAJUBA POWER STATION
Tracking Number 8
FW Order /
Services Components Relationships
Line D.. Service No. Short Text Quantity Un Gross Price Crcy Cost Elem...
10 6DS1717-8CC Repairs 20 EA 13,931.92 ZAR 450003
20 0.000 0.00 ZAR
30 0.000 0.00 ZAR
40 0.000 0.00 ZAR

Forex section

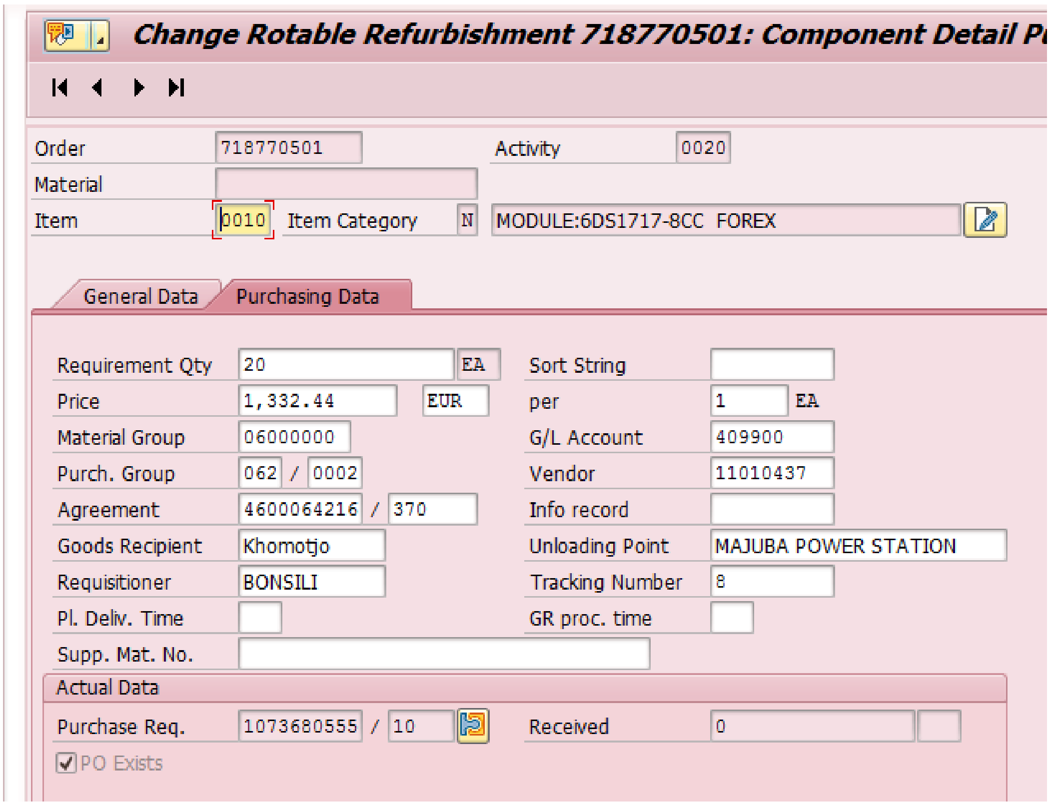
- Line 0020 is left as PM01 on operation tab (not a service) indicating the foreign portion.



- Create a line under the component tab for Forex, marking it as non-stock. This line is for payment purposes only.



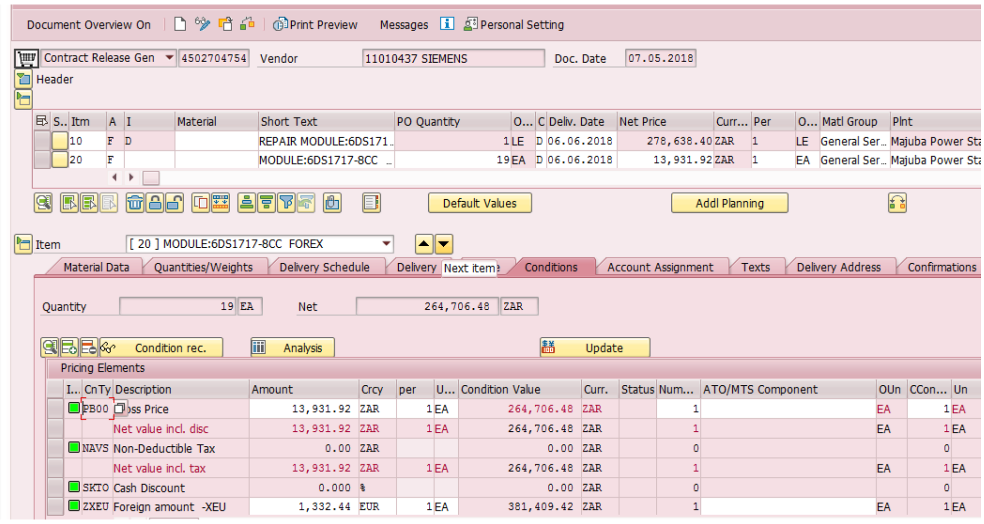
- Populate the purchasing data by selecting the correct line from contract (this is not a service line).
- Ensure that the currency field is changed from a Rand value to the foreign currency under “Price”.



- A 45 number order is created for the forex portion.

Note:

On the condition tab, the foreign amount is not greyed out, making it possible for finance department to make changes if required.



Document Overview On | Print Preview | Messages | Personal Setting

Contract Release Gen 4502704754 Vendor 11010437 SIEMENS Doc. Date 07.05.2018

Header

S..	Itm	A	I	Material	Short Text	PO Quantity	O...	C	Deliv. Date	Net Price	Curr...	Per	O...	Matl Group	Plnt
	10	F	D		REPAIR MODULE:6DS171..	1	LE	D	06.06.2018	278,638.40	ZAR	1	LE	General Ser...	Majuba Power Sta
	20	F			MODULE:6DS1717-8CC ...	19	EA	D	06.06.2018	13,931.92	ZAR	1	EA	General Ser...	Majuba Power Sta

Default Values | Addl Planning

Item [20] MODULE:6DS1717-8CC FOREX

Material Data | Quantities/Weights | Delivery Schedule | Delivery | Next item | Conditions | Account Assignment | Texts | Delivery Address | Confirmations

Quantity 19 EA Net 264,706.48 ZAR

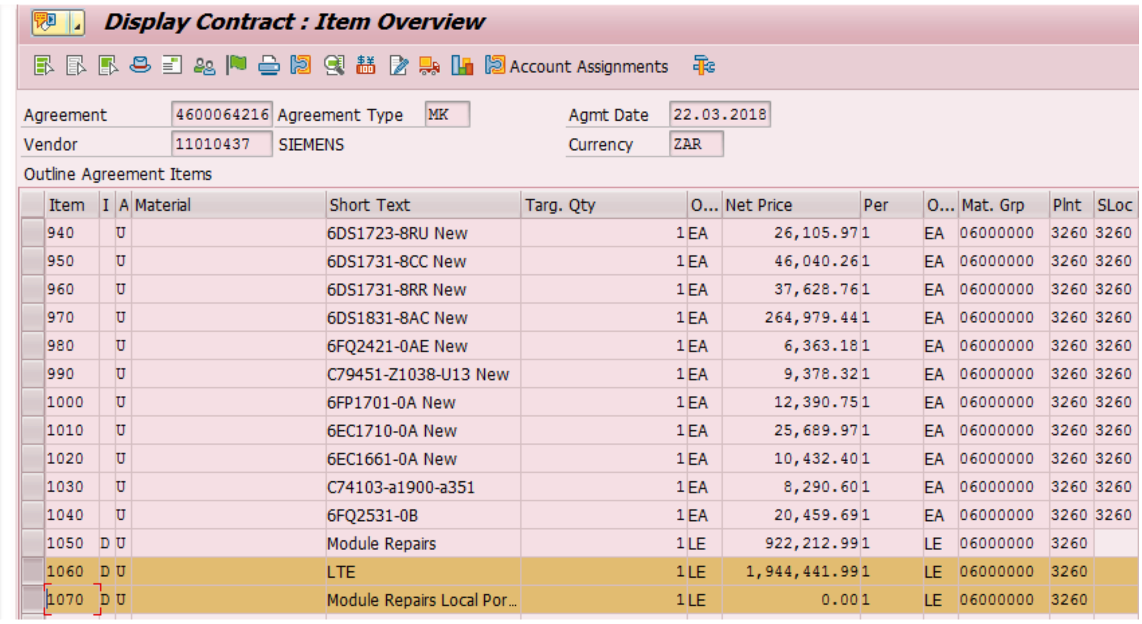
Condition rec. | Analysis | Update

Pricing Elements

I...	CnTy	Description	Amount	Crcy	per	U...	Condition Value	Curr.	Status	Num...	ATO/MTS Component	OUn	CCon...	Un
	PB00	...ss Price	13,931.92	ZAR	1	EA	264,706.48	ZAR		1		EA	1	EA
		Net value incl. disc	13,931.92	ZAR	1	EA	264,706.48	ZAR		1		EA	1	EA
	NAVS	Non-Deductible Tax	0.00	ZAR			0.00	ZAR		0			0	
		Net value incl. tax	13,931.92	ZAR	1	EA	264,706.48	ZAR		1		EA	1	EA
	SKTO	Cash Discount	0.000	%			0.00	ZAR		0			0	
	ZXEU	Foreign amount -XEU	1,332.44	EUR	1	EA	381,409.42	ZAR		1		EA	1	EA

LTE payments

- 718828538 for LTE was created using an A300 order using the same approach but only one line is required for forex.



