



Government of Nepal



Store Management Guideline

Rural Access Programme
(RAP) Phase 3



Management of Stores

May 2016

Store Management Guideline

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DOCUMENT CONTROL

Document revisions and authorisation	Details	Signature and Date
Version	25 th May 2016	
Summary of revisions made	Main Report Submission	
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ACRONYMS AND ABBREVIATIONS

BoQ	Bill of quantities
CMS	Contract Management Specialist
DTA	District Technical Assistance
DTL	District Team Leader
EO	Engineering Officer
GDN	Good Delivery Note
GRN	Good Received Note
GTN	Good Transferred Note
IoW	Inspector of works
OM	Office Manager
SC	Supervision Consultant
RAP3	Rural Access Programme
RBG	Road Building Group
RE	Resident Engineer
SBG	Special (Road) Building Group
RO	Regional Office, Nepalgunj
TMO	Technical Management Office

1. BACKGROUND

Rural Access Programme (RAP3) is working in remote areas including hill districts of Karnali. The major works of the programme are new construction as well as the maintenance of the road including promotion of the livelihood of the local people. For construction as well as maintenance of the roads construction materials, construction tools and equipment are required. RAP has made provision of various stores both at sites and district headquarters where goods supply are stocked for subsequent issue.

2. OBJECTIVES OF THE STORE

Following are the objectives of the store:

- Maintaining value for money by purchasing tools and material in bulk
- Timely service to different programme Projects and Sites
- To store the goods in a secure manner to prevent theft or vandalism
- To store items in a protected environment away from rain and elements
- To monitor stocks so that timely replenishment can be procured

3. DIFFERENT TYPES OF STORE USED BY RAP3

3.1. CLOSED STORES

In this type of the store, the storage area is kept locked and entry is limited to store employees, or to others only on an authorized basis. Construction materials, Construction tools and equipment enter inventory through a formal receiving process and leave through an authorized requisition or demand form.

3.2. OPEN STORES

When huge space is required to stock the construction material like gabion wire and gabion baskets, open yard is hired and fenced for open stores. These types of store are established in the district headquarters of the project districts and nearby the construction sites.

4. REQUIREMENT OF STORE

4.1. MINIMUM REQUIREMENTS

A store should comprise the following minimum requirements:

- If a RAP's own store is unavailable and one needs to be hired then there has to be a lease agreement.
- Open store must be fenced
- Store must have adequate space
- Store must be nearby road head
- Smoking is prohibited in and around the store
- Fire extinguisher in case of inflammable material to be stored

4.2. LOCATION OF STORES

RAP Stores are located at different places which are as follows:

4.2.1. Store at Head Office (TMO)

There is a small closed store in the head office where samples of goods supply are labelled. One set of each approved sample of goods is issued by TMO to the destination as mentioned in the contracts (generally regional office, Nepalgunj / new construction districts) before delivery of the goods takes place. Unapproved samples are returned back to the supplier.

4.2.2. Store at Regional Office

A closed store is maintained in the regional office in Nepalgunj. Generally the store is operated with reserve stock held before sending to Districts on demand. Sometimes additional stores are hired if goods are purchased in large scale.

4.2.3. Store at districts

Each district has one main store where bulk of construction materials, tools and equipment are stored. In general there are both open and closed stores.

4.2.4. Site stores

As per the site requirements, site stores are rented at different locations within the road corridors. Site stores may be closed /open or both, as per requirement.

5. STORE MANAGEMENT

The main function under store management is to receive goods / tools / materials, to safely stack and segregate, to protect them from damage and unauthorized removal, to issue the items in the right quantities, at the right time to the right place, provide a verified statement of stock numbers held and to provide these services promptly and at least cost. Provision is made for mandatory use and updating of 'bin-cards' for each item with regular verification provisions. Whenever possible a soft (computerised) copy should be maintained in addition to the hard-copy system.

The regional store at Nepalgunj is fully managed by RAP whereas district level stores are handled by supervision consultant (SC) except at Bajura. The stores at Bajura are maintained by RAP itself.

Whilst the regional office manager receives demand from the district, he issues the material only after getting approval from the CMS.

