

6. PROCUREMENT AND MATERIAL HANDLING

Today when the delivery schedules are short and the building strategies are streamlined to ensure a short building time, the importance of procurement work has increased.

6.1 Purpose

The purpose of procurement work is to:

- ensure that the design information is available for the basic engineering team on time,
- ensure that material is available when needed by production,
- ensure that the most suitable equipment is selected for the project regarding:
 - technical aspects
 - relevant rules and regulations
 - commercial aspects

6.2 Organisation

Procurement handling is an integrated part of the basic engineering work. In order to succeed there must be a close co-operation between procurement and engineering to ensure an uninterrupted information flow.

This makes a short handling period from inquiry to order possible.

6.3 Schedules

For a major part of the main equipment the material delivery schedule is no more ruling the order decision alone. Because of that basic design schedule, master schedule and building strategy need to be co-ordinated with procurement from the very beginning.

6.4 Typical scope

The number of main items varies from about 60 to 100 depending on the type of ship.

Our scope of work is:

- to define the items and make inquiries
- inquiry follow-up
- to compare and analyse the quotations technically and commercially
- to provide a firm basis for further commercial negotiations.

6.5 Reporting

The material delivered to the client is:

Purchase file

1. Main notes:
Matters, which specially need to be noted by the client, before final order decision is made.
2. Comparison table:
A table where all main data is collected and compared.
3. Quotations:
Latest relevant information from the suppliers (quotations, notes, phone memos, etc.)
4. Inquiry
5. Addendum:
General technical requirements from the ship specification

Follow-up schedule

1. Procurement handling period for each item
2. Progress
3. Milestones:
Inquiry out, Quotations requested, Quotations received, Purchase file to client, Planned order, Order placed.