Display Contract : Item Overview

Account Assignments

Agreement 4600064216 Agreement Type MK Agmt Date 22.03.2018
Vendor 11010437 SIEMENS Currency ZAR

Outline Agreement Items

Item	I	A	Material	Short Text	Targ. Qty	O...	Net Price	Per	O...	Mat. Grp	Plnt	SLoc
940		U		6DS1723-8RU New	1	EA	26,105.97	1	EA	06000000	3260	3260
950		U		6DS1731-8CC New	1	EA	46,040.26	1	EA	06000000	3260	3260
960		U		6DS1731-8RR New	1	EA	37,628.76	1	EA	06000000	3260	3260
970		U		6DS1831-8AC New	1	EA	264,979.44	1	EA	06000000	3260	3260
980		U		6FQ2421-0AE New	1	EA	6,363.18	1	EA	06000000	3260	3260
990		U		C79451-Z1038-U13 New	1	EA	9,378.32	1	EA	06000000	3260	3260
1000		U		6FP1701-0A New	1	EA	12,390.75	1	EA	06000000	3260	3260
1010		U		6EC1710-0A New	1	EA	25,689.97	1	EA	06000000	3260	3260
1020		U		6EC1661-0A New	1	EA	10,432.40	1	EA	06000000	3260	3260
1030		U		C74103-a1900-a351	1	EA	8,290.60	1	EA	06000000	3260	3260
1040		U		6FQ2531-0B	1	EA	20,459.69	1	EA	06000000	3260	3260
1050	D	U		Module Repairs	1	LE	922,212.99	1	LE	06000000	3260	
1060	D	U		LTE	1	LE	1,944,441.99	1	LE	06000000	3260	
1070	D	U		Module Repairs Local Por...	1	LE	0.00	1	LE	06000000	3260	

ii. If no contract exists:

- The detail scope of work shall be attached to the rotable work order.
- Create a line for a strip and assess quote.
- Select the operation line.

- Click on the external button.
- Populate the price, material group and purchase group.
- Copy the short description, quantity and price.
- On the component screen:
  - On the first line of the order, populate the damaged material that needs to be repaired (this is copied from the header screen).
  - List additional materials that are needed for the repair. This will create a reservation to issue the material from the warehouse.

Note:

Only one material number can be repaired on a work order.

If shipping is required, add a transport condition for the shipping costs to the purchase order.

- Save the rotable work order.
- Release the rotable work order. This will place a purchase requisition into the procurement workflow and the system generated reservation will appear on the warehouse open reservation report.
- If the "Material No. Field" is empty then the Eskom Catalogue Tool search existing / create a new STG will have to be used.
- The purchase order number and date must be recorded on Refurbishment Control Form 240-58974346 and Daily RF Tracking Sheet.
- No damaged material shall be issued to a work order prior to the creation of the non- stock purchase order. Date of gate release and issue shall be the same date.
- A copy of the gate release, picking ticket and Return Delivery Note 240-58974413 shall be attached to Refurbishment Control Form 240-58974346 and material is sent to the supplier.

Note:

Procurement will only place an order for the “strip and assess quote”. After the evaluation of the “strip and quote” a decision will be made on whether to scrap the material or place an order to repair the damaged material. If a decision is made after receiving the strip and assess quote to repair the material, the rotable order will be changed and a second line will be added to the operations tab. This second line will be for the actual repair of the material.

The supplier performing the strip and assess is not necessarily the supplier performing the repair of the material. In this case the material must be returned to Eskom or the repairing supplier.

PM01 (internal repair) and PM03 (external repair) can be used on one works order.

Where an additional non-stock component is required for the repair of the damaged material, the material field must be left blank and the description field must be populated.

When a new requirement comes from a SAP Plant Maintenance (PM) order the system will generate a new PR and will not add another line on the old PR.

The configuration has been changed from creating one PR with multiple lines to creating multiple PRs for one PM order.

3.2.1.2 Manage the return of repaired and damaged materials from the supplier

- Once the damaged material has been either repaired or declared to be unrepairable by the supplier the following shall be done:

i. Receipt of a repaired material

- The material shall be quality inspected by an authorised end user / Quality Officer.
- Determine the mode of transportation for return delivery.
- Material shall have the delivery note / delivery invoice as proof of delivery.
- Prior to processing the goods receipt, the senior receiving stores person shall contact the RF Controller.
- After the inspection, the material may be received (using the physical quantity) with a SAP Transaction IW8W into the following stock types:
  - If both the physical item and the suppliers invoice are received – “Unrestricted” stock type
  - If only the supplier’s invoice is received – “Quality Inspection” or “Block stock” stock type

Note:

Ensure that if it is a partial receipt, then the “complete delivery” tick box is un-flagged. When outstanding quantity is received, it must be flagged as complete.

When the SAP Transaction IW8W is being performed, the complete delivery box is defaulted with a complete indicator.

- Immediately after the receipt of the material into stock with Transaction IW8W, the invoice / delivery note for the external repairs shall be received against the purchase order.
- The RF Controller shall then perform a results analysis / settlement run and TECO the order if the repair process is complete immediately after the good receipt has been performed.

Note:

The repaired item should not be issued out before the RF Controller has approved the issue and a settlement run has been done otherwise, due to no stock on hand, the cost will settle to GL Account 231000.

If the same materials are received but are linked to difference work orders, then open and complete only one work order at a time. When completed, it must be settled and closed. Then proceed to the next work order.

If this is not done and two or more work orders are open and SAP transactions IW8W are done same time, it will pick up the current repaired price for all open work orders and then it does a calculation to make the repaired price negative. No settlement / TECO will be allowed for any of the open work orders.

ii. Receipt of non-repairable material – No cost attached

- Determine the mode of transportation for return delivery
- Material shall have the delivery note / delivery invoice as proof of delivery.
- Prior to processing the goods receipt, the senior receiving stores person shall contact the RF Controller.
- Add a line on the component screen for the damaged material with valuation type “Damaged” or “Scrap” (a negative quantity will create a reservation with a movement type 262).
- Process goods return using SAP movement type 262 with valuation category “Damaged” or “Scrap”.
- The RF Controller shall then perform TECO and then a results analysis and settle the work order.
- Obtain authorisation for the scrapping of damaged / scrap material according to Delegation of Authority.
- Issue the damaged or scrap material out using SAP movement type 551.
- The net effect is zero on the Balance Sheet. Deletion of PO and PR

iii. Receipt of non-repairable material – cost attached

- The material shall be quality inspected by an authorised end user / Quality Officer.
- Determine the mode of transportation for return delivery.
- Material shall have the delivery note / delivery invoice as proof of delivery.
- Prior to processing the goods receipt, the senior receiving stores person shall contact the RF Controller.
- Add a line on the component screen for the damaged material (a negative quantity will create a reservation with a movement type 262).
- Process goods return using a movement type 262 with valuation category damaged or scrap.
- Receive the non-stock order (after the correction of the price)
- Change the settlement rule as follows:
  - Line 1 : Change to 0 %
  - Create line 2: Change to cost centre 100%
- Refer to 5.1.3 detailing how to force close a PM order
- The RF Controller shall then perform TECO and then a results analysis and settle the order.
- Obtain authorisation for the scrapping of damaged / scrap material according to Delegation of Authority.
- Process the issue to a scrap using movement type 551.
- Storage shall move item to the Investment Recovery sloc or the scrap yard.
- See 240-54819262: Obsolete, Scrap and Inactive Inventory Work Instruction.

Note:

If the work order was settled prior to the receiving of the damaged material, the settlement cannot be changed as it will be greyed out. The cost needs to be manually journal from the GL Account 231000 account to the cost centre / work order.

iv. Damaged material – Some materials repairable, some not repairable:

- The material shall be quality inspected by an authorised end user / Quality Officer.

- Determine the mode of transportation for return delivery.
- Material shall have the delivery note / delivery invoice as proof of delivery.
- Prior to processing the goods receipt, the senior receiving stores person shall contact the RF Controller.
- Perform a partial SAP Transaction IW8W on the quantity being repaired and mark order as complete.
- Add a line on the component screen for the damaged material (Negative quantity will create reservation movement type 262).
- Process the goods return using movement type 262 with valuation type damaged or scrap on items beyond repair.
- Receive the non-stock order (after the correction of the price).
- Change the settlement rule as follows (e.g. 10 materials sent for repair, 5 repaired and 5 damaged):
    - Line 1: Change % to the quantity of the repaired items received (50%).
    - Create line 2: Change to cost centre 50%
    - Perform RESA and settle the works order. This will result in the allocation cost from the GL Account 231 000 account to the cost centre.
- The RF Controller shall then perform the TECO and then a results analysis and settle the order.
- Obtain authorisation for the scrapping of damaged / scrap material according to Delegation of Authority.
- Process the issue to a scrap using SAP movement type 551.
- Storage shall move the item to Investment Recovery.

Note:

When a batch of damaged RF materials are sent out for repair to one service provider, it is advisable to create separate orders for items with similar scope of work (1 line for strip and quote and 1 line for repair).

Complete an order in total before working on another order with the same material number.

If the works order was settled prior to the receiving of the damaged material, the settlement cannot be changed as it will be greyed out. The cost needs to be manually journal from the GL Account 231000 to the cost centre / work order.