5.1. RECEIVING DELIVERIES

During receiving construction materials, tools and equipment the following process/activities need to be carried out:

- TMO Contract Management Specialist with the assistance of the Logistics Manager will provide approved samples to all delivery stations (whilst retaining one clearly marked sample at TMO. The receiver at site shall reference all received items against the sample

as means of quality confirmation and shall thus confirm the delivery's compliance with standards,

- ❑ TMO authorises (through contract administration letter issued to the Supplier and copied to DTLs or OM) concerned DTLs / OMs for receiving goods, verification of quality and quantity, preparation of GRN and recommendation for the payment. Issuing of GRN implies acceptance of goods by DTA / regional office (RO).
- ❑ DTL nominates a receiver (usually Store Keeper or Office Manager) to receive the delivery in terms of numbers and identification and provides details of the expected delivery [e.g. Bill of Quantities (BoQ) extract].
- ❑ Store Keeper receives construction materials, tools and equipment (or any other goods) from supplier.
- ❑ The responsibilities for unloading/stacking to stores at road head lies with the supplier (providing the store is reasonably accessible).
- ❑ Store Keeper counts the number (all received goods shall be physically counted before recording) and confirms quantity. In district stores, EO/DTL performs quality check against the approved samples or contract specification whereas in RO store, OM performs the check.
- ❑ Prior to signing receipt (Supplier's delivery note or *chalan*) store keeper shall confirm quantity of goods received. Store keeper shall be held responsible for any discrepancies found between in supplier's delivery notes and GRN.
- ❑ All the received quantities are recorded in stock ledger (hard copy) and stock record sheet (soft copy) in computer.
- ❑ For each item bin cards (Refer: **Annex 1** for its format) are prepared and displayed together with the items.
- ❑ DTA / RO shall collect the samples (in case of those goods for which samples have to be tested in recognised laboratory such as GI wire and cement) out of the delivered goods in the manner described in the contract in presence of invited supplier's representatives (even if no Supplier's representative available, DTA/ RO shall be responsible for collecting the samples) and send to concerned laboratories or TMO for necessary lab test.
- ❑ Separate record of damaged, destructed, noncompliant (not matching with specification and approved samples) of goods supplied by the supplier, is kept aside temporarily and which should be mentioned in goods received note (GRN). DTL should inform to supplier those tools/goods that the supplier needs to takeout from RAP store as soon as possible.
- ❑ GRN (Refer: GRN format in **Annex 3**) should be sent to TMO immediately after receiving goods. GRN should reach TMO within one week of the tools/goods being received.

5.2. DISPATCH/ISSUE

During dispatch/issuing tools/goods and materials following process/activities need to be followed:

- ❑ Delivery Note (Refer: **Annex 2**) shall be prepared in which all goods to be dispatched are entered with full details of receiver's and sender's name and address with authorized signature of sender and official stamp.
- ❑ After dispatch of goods to the district/site stores, records are updated (stock register book and bin card).

- ❑ Storekeepers of district main/ site stores shall issue construction materials, tools and equipment to RBG/SBG only upon receipt of demand form (Refer: **Annex 4**) duly signed by the site in-charge (IoW) or other authorised field technicians.

5.3. MONITORING & VERIFICATION

For monitoring and verification following process/activities shall be carried out:

- ❑ The logistic manager of the TMO shall inspect and perform physical verification of the regional stores at least twice in a year.
- ❑ In the district stores physical verification shall be done by OM in every three months, in which physical count of goods shall be carried out for all items stored.
- ❑ There should be separate record of RBG/SBG returned goods with separation of useable and unusable items (scraps). Similarly there should be separate record of the damaged/lost goods with valid reasons.
- ❑ Monthly inventory will be submitted to DTL as part of monthly progress report by SC.
- ❑ In addition to store keeper, SC OM, RAP OM, RE and DTL should be present as far as possible for guiding to storekeeper during delivery of goods.
- ❑ If required, tools are tested in the field as mentioned in the supply contract or as per instruction given by TMO.
- ❑ Physical inspection and destructive test (if required) shall be carried out under direction of DTL/EO.
- ❑ If some quantities of stored items are found missing during physical verification, an investigation is made into the case and necessary action shall be taken.

6. SUPPLIER'S DELIVERY TIME OF GOODS

Supplier should consider the following things during delivery of goods.

