



MANAGER'S DIRECTIVE

MD-2/January 4, 2008

Rev Jan 1, 2011

Rev Nov 22, 2014

Rev Jan 28, 2015

To: Flagship FastLube Management Team and Staff

Subject: OIL ORDER PROCEDURES

The Manager of each shop has the responsibility to order all oils and lubricants used in their shop, and will ensure that adequate quality is on hand at all times to service the vast majority of all makes and model of passenger cars and light trucks.

Flagship FastLube is contracted with Shell Lubricants and Island Oil & Supply Company, INC (IOSCI) to supply us with all of our oil and lubricant needs, i.e. all grades of motor oil, transmission fluids, gear oil, greases, and other miscellaneous oils, greases and lubricants as well as some additives and chemicals. To the greatest extent possible all oil and lubricants will be ordered through IOSCI. Only on very rare and critical situations will any oil or lubricant be ordered from any other supplier. Any oil or lubricant product that cannot be routinely provide by IOSCI will be negotiated with another supplier by Chris Price(COO), until IOSCI is able to acquire and supply the product.

Ordering Oil and Lubricants:

Using the inventory and usage information provided by the LubeSoft (ISI) System, Managers will be aware the quantity of each product their shop uses each week. Based on usage and the amount of on hand inventory the Manager will place an order with IOSCI each week to ensure ample supply is on hand for the coming week.

The Manager will place the Oil/Lubricant order with IOSCI every Wednesday morning with delivery the following day, Thursday. In the event Thursday is a Holiday the Manager will ensure the order is placed on Tuesday morning with delivery on Wednesday.

The attached order form will be used for submitting all orders to IOSCI. The order form will be completed, signed and dated by the Manager ensuing a Purchase Order Numbers is assigned from the shop's Purchase Order Log Book in accordance with Manager's Directive-1. The form will be placed in the company's electronic drop box

prior to 10:00 am each Wednesday. The office staff will consolidate the order and transmit to IOSCL before 12:00 pm. Only Chris Price will have the authority to change any amount on the order from and will communicate directly with the manager before the change is made.

Receiving Oil and Lubricants:

When the oil and lubricant order is delivered the Manager will verify all products and quantity received are correct by using a copy of the order form that was completed and submitted the day before. Also verify each item ordered is on the “delivery slip” provided by the delivery driver. Sign delivery slip once verifications are made and enter the delivery slip number into the Purchase Order Log Book that coincides with the PO# for the order.

The Manager will ensure that the delivery of bulk oil is closely supervised, ensuring that the delivery hose is securely connected to the storage tank before the valve from the truck or tote is opened. Manager will also verify that adequate room is available in the tank to hold the oil being received. Once the delivery is complete the hose will be removed from the tank ensuring that no residue is spilled on top of the tank or surrounding area. Any amount of oil regardless of the amount will be thoroughly cleaned by IOSCI personnel before they depart the premises. This procedure will be duplicated for each bulk delivery being received.

Put away and stow all products received in a timely manner ensuring no product is left unattended at any time. All products must be properly stowed before the close of business of the day of delivery.

Enter the all product received into the LubeSoft (ISI) system immediately so the shop’s inventory is correct. Update pricing changes as necessary. Print the ISI “Inventory Received Report” showing the total inventory of all products received.

Ensure the subtotal on the IOSCI invoice matches the LubeSoft ISI inventory report. Make any MINOR adjustment as required. Sign the oil order form signifying that that all products have be entered into the LubeSoft (ISI) System

Staple the completed oil order form, the delivery order form, and the LubeSoft (ISI) inventory report together and send to the office with the other daily paperwork.

Ricky E. Price
Owner/Chairman
Flagship Fastlube