3.2.1.3 Force close a PM order (for exceptional circumstances)

The circumstances where a PM Order may be forced closed:

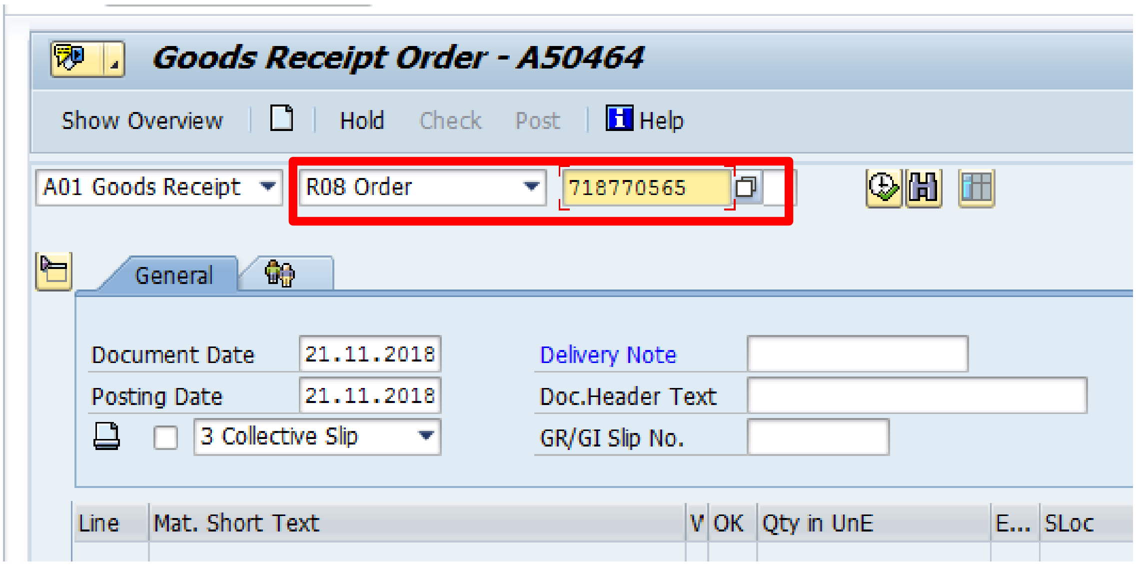
- Material needs to be scrapped instead of returned as Repaired
- There are costs allocated to the work order and the Repaired material cannot be returned. The SAP transaction IW8W cannot receive a zero quantity. Therefore in order to settle the costs, the work order needs to be forced closed.

NOTE:

The costs will settle to the material if there is stock on hand

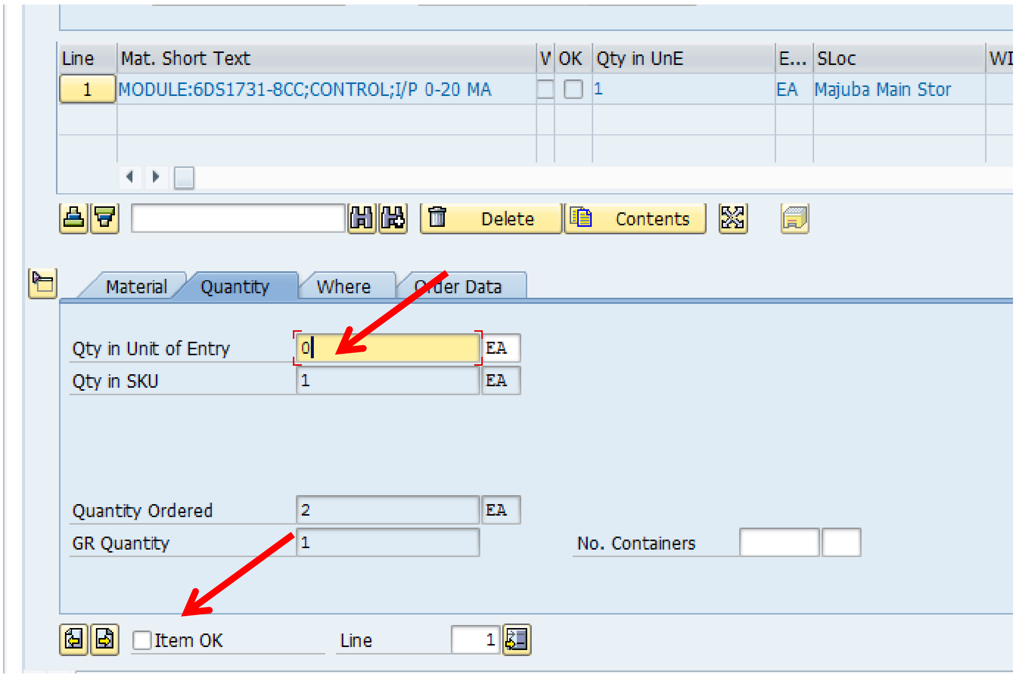
If there is no stock on hand, the value will then be settled to the GL account 231 000, this account should be cleared to a cost centre or WBS element.

Go to transaction MIGO and select Goods receipt and Order, enter the PM order number

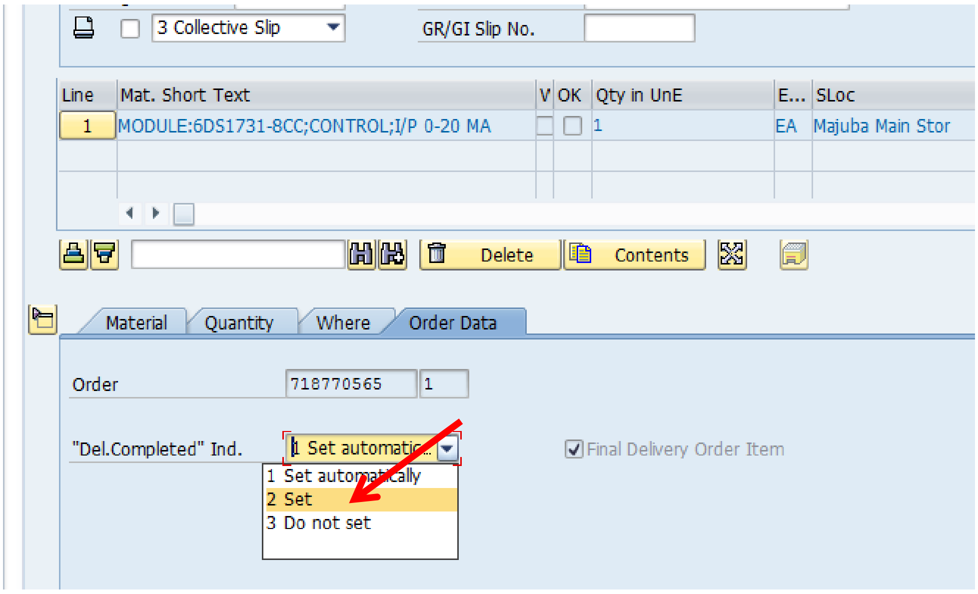


Enter a factious delivery note number

Enter the quantity 0 and tick the block “Item OK”



On the order data tab set the Del completed indicator.



This will change the status of the PM order to DLV and then the order can be settled.

3.2.2 Plant Maintenance – Internal

3.2.2.1 Damaged Material Returned to Stores

- Obtain the scope of work from the end user on the Refurbishment Control Form 240-58974346.

- Create the rotable order using SAP transaction IW81.
- On the IW81 screen populate the following:
  - The priority 3 (should not be 01 – emergency status)
  - Material number
  - Plant number
- On the header screen the following fields shall be completed:
  - Short description of the work to be done
  - Planner group
  - Main work centre
  - Quantity that needs to be repaired (preferably 1 material at a time)
  - Plant
  - Storage location
  - Valuation category (from damaged to repaired)
  - Basic start and finish date
- Component general data enter (pop-up screen):
  - Goods recipient
  - Unloading point
- On the operations screen:
  - Indicate the maintenance activities for the repair of the material.
  - The control key shall be PM01; this will create an internal order for the repair of the material at the workshop.
  - The detail scope of work shall be loaded on the LT column.
  - Select the operation line and schedule the hours by end user.
  - It is compulsory that hours be captured otherwise the order will not settle.
  - Change the date on the operations screen as it uses a default date.

- On the component screen:
  - The material on the first line is the damaged material that needs to be repaired (this is copied from the header screen).
  - List additional material needed for the repair that shall be issued from the warehouse.
  - This will create a reservation to issue the material from the warehouse.
  - Only one material number can be repaired on one works order.

Note:

Where an additional non-stock component is required for the repair of the damaged material, leave the material field blank and populate the description field and the quantity.

- Save the rotable work order.
- Release the rotable work order. The reservation shall be sent to warehouse issuing.
- A PR for the non-stock purchase will be created.

Note:

PM01 and PM03 can be used on one work order.

Non-stock materials may be purchased via the components tab for the repair of a material.

3.2.2.2 Manage the return of repaired and damaged materials from the workshop

- The material shall be quality inspected by an authorised end user / Quality Officer.
- Determine the mode of transportation for return delivery.
- Users shall return the repaired item and the warehouse shall process SAP transaction IW8W back into the repaired valuation category.
- The labour component of PM01 must be completed with at least 1 hour otherwise the work order will not settle.
- No repaired materials shall be issued out before the settlement has been performed and the authorisation of the RF Controller has been obtained.
- The material shall be marked, labelled, preserved and handed over to storage.
- The RF Controller shall perform a results analysis, settle and TECO the order.

- If the material is not repairable, the rotable order shall be updated for the return of a damaged / scrap material (add a new line on components screen). The material will be returned to the warehouse that will process the movement type 262.
- If the material is deemed as scrap, then follow scrap process.
- Once authorisation has been received, issue the returned material with SAP movement type 551 to scrap.
- Move the scrapped material to the scrap yard.

