# SOP: Reorder Level Monitoring and Replenishment Process

This SOP describes the **reorder level monitoring and replenishment process**, detailing the systematic approach to track inventory levels, determine reorder points, initiate purchase orders, and manage stock replenishment. It ensures optimal inventory control by preventing stockouts and overstock situations, thereby supporting continuous operational efficiency and minimizing carrying costs.

## 1. Purpose

To establish a standardized process for monitoring inventory reorder levels and executing timely replenishment to maintain optimal stock levels.

## 2. Scope

This SOP applies to all staff involved in inventory management, including warehouse personnel, inventory controllers, and procurement teams.

## 3. Responsibilities

- **Inventory Controller** â€" Monitors inventory levels and initiates replenishment process.
- **Procurement Team** â€" Places purchase orders based on reorder alerts.
- **Warehouse Staff** â€" Receives and verifies replenished stock.

## 4. Definitions

- **Reorder Level (ROL):** The minimum quantity at which a new order should be placed to replenish the item before it runs out.
- **Purchase Order (PO):** An official document sent to suppliers for procuring goods or materials.

## 5. Procedure

1. **Monitor Inventory Levels:**
   - Use inventory management system to track current stock levels.
   - Set up automated alerts for items approaching their reorder levels.
2. **Determine Reorder Level:**
   - Calculate ROL for each item based on average consumption and lead time.
3. **Initiate Replenishment:**
   - Generate a purchase requisition once ROL is reached.
   - Route requisition to procurement for approval and PO creation.
4. **Place Purchase Order:**
   - Procurement issues the PO to the approved supplier.
   - Follow up with supplier for order confirmation and expected delivery date.
5. **Receive and Verify Stock:**
   - Warehouse staff receives and inspects the replenished stock against the PO.
   - Update inventory records accordingly.
6. **Review and Adjust ROLs:**
   - Periodically review consumption rates and lead times to adjust reorder levels if necessary.

## 6. Documentation

- Inventory records/logs
- Purchase Requisitions
- Purchase Orders
- Goods Receipt Notes

## 7. References

- Inventory Management Policy
- Procurement Guidelines
- Company Quality Manual

## 8. Revision History

| Version | Date | Description of Changes | Approved by |
|---|---|---|---|
| 1.0 | 2024-06-15 | Initial SOP release | Inventory Manager |