- ❑ Supplier should deliver the goods during daylight time.
- ❑ Supplier should inform RAP DTA well in advance of delivery of goods, specifying the date/time of arrival with full details of the consignment (Generally, a week before the arrival of goods to the store).

7. NIGHT WATCHMEN

Sometimes there may be risk of theft of the goods/ material in night time. In such situation night watchmen may be required. DTL shall analyse such situation and recommend the need of watchmen to the management if considered necessary.

8. ROLES AND RESPONSIBILITIES OF THE STORE KEEPER

A store keeper is the in-charge of a store. He is fully responsible for managing the store. The specific roles and responsibilities of a store keeper are:

- ❑ Receiving goods: The primary duty of the store keeper is to receive the goods from the supplier. At the time of receipt, he has to see that the goods have been sent by the supplier on the basis of BoQ.

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- ❑ Arranging goods: The goods received by the store keeper must be arranged in a proper manner. Bin cards should be allotted to each and every item.
 - ❑ Preservation of the tools/goods: After the receipt of tools/goods they are to be preserved properly. It is the duty of the store-keeper to keep the goods in store in safe custody.
 - ❑ Recording: It is the duty of the store keeper to record the receipt and issue of the goods in the respective bin cards and stock ledger (Refer: **Annex 5**) regularly.
 - ❑ Issue goods: The store keeper issues the goods from store as per the requisition from RBG on recommendation of site in-charge / higher authority.
 - ❑ Verification: Store keeper shall check and verify on regular basis the stock ledger with the actual physical stock at frequent intervals to control on wrong issues, pilferage etc.
 - ❑ Supervision: The store keeper must coordinate and supervise the duty of the staff under his control.
 - ❑ Others: In addition to these the storekeepers perform all the store related tasks as directed by his seniors.

9. STOCK STATUS REPORTING

The DTL shall be responsible for monitoring all store stocks to check on rate of utilisation and compare this with that anticipated based on approved and update designs. On a regular basis the DTL shall conduct or oversee a stock draw-down projection to ensure that replenishment demands are sent to TMO CMS in good time with due allowance for procurement and delivery times. DTL is responsible to ensure no sudden or unplanned out-of-stock items.

Annexes: Different formats used in store.

Annex 1. Bin card

Annex 2. Goods Delivery Note (GDN)

Annex 3. Goods Received Note (GRN)

Annex 4. Demand Form

Annex 5. Stock Register

Annex 6. Flow chart for the store management

Annex 1: Bincard

Name of Items:

S.No.	Date	Particular	Unit	Stock In	Stock Out	Balance	Name of recorder / Signature	Remarks

Annex 2: Goods Delivery Note (GDN)

Delivery To:				
GDN No:				
Date:				
S.N.	Item	Unit	Quantity	Remarks
Sender:		Received by:		
Signature:		Signature:		
Name:		Name:		
Designation:		Designation:		
Date:		Date:		

Annex 3: Goods Received Note

Name of Supplier:									
Name of Contract:									
Contract No.:-							Date:-		
S. N.	Descriptions	Unit	Total Agreement Qty.	Delivery and Qty.		Total delivery Qty.	Balance Qty.	% Delivered	Remarks
				Date1	Date2				

Received by:

Checked by:

Approved by:

Signature:.....
 Name:.....
 Storekeeper,.....

Signature:.....
 Name:.....

Signature/Stamp:.....
 Name:.....
 DTL, RAP3

Annex 4: Demand Form

S. N.	Name of Tools/ Materials	Required Quantity			Quantity of Goods for clearance	Stock Register Page No.	Remarks
		Unit	In Figures	In Words			

Demanded by:

Recommended by:

Received by:

Signature:

Signature:

Signature:

Name:

Name:

Name:

Designation:

Designation:

Designation:

Date:

Date:

Date:

Annex 5: Stock Register

Name of Goods: _____

Year: _____

Unit: _____

S.N.	Date	Particular	Sources of Goods	Quantity			Remarks
				Stock In	Stock Out	Balance	

Record Entered by:

Checked by:

Verified by:

Signature:

Signature:

Signature:

Name:

Name:

Name:

Designation:

Designation:

Designation:

Date:

Date:

Date:

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Annex 6: Flow chart for store management