3.3 Service Exchange Process

3.3.1 Materials Under Warranty / Guarantee

- OEMs repair the electronic modules for Eskom.
- If warehouse A sends away a module they will immediately receive an exchange module.
- The company then repairs the damaged module and keeps it in stock.
- If another warehouse B sends a similar module they will immediately receive an exchange item.
- This item might be the one that the previous warehouse A initially sent for repairs.
- The normal Plant Maintenance rotable order repair process will be applicable but it may result in the SAP Moving Average Price (MAP) changing to zero if there is no cost attached to exchange.
- Use operation key PM04 – the MAP will be re-calculated and the balance will default to the GL Account 895000.
- Alternatively, receive the material as repaired (although to be exchanged), transfer the material into block stock (movement type 343) and once the material is received back transfer it to unrestricted (Repaired) with movement type 344. If this process is followed then Admin Controller must reconcile special stock report each month which must be signed off by Materials Manager. A Spares Delivery Repair Advice 240-106305409 must accompany the relevant spares to be exchanged.

3.3.2 Pre-paid Service contracts

- The end user will create a reservation to draw either new or repaired item out of the warehouse, to replace damaged material on plant.

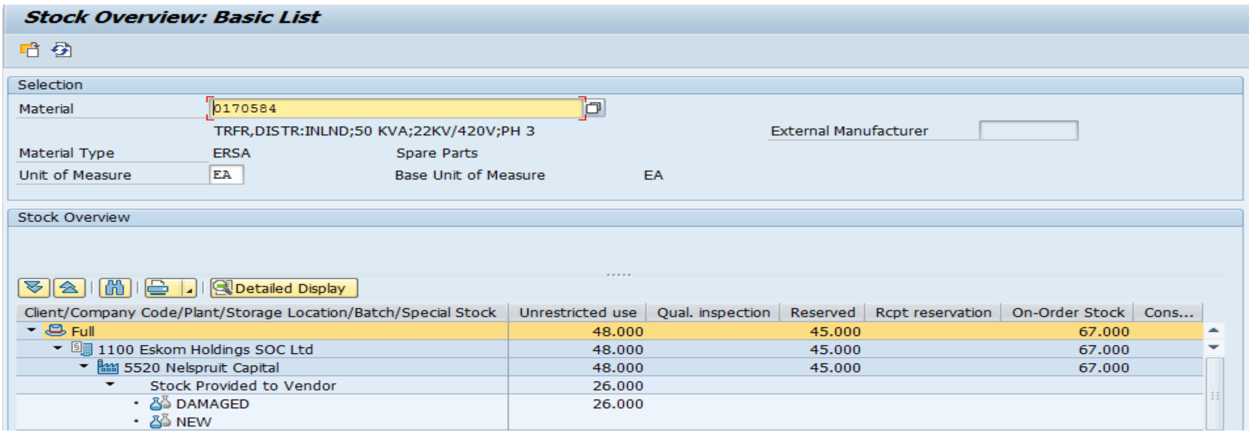
- The damaged material will be booked into the warehouse as a repaired material (although not serviceable anymore) using movement type 202 against a cost centre or movement type 222 if a WBS is available.
- The RF Controller must immediately create a transfer movement type 541 (input Vendor number) and complete the necessary documentation (MDDA / Return to supplier document). This transaction will now appear on the SAP MMBE screen and indicate the quantity sent to the supplier for service exchange. A cover letter must accompany the relevant spares to be exchanged.
- In the interim, the RF Controller must run the SAP report: MBLB - Stock at Sub Contractor, weekly or the SAP MB52 report with special stock indicator “O”, to monitor all items sent to the vendor for exchange.
- On receipt of the material from the vendor, the RF Controller must create a transfer movement type 542 to transfer material back into unrestricted stock.

Note:

If the exchange is linked to a warranty or guarantee and no cost is attached to the repair process, then the RF Controller will transfer the material with movement type 541 to the supplier. This will then be indicated on the SAP MMBE screen as “Provided to Vendor”.

Once the repaired or service exchanged material is received back from the supplier the material is transferred back to unrestricted stock using Movement type 542. This transfer will have no costing attached.

A Spares Delivery Repair Advice 240-106305409 must accompany the relevant spares to be exchanged.



3.4 Purchase Order Repair Process

This process is outside the official repair process and as an example stock item damaged in warehouse and the warehouse cost centre must pay for the repair.

3.4.1 Receipt of a repaired material:

- The material shall be quality inspected by an authorised end user / Quality Officer.
- Determine the mode of transportation for return delivery.
- Material shall have the delivery note / delivery invoice as proof of delivery.
- Prior to processing the goods receipt, the senior receiving stores person shall contact the RF Controller / MRP Controller.
- After the inspection, the warehouse shall perform a Goods Receipt (movement type 101 with reference to the purchase order number) for the repaired costs.
- The moving average price shall be updated and calculated manually by taking into account the current MAP, the actual repair costs and the value of the issue of the damaged material.
- The Inventory Accounting Officer shall perform a price change using SAP transaction MR21.
- If there is stock on hand, the cost from the SAP Transaction MR21 will default to the GL Account 282000.
- Create a reservation for the return to stock of the repaired material and the costing will default to the repairable cost centre (SAP movement type 202).
- The Inventory Accounting Officer shall now clear the GL Account 282000 and the cost centre by means of a journal.

3.4.1.1 Receipt of non-repairable material – No cost attached

- The material shall be quality inspected by an authorised end user / Quality Officer.
- Determine the mode of transportation for return delivery.
- Material shall have the delivery note / delivery invoice as proof of delivery.
- Prior to processing the goods receipt, the senior receiving stores person shall contact the RF Controller.

- Process the goods return using SAP movement type 202 with valuation category damaged or scrap.
- Obtain authorisation for the scrapping of damaged / scrap material according to Delegation of Authority.
- Issue the damaged or scrap using SAP movement type 551.

3.4.1.2 Receipt of non-repairable material – Cost attached

- The material shall be quality inspected by an authorised end user / Quality Officer.
- Determine the mode of transportation for return delivery.
- Material shall have the delivery note / delivery invoice as proof of delivery.
- Prior to processing the goods receipt, the senior receiving stores person shall contact the RF Controller.
- Create a SAP reservation to return the damaged or scrap item back to stock.
- Process goods return SAP movement type 202 with valuation category damaged or scrap.
- Receive the non-stock order against a cost centre (after the correction of the price).
- Obtain authorisation for the write-off of the damaged material.
- Process the issue to a scrap, using SAP movement type 551.
- Storage to move item to the Investment Recovery sloc.
- The moving average price shall be updated and calculated manually by taking into account the current MAP of damaged and scrap and the actual repair costs.
- The Inventory Accounting Officer shall perform a price change using SAP MR21 transaction against the damaged and scrap valuation types.
- If there is stock on hand, the cost from the SAP MR21 transaction will default to the GL Account 282000.
- The Inventory Accounting Officer will now clear the GL Account 282000 and the cost centre by means of a journal.

3.5 External Repair Sub-Contract Order Process (Dx)

3.5.1 Damaged Material returned to stores

- The MRP Controller shall manage the items to be repaired under the valuation category damaged and repaired and, in conjunction with the user, decide whether the item will be sent for repairs. The Refurbishment Control Form 240-58974346 shall be used.
- Obtain a written quote from the contractor for the cost of repairs.
- A vendor master record has to be created for the customer responsible for repairing the damaged item(s).
- A sub-contract order shall be created with reference to a contract using SAP transaction ME21N, in order for the item to be issued out from the CNC / RDC for repairs.
- The sub-contract order shall contain the following information:
  - Item category (“L” for sub-contracting) valuation type repaired
  - Material components – material number and quantity
  - This order shall be for a repaired item.
- The order shall be sent to the contractor in order for Eskom to be invoiced according to the detail on the order.
- MRP Controller creates a reservation for the material to be transferred to the sub-contract order.
- The warehouse will process the reservation to transfer the “damaged” item to the sub-contract order by using movement type 541 and entering batch “damaged”.

Note:

There is no accounting entries generated when using the movement type 541.

3.5.1.1 Stock overview

- The item being repaired via the sub-contract order will show at plant level under “vendor”, but will not be available for issue.

3.5.2 Manage the return of repaired and damaged materials on a subcontract order

3.5.2.1 Receipt of Repaired material

- The MRP Controller will fax the order to the supplier and the TGS technical specialist for collection arrangements.
- The MRP Controller shall hand the return documents to the warehouse receiving department.
- The material shall be quality inspected by an authorised end user / Quality Officer.
- Determine the mode of transportation for return delivery.
- Material shall have the delivery note / delivery invoice as proof of delivery.
- Prior to processing the goods receipt, the senior receiving stores person shall contact the RF Controller / MRP Controller.
- The Senior Receiving Storeman shall contact the MRP controller, prior to processing the goods receipt. The price on the order might have to be modified, as it could vary from the original quote on the cost of repair.

