

# SOP Template: Procedures for Inventory Management of Spare Parts

This SOP details the **procedures for inventory management of spare parts**, encompassing parts identification and categorization, inventory tracking and record-keeping, stock level monitoring and reorder point determination, storage organization and handling protocols, periodic inventory audits and reconciliation, supplier coordination and procurement processes, and documentation of inventory transactions. The goal is to maintain optimal spare parts availability, minimize downtime, reduce excess inventory costs, and ensure efficient and accurate inventory control throughout the maintenance and operational cycles.

## 1. Purpose

To define standardized procedures for managing the inventory of spare parts to ensure part availability, reduce downtime, control costs, and maintain accurate records.

## 2. Scope

This SOP applies to all personnel involved in the receipt, storage, issuance, tracking, auditing, and procurement of spare parts.

## 3. Responsibilities

- **Inventory Manager:** Oversees all aspects of spare parts inventory management.
- **Warehouse Personnel:** Handles receiving, storing, picking, and issuing of spare parts.
- **Procurement Staff:** Coordinates with suppliers and manages purchasing.
- **Maintenance Staff:** Requisitions and returns spare parts as needed.

## 4. Procedure

### 4.1 Parts Identification and Categorization

- Assign a unique part number/code to each spare part.
- Categorize parts by type, criticality, and usage frequency.
- Record item descriptions, specifications, and manufacturer details in inventory system.

### 4.2 Inventory Tracking and Record-Keeping

- Use inventory management software for real-time tracking.
- Update records promptly upon any transaction (receipt, issuance, return, disposal).
- Maintain location records for all items within storage areas.

### 4.3 Stock Level Monitoring and Reorder Point Determination

- Monitor stock balances regularly.
- Establish minimum (reorder) and maximum stock levels per item based on usage rates and lead times.
- Initiate purchase requisition when stock reaches reorder point.

### 4.4 Storage Organization and Handling Protocols

- Store parts in designated, labeled areas according to category and size.
- Implement First-In-First-Out (FIFO) or First-Expired-First-Out (FEFO) as appropriate.
- Ensure proper environmental controls (temperature, humidity) for sensitive items.

### 4.5 Periodic Inventory Audits and Reconciliation

- Conduct regular cycle counts and full physical inventories (e.g., quarterly, annually).
- Compare physical counts to system records and reconcile discrepancies promptly.
- Document audit results and corrective actions taken.

### 4.6 Supplier Coordination and Procurement Processes

- Maintain an approved supplier list.
- Request quotes, evaluate suppliers, and issue purchase orders per company policy.

- Track orders and expedite delivery for critical spares as needed.

### 4.7 Documentation of Inventory Transactions

- Record all inventory movements (receipts, issues, returns, adjustments) in the system with date, quantity, and responsible personnel.
- Retain supporting documents (delivery notes, requisition forms, purchase orders).
- Ensure traceability of all inventory transactions for audit purposes.

## 5. Records and Documentation

Record	Responsible	Retention Period
Inventory Ledger/System Records	Inventory Manager	5 years
Audit Reports	Inventory Manager	5 years
Purchase Orders	Procurement Staff	7 years
Receiving and Issuance Notes	Warehouse Personnel	5 years

## 6. References

- Company Inventory Management Policy
- Procurement Procedures Manual
- Manufacturer Storage and Handling Guidelines

## 7. Revision History

Date	Revision	Description	Approved By
2024-06-03	1.0	Initial release	Inventory Manager