

Internal Use

1. Introduction

This process aims to give guidance on how to manage rehired equipment that is not sent back to suppliers when off hired, but held for future upcoming hires, and to reduce the risk of associated invoice queries.

2. Responsibilities

Direct Solutions Manager	Overall responsibility for the Consignment Stock process.
Hire Desk Controller	Day to day responsibility for the Consignment Stock process.

3. Procedure

- 3.1** Customer Off hires item of xhired plant from RH8 contract. Off hire processed on Syrinx as normal & off hire reference generated from Syrinx is given to customer. Any email communication regarding off hire dates/numbers is dropped into the documents tab of the contract.
- 3.2** Direct Solutions Hire Desk then off hires xhired item with supplier obtaining their off hire reference and advising we have 5 x working days under CPA to collect and return to them. All emails referring to supplier off hire dates/references to be dropped into the documents tab of the contract.
- 3.3** If it is decided that we require the item of plant for another upcoming hire and do not wish to return to the supplier, then a new internal contract is to be raised under RH8 dept on new account LYN016 (Consignment stock).
- 3.4** The customer PO ref will be blank but the start hire date and address (which will be the depot location either Hemel to Northampton) must be accurate so we can track costs and at which depot the assets are standing.
- 3.5** Notes must also be added in the details tab of the new contract to state the previous hire contract this was on, so we have a trail between the 2 – see step 6 for reverse.
- 3.6** If we use suppliers own fleet numbers, we must also list these on all contracts which will also help tracking across multiple internal and external customer hire contracts).
- 3.7** The RHP code for rehired plant is to be used as normal when entering on the LYN016 contract. A new nominal code (ref 201016 for “strategic standing”) has been raised which will be manually edited by Lynch accounts dept at the point of invoice for all internal hires on the LYN016 account.

(The code cannot be changed in the normal way by editing the charges line due to how Syrinx pulls info from the RHP code). This new nominal code will allow us to track any charges of this nature on the RH8 P&L and then journal across any charges accordingly.

- 3.8** A covering PO under RH8 (No longer PHH) to the xhire supplier is then linked and sent to the supplier via email.

NOTES

We must try save ourselves some money at this point and try to use as much of the 5 days CPA as we can before confirming a new start hire date for this (E.g. if we off hired on Monday 06.12.21 and had another hire on Monday 13.12.21, then advise supplier the new hire starts on 13th and we may not have any standing charges to pay as we have those 5 days between Tuesday 7th to Friday 10th to collect).

Alternatively see if the supplier will allow a 2/3 standdown rate rather than full price (E.g. 30t ADT was on hire for £1200 pw, will they do a 2/3 rate @ £800 pw in between hires?)

Again all email communication between Lynch and supplier on this to be dropped into the documents tab in case of future invoice queries. If we list full dates and prices agreed on email, then we will be able to reduce queries and not pay unnecessary costs later down the line.

- 3.9** When the xhired item is then returned to the depot from the collection request and we have checked for damages and fuel charges as per the standard current process, the original unconfirmed off hire for the hire contract to the previous customer can then be hard offhired on Syrinx with notes in the details tab under “internal notes” to refer to its new “Consignment stock” hire contract

NOTES

EG original hire contract RH8-12345 offhired on 06.12.21, new contract for consignment stock from 09.12.21 allowing for 3 days of the 5 to collect under CPA is now RH8-123456.

- 3.10** Run an automated daily on hire report for all hires on LYN016 that circulate to DS and North/South depot/Ops Managers each morning.

NOTES

The report will show which xhired plant we have standing at any time with the correct on hire date, and where its located. This will allow us to track how many days each item has been standing. We can also track any associated costs (as per step 3.7 above) but we must follow the previous steps accurately or the process will not work (if you don't raise a covering consignment contract it could be forgotten about as we had on a few incidents in 2021).

- 3.11** The same procedure can also be applied to any xhired hires that have been postponed

NOTES

Eg. Xhired 30t ADT bought in for a hire for Monday 06.12.21 but customer delays for a week due to bad weather). In these instances we should also be advising the Lynch customer that they may be liable for any standing charges (this will generally be KA clients, so a conversation needs to take place).

- 3.12** When the new chargeable hire date to Lynch customer is confirmed (EG has been on consignment stock internal contract from 09.12.21 and new start hire date of Thurs 16.12.21 is confirmed) then raise a new hire contract from the new start hire date.
- 3.13** Close down the interim consignment stock contract with email notice to the supplier with new start dates and new cover RH8 PO as per normal hire procedures.

NOTES

Again any emails to this effect are to be dropped into the documents tab of both contacts and internal notes on consignment stock contract amended to show its new hire contract ref (EG Stock consignment contract RH8-123456 from 09.12.21 to 15.12.21 now transferred to new hire contract RH8-123457).