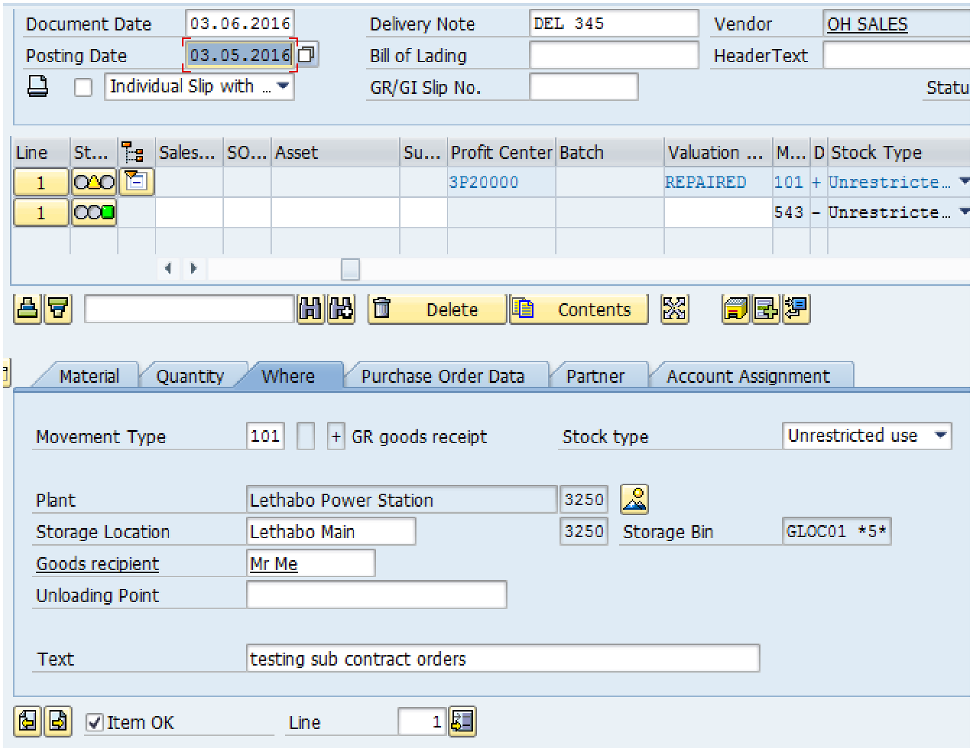
Note:

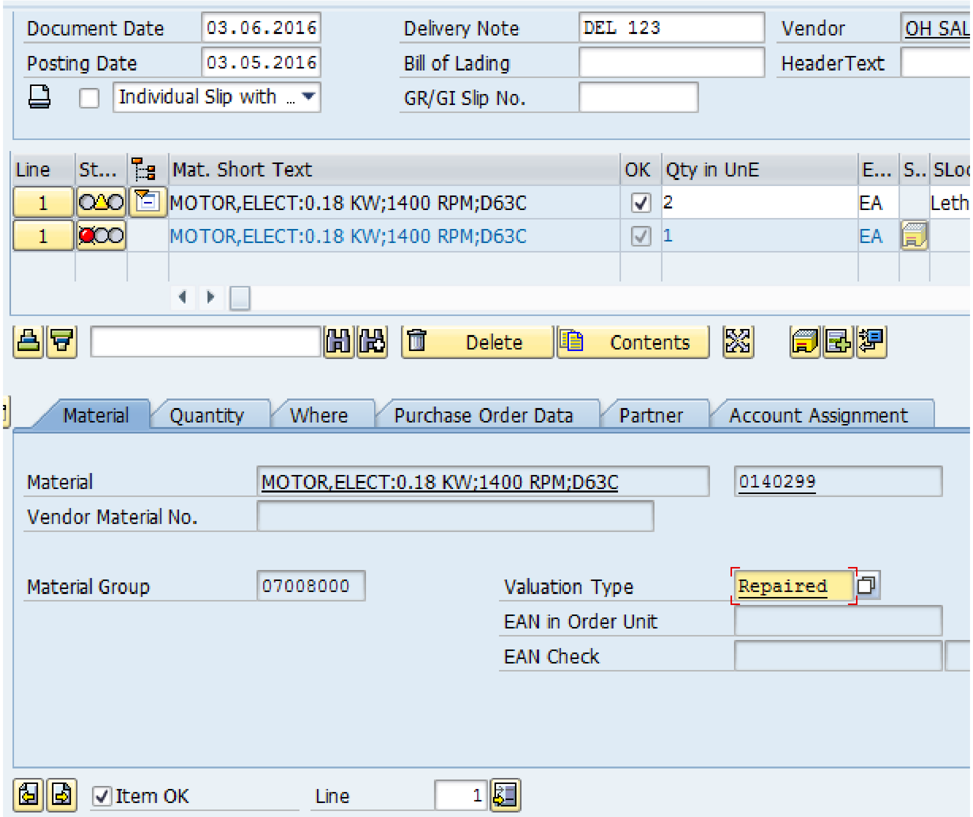
It is not always possible to submit a fixed quote based on face value only.

After the inspection, the warehouse shall perform a Goods Receipt (SAP movement type 101 with reference to the sub-contract order number) on the repaired item. This Transaction receives the physical quantity into the unrestricted / repaired valuation.

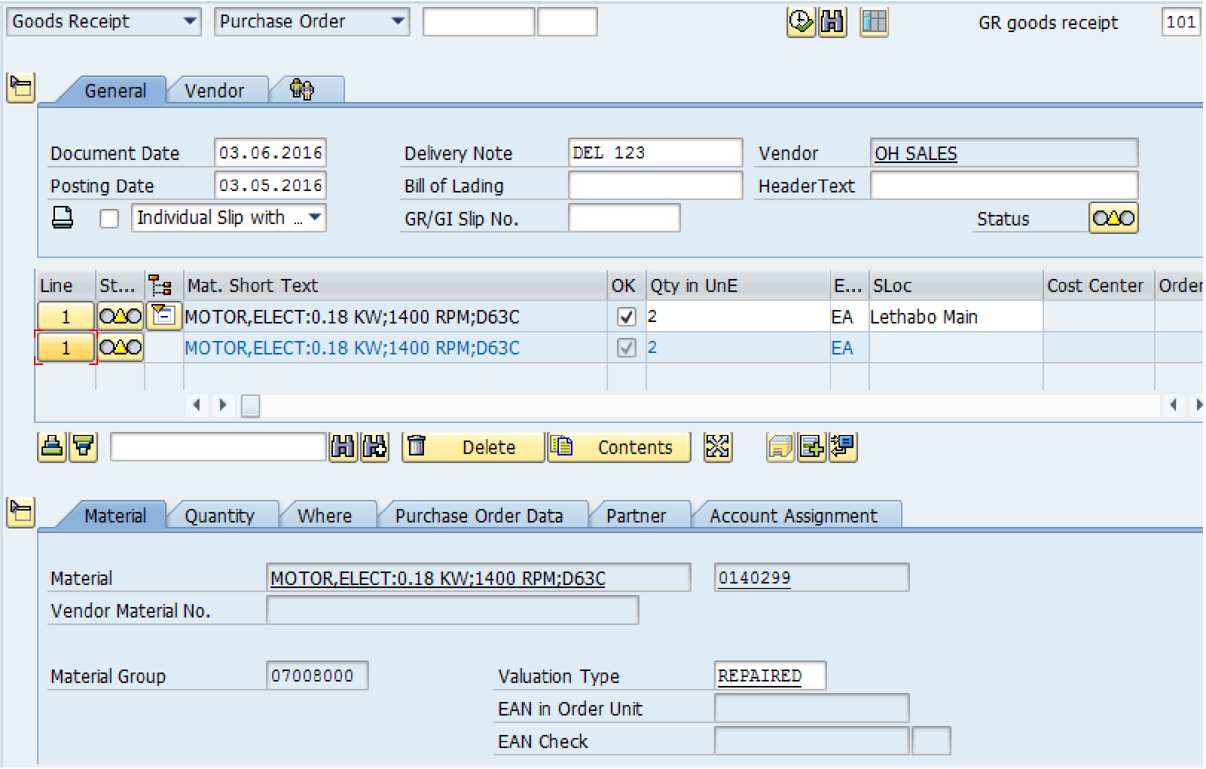
The system automatically generates two accounting entries. There is one for the receipt of the repaired item (movement type 101), and another for the transfer of the damaged item (movement type 543).

- Perform the Goods Receipt for a repaired item as follows:
  - Use Transaction Migo_GR

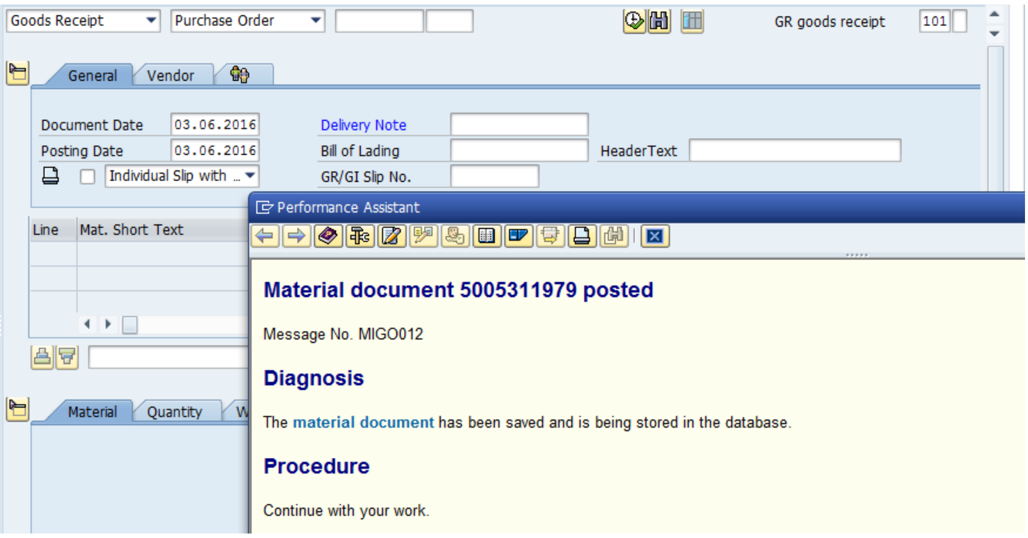

Document Date 03.06.2016
Posting Date 03.05.2016
Individual Slip with ...
Delivery Note DEL 345
Bill of Lading
GR/GI Slip No.
Vendor OH SALES
HeaderText
Statu
Line St... Sales... SO... Asset Su... Profit Center Batch Valuation ... M... D Stock Type
1 3P20000 REPAIRED 101 + Unrestricte...
1 543 – Unrestricte...
Delete
Contents
Material Quantity Where Purchase Order Data Partner Account Assignment
Movement Type 101 + GR goods receipt
Stock type Unrestricted use
Plant Lethabo Power Station 3250
Storage Location Lethabo Main 3250
Storage Bin GLOC01 *5*
Goods recipient Mr Me
Unloading Point
Text testing sub contract orders
Item OK
Line 1


Document Date 03.06.2016
Posting Date 03.05.2016
Individual Slip with ...
Delivery Note DEL 123
Bill of Lading
GR/GI Slip No.
Vendor OH SAL
HeaderText
Line St... Mat. Short Text OK Qty in UnE E... S.. SLoc
1 MOTOR,ELECT:0.18 KW;1400 RPM;D63C 2 EA Leth
1 MOTOR,ELECT:0.18 KW;1400 RPM;D63C 1 EA
Delete
Contents
Material Quantity Where Purchase Order Data Partner Account Assignment
Material MOTOR,ELECT:0.18 KW;1400 RPM;D63C 0140299
Vendor Material No.
Material Group 07008000
Valuation Type Repaired
EAN in Order Unit
EAN Check
Item OK
Line 1

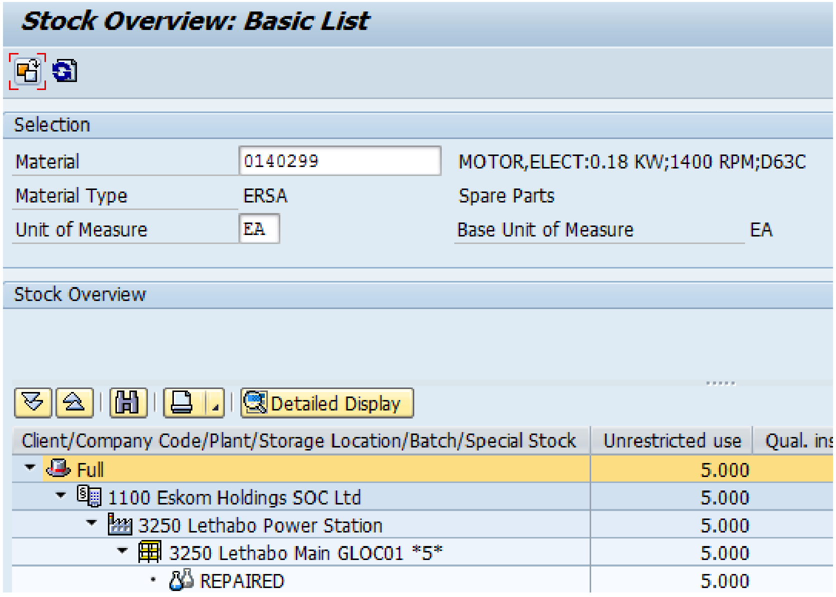
- The valuation type of the movement type 543 must be the same as the movement type of the 541.



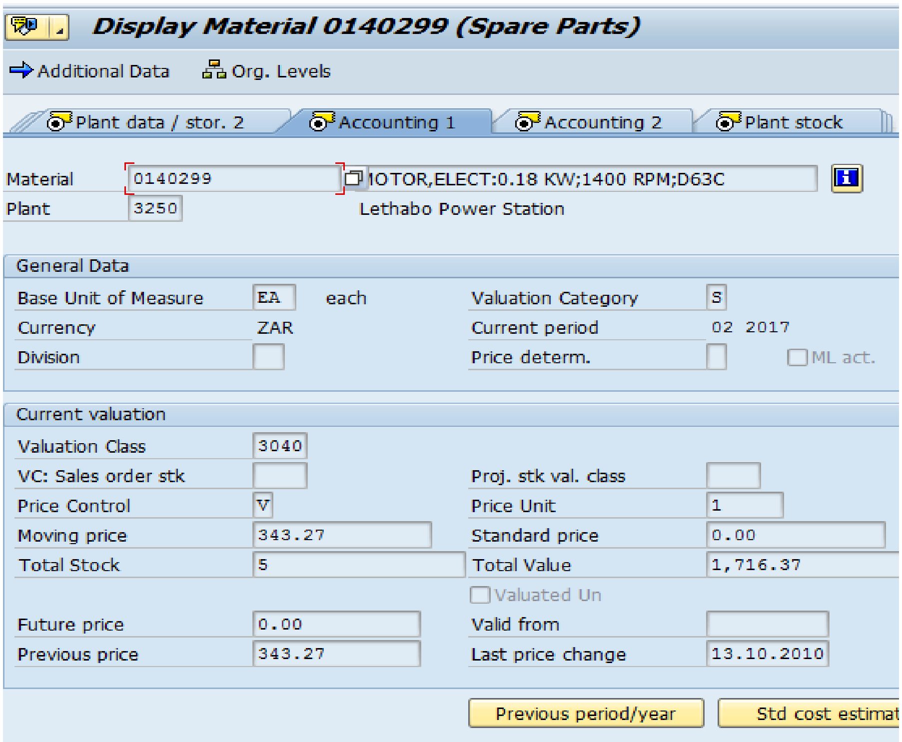
- The system should automatically insert the 543 movement type with the Goods Receipt.
- **NB:** before saving, ensure that the 543 movement type has defaulted.
- Save the GR.



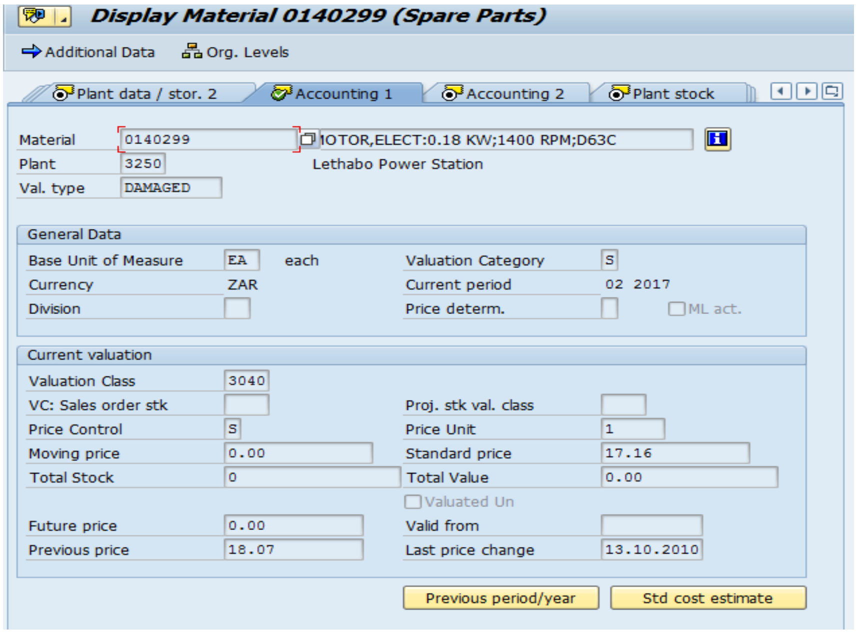
- Stock overview:

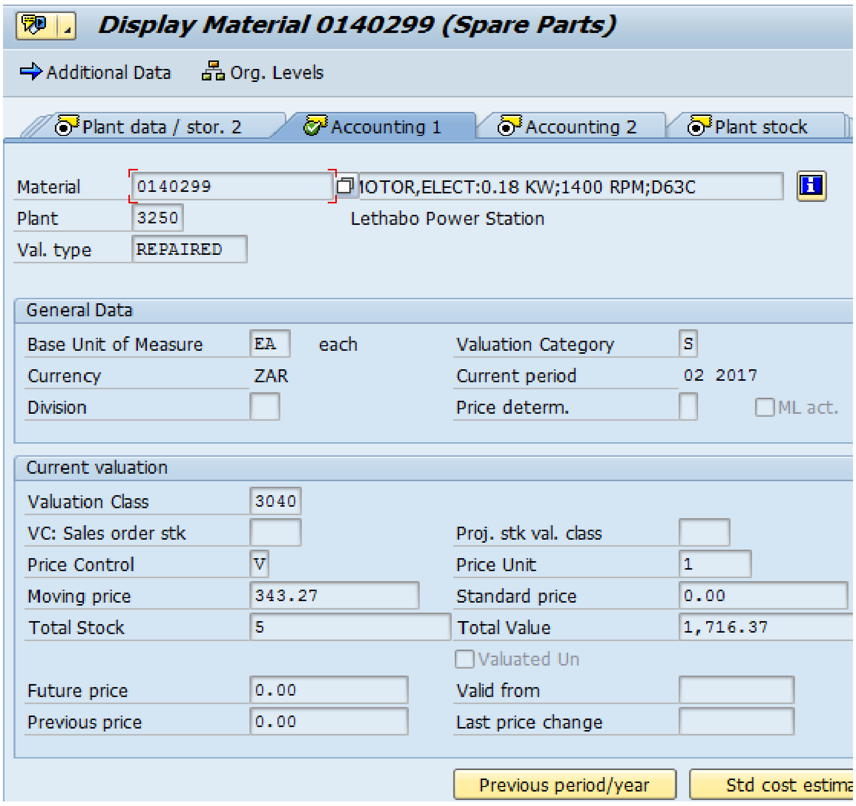


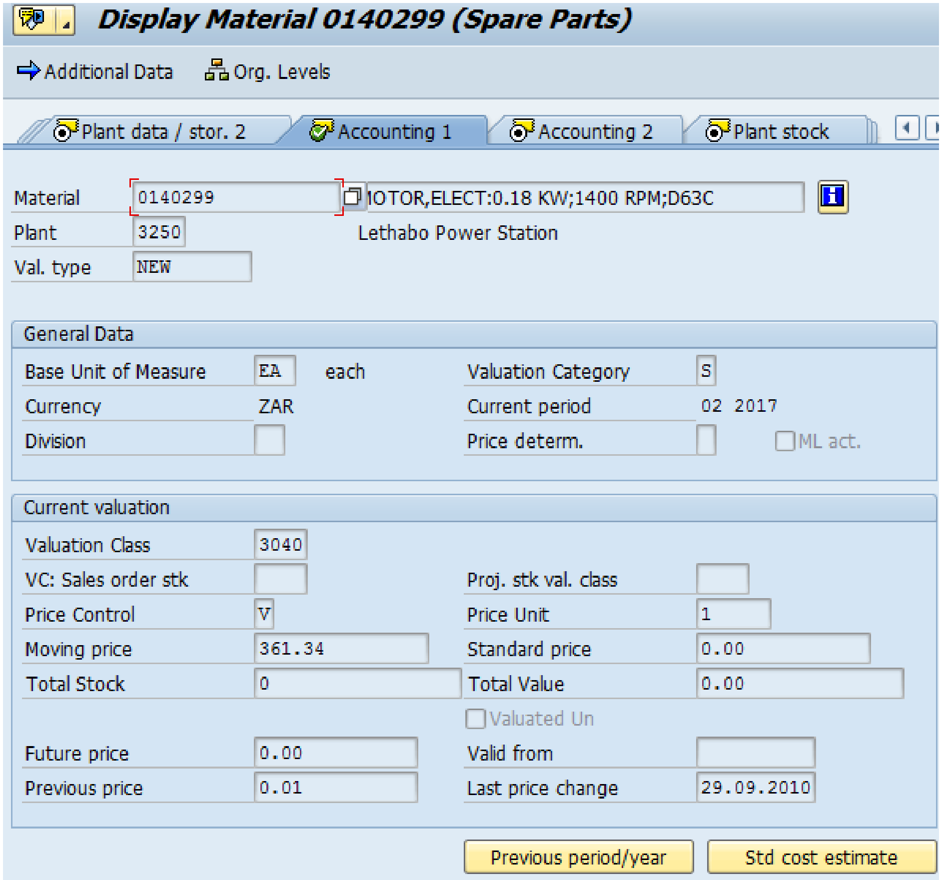
- The line ‘Material provided to vendor’ has disappeared.
- The price value for repaired has increased by R0.02.
- Overall price of the material.



- Damaged:


Display Material 0140299 (Spare Parts)
Additional Data
Org. Levels
Plant data / stor. 2
Accounting 1
Accounting 2
Plant stock
Material 0140299 MOTOR,ELECT:0.18 KW;1400 RPM;D63C
Plant 3250 Lethabo Power Station
Val. type DAMAGED
General Data
Base Unit of Measure EA each
Valuation Category S
Currency ZAR
Current period 02 2017
Division
Price determ.
ML act.
Current valuation
Valuation Class 3040
VC: Sales order stk
Proj. stk val. class
Price Control S
Price Unit 1
Moving price 0.00
Standard price 17.16
Total Stock 0
Total Value 0.00
Valuated Un
Future price 0.00
Valid from
Previous price 18.07
Last price change 13.10.2010
Previous period/year
Std cost estimate


Display Material 0140299 (Spare Parts)
Additional Data
Org. Levels
Plant data / stor. 2
Accounting 1
Accounting 2
Plant stock
Material 0140299 MOTOR,ELECT:0.18 KW;1400 RPM;D63C
Plant 3250 Lethabo Power Station
Val. type REPAIRED
General Data
Base Unit of Measure EA each
Valuation Category S
Currency ZAR
Current period 02 2017
Division
Price determ.
ML act.
Current valuation
Valuation Class 3040
VC: Sales order stk
Proj. stk val. class
Price Control V
Price Unit 1
Moving price 343.27
Standard price 0.00
Total Stock 5
Total Value 1,716.37
Valuated Un
Future price 0.00
Valid from
Previous price 0.00
Last price change
Previous period/year
Std cost estima



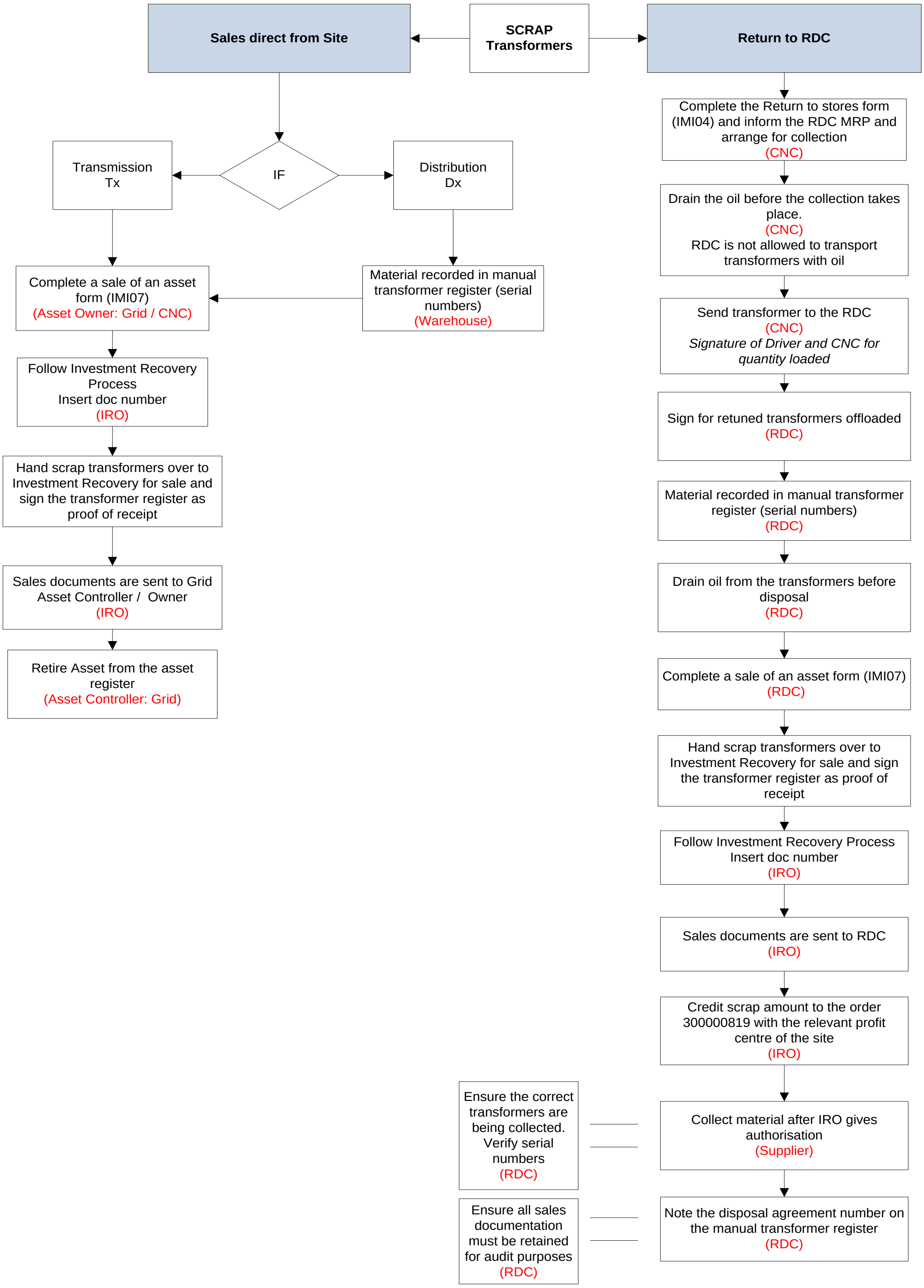
- The system automatically generates two accounting entries. One for the receipt of the repaired item (movement type 101), and the other one for the transfer of the damaged item (movement type 543). If it does not, Receiving should not save the Transaction.
- Accounts Payable Section shall process the invoice(s) for payment via the Accounts Payable System, in order to submit payment to the supplier. The quantity of the receipt of the repaired item(s) (transaction 101), must match the quantity of the items issued for repairs, to allow payment to be processed.
- The Inventory Accounting Officer shall process a journal between GL Accounts 282000 and 231000.

3.5.2.2 Receipt of Repaired material

- Receiving processes the movement type 222. This is on the self-insurance WBS, as per the directive from Finance.
- For items to be repaired into the damaged batch under sloc 5065 against the damaged MAP.

- Use a movement type 541 to issue the material from the damaged sloc 5065 to the subcontract order.
- When the supplier returns the stock from sloc 5065, receiving shall process a good receipt using movement type 101 with reference to the sub contract order. The receiver must ensure that the system creates both Transactions when doing this.
- These two Transactions will take the damaged item together with repair value to normal unrestricted stock as repaired units.
- The receiver shall contact the Inventory Accounting Officer / RF Controller immediately to perform the settlement run.

3.5.2.3 Receipt of a Non-repairable Material using the Scrap Transformer Process



i. Scrap Transformer manual sales control process (Investment Recovery)

- Scrap transformers are sent, with a signed Return to Stores Form IM-I04, indicating all information regarding transformers including serial numbers.

- The list of transformers with serial numbers must be recorded in a register. When the transformers are handed over to IR, IR will sign the register as receipt of scrap transformers.

- The Materials Management Manager must ensure that the approved Asset Sale Document (AMI-07) and list of transformers are handed to the IRO to continue with the sales process.

- Investment Recovery Officer will communicate the following:

  - Inform line manager of successful sale.

- Forward the complete sale pack to Materials Management Manager:

  - Sale of an Asset document (AMI-07)

  - Disposal Agreement document

  - Proof of Payment (EFT Bank Deposit Slip Petty Cash Deposit Slip)

- The Warehouse Supervisor must ensure that the correct material is loaded onto the truck and must compare it against the disposal agreement letter.

ii. Sales order process

- Scrap transformers are sent with a signed Return to Stores Form IM-I04, indicating all information regarding transformers including serial numbers.

- The list of transformers with serial numbers must be recorded in a register.

- The Materials Management Manager must ensure that the approved Asset Sale Document AMI-07 and list of transformers are handed to the Investment Recovery Officer to continue with the sale process.

- Investment Recovery will communicate the following:

  - Inform Line Manager of successful sale.

- Forward the complete sale pack to Materials Management Manager:

  - Sale of an Asset document AMI-07

  - Disposal Agreement document

  - Proof of Payment (EFT Bank Deposit Slip Petty Cash Deposit Slip)

- The Warehouse Supervisor must ensure that the correct material is loaded onto the truck and must compare it against the disposal agreement letter.
- Finance will create a sales order with all relevant information of the transformers sold, including capturing of serial numbers.
- Materials Management shall create an outbound delivery note (VL01N).
- If more than 6 materials are sold, create a second delivery note.
- On the shipping point dropdown select “Eskom Holdings”; this will list all the active sales orders for selection.
- Select a sales order.
- Sales order before performing picking.
  - Select “Pick”
  - Enter pick quantity and valuation type
  - Select line
  - Click on “extras” and select serial number
  - Enter the plant and sloc
  - Click on serial number selection
  - Execute
  - Display serial number
  - Click on “select all”
  - Click on “maintain serial number”
  - Enter again at bottom of report
  - Then proceed (same for each line on sales order)
  - Once all selected and completed then post “post goods issue”.
  - Goods issue will have a 601 movement type

3.6 Co Production Order

3.6.1 Damaged Material returned to stores

- The MRP Controller will manage items to be repaired under valuation category Damaged, and will in conjunction with the user decide when items are to be sent for repairs.
- The Quality Assurance Officer / MRP Controller shall obtain a written quote from the workshop for the cost of repairs.

Note:

It is possible for the item to be moved to the workshop prior to the Co-Production order is created, as it is not always possible to produce an accurate quote based on face value only.

- The damaged material can be returned to stores directly into “Damaged “valuation type with a movement type 202 or 222.
- In the interim material can be transferred to block stock (movement type 344) while awaiting quote. This is not recommended as material is already identifiable in Damage valuation type.
- The item shall be transferred from blocked stock (movement type 343) into unrestricted stock to allow the Co-Production order to be created.
- The MRP Controller / Quality Assurance Officer shall plan (KKF4), create (KKF1) and release the Co-Production order and shall cost all additional cost such as material, labour and other costs against the order. The order shall include the following:
  - Responsible Cost Centre : Workshop Cost Centre
  - Responsible Profit Centre : Workshop Profit Centre
  - Requesting Cost Centre : Logistics Cost Centre
  - Specify materials planned to be used
- The MRP Controller / Quality Assurance Officer shall create a reservation with the movement type 261 for the material to be issued in Co-Production order.
- Issuing shall process the Transaction against the reservation at the moving average price.

3.6.2 Manage the return of repaired and damaged materials

- The material shall be quality inspected by an authorised end user / Quality Officer / SI Officer.

- Determine the mode of transportation for return delivery where applicable.
- Senior receiving stores person shall contact the MRP Controller, prior to processing the goods receipt.
- Receiving shall process a good receipt using movement type 101 with reference to the Co-production order number. The receiver shall contact the Inventory Accounting Officer / RF Controller immediately to perform the settlement run.
- The cost of the goods receipt will be the moving average price and not the total value on the order.
- The other additional costs at this stage, (labour etc.), will not be added to the price of the material. If the material is now issued, it will be without the additional costs.
- The additional cost will only be added to the price of the material once the Inventory Accounting Officer has performed the settlement run (KO88) while there is stock on hand.
- If material cannot be repaired, it needs to be returned back to stock using movement type 262 in the scrap valuation category.
- Obtain authorisation to scrap material and follow the scrapping process.

Note:

If the settlement run is performed after the material is issued from the warehouse, (material in stock is zero), and then the balance on the order will update the GL Account 231000 (Profit and Loss - Price variance) once the WIP run is done. The balance on the GL Account 231000 should then be cleared to the account assignments (cost centres or WBS elements), where the material was issued to. It is the responsibility of the Inventory Accounting Officer to clear these amounts that were due to the effect of a Co-Production order. This detail of the various account assignments can be obtained by displaying the SAP MB51 report, for that particular material number.

3.7 Internal Controls

Control	Control Point	Responsibility	Frequency	
Plant Maintenance				
Daily tracking or Rotable material	SAP MB51 report RF Tracking Register 240-139307744	RF Controller	Daily	Draw the SAP MB51 report and update the daily RF Tracking Register - 240-…………
Daily tracking or Rotable material	Refurbishment Control Form 240-58974346	RF Controller	Daily	For rotable orders (M320), immediately complete the Refurbishment Control Form in collaboration with end-user.
Daily tracking or Rotable material	RF Tracking Register (M320 tab) 240-139307744	RF Controller	Daily	Prior to issuing the damaged material to the works order (movement type 261), approve the issue of the damaged item (PM) to supplier and record document number on RF Tracking Register M320 tab.
Document control	Refurbishment Control Form 240-58974346 Gate releases, delivery notes with supplier or collectors detail etc.	RF Controller	Daily	All relevant documentation copies must be available and filed with Refurbishment Control Form
Daily tracking or Rotable material	SAP ZPM050 report RF Tracking Register (M320 tab) 240-139307744	RF Controller	Daily	The SAP ZPM050 report must be drawn and the Daily RF Tracking report must be updated. Report on anomalies in comments column and follow up on long outstanding orders not yet completed.
Track open work orders	SAP IW39 report	RF Controller	Monthly	Draw the SAP IW39 report to maintain all open work orders and verify long outstanding

Control	Control Point	Responsibility	Frequency	
				orders not yet completed. Provide reasons why the order is still open e.g. look at items not yet released etc.
Stock accuracy	SAP ZL93 report	RF Controller	Monthly	Draw the SAP ZL93 report on all damaged and scrap materials and perform count on items indicating on hand quantity. Investigate any differences and comment on the first working day of month. Differences need to be captured using the cycle count process and cycle count document number referenced on the SAP ZL93 report
Track RF material in blocked stock	SAP MB52 repot	Admin Controller	Monthly	Run the SAP MB52 repot (special stock indicator “O” / MBLB reports and reconcile special stock report (blocked stock) each month. This must be signed off by Materials Manager (sub contract order process)
Inventory accounting	GL Account 315001	Inventory Accounting Officer	Monthly	Reconcile the GL Account 315001 - Stores in Manufacture - Refer to the Financial Valuation and Closing Procedure 240-84166435.
Inventory accounting	GL Account 890000	Inventory Accounting Officer	Monthly	Reconcile the GL Account 890000. This must be in sync with GL Account 315001.

Control	Control Point	Responsibility	Frequency	
Inventory accounting	GL Account 895000	Inventory Accounting Officer	Monthly	Reconcile The GL Account 895000 - Refer to the Financial Valuation and Closing Procedure 240-84166435.
Inventory accounting	GL Accounts 840100 and 350000	Inventory Accounting Officer	Monthly	Reconcile GL Accounts 840100 and 350000 as they should be in sync (ERI specific).
Inventory accounting		Inventory Accounting Officer	Daily / Weekly / Monthly	Damaged and Scrap Standard price revaluations must be done (the value must be 5% of Repaired Moving Average Price).
Co-Production Orders				
Track outstanding orders	SAP KB01 report	RF Controller	Monthly	Report on outstanding orders by drawing the SAP KB01 report for outstanding Co-Production orders and report on status of outstanding orders
Sub-contract orders				
Monitor material in “Stock Provided to Vendor”	SAP MBLB Report	Admin Controller	Monthly	The SAP MBLB Report (movement type 541) shall be checked for material transactions where material is issued to Stock Provided to Vendor.
Service Exchange				
Monitor service exchange items covered under warranty / guarantee process or prepaid service contracts	SAP MBLB or MB52 report	RF Controller	Weekly	Report on service exchange items covered under warranty / guarantee process or prepaid service contracts using the SAP MBLB report: Stock Provided to Vendor or MB52 (Special stock indicator ”O” 3

4. Acceptance

This document has been seen and reviewed by:

Name	Designation
Pieter le Roux	General Manager, Procurement and Supply Chain Management, Strategy & Excellence
Brenda Changfoot	Sr. Manager, Warehousing, Logistics & MM

This document will remains authorised despite any changes in the authoriser position

5. Revisions

Date	Rev.	Compiler	Remarks
November 2023	1	Hlaodi Maduna	Review Date Extension
August 2020	1	Herman Jordens	Combination of the Internal, External repair Process and Manage the return of Material
June 2018	0	Herman Jordens	Combination of the Internal, External repair Process and Manage the return of Material

6. Development Team

The following people were involved in the development of this document:

- H Jordens
- K Mpati
- J Mosehle
- W Verwey
- H Barnes
- P Gouws

7. Acknowledgements

N/A