

Preceded by: 4-Art Program Development (AVPM1)

## 4a-Purchase Order Creation (OS3)

Followed by: 5-Manuscript Turnover from Editorial (PM3)

**Why:** All production tasks that are charged to plant or manufacturing must have a purchase order created before work can commence.

**Who:** Operations Specialist,, All Production Teams, Various Editorial Staff

**Skills Needed:** Vendor evaluation skills

**Knowledge Base Needed:** CES, WIP, RADAR, SAP

### TASK: Creating Custom Purchase Orders

This procedure is for the creation of plant (462XXX) purchase orders other than Print & Bind orders (See: CES Guide).

- Editorial, **Project Management, Design, Media**, and Operations staff with access to CES will generate a purchase order (PO) for a task to be charged against plant (462XXX). (Standard templates will be created, maintained, and accessed in CES.)
- Before creating a Custom PO, staff must confirm that:
  - The project is included in the final approved copyright year list
  - Sufficient funds are available in the budget for the required task.
- Custom POs must be created in CES for all work that is charged to plant. Commitments must be captured in **advance** of the work to accurately forecast and properly manage plant spending. The PO must be prepared and approved by the team member commissioning the work. The Operations Specialist (OS) finalizes the PO (if the PO is for more than \$5,000) **before** work begins.
- Custom POs have been standardized and include:
  - PHHE PROJECT MANAGEMENT – TestGen
  - PHHE PROJECT MANAGEMENT – Production Tasks
  - PHHE MEDIA – Media Project Management
  - PHHE OPERATIONS – Full Service Vendor
  - PHHE DESIGN – Interior and Cover
  - PHHE DESIGN – Supplement Packaging
  - PHHE DESIGN – Cover
  - PHHE DESIGN – Interior
- All POs must contain instructions to vendors to include a copy of the purchase order when submitting their invoices.

*NOTE:* An ISBN for the **next edition** must be obtained before a PO can be issued. Work on the next edition cannot be charged to the previous edition.
- All POs require an OS signature to be official. The editorial staff **DOES NOT** have the authority to independently contract for work that is charged to plant.
- The OS tracks the total amount of plant spending and commitments against the latest BP1 budget to ensure that sufficient funds are available for the work. The OS places a copy of the purchase order in the project file. The financial commitment is recorded in CES once the PO is finalized.

- PIMS provides Custom PO snapshot for quick reference, however complete PO analysis should be done within CES.

PRODUCT	PRODUCTION	DESIGN	VISUAL	TEAM	SCHEDULE	BUDGET	MANUFACTURING	MEDIA	REPRINTS	PO
Overview <a href="#">Create/Edit PO</a>										
:: OVERVIEW										
PO Number	Vendor	PO Status	PO Type	PO Date	Delivery Date	PO Value				
<a href="#">0410763457</a>	Fallsafe Media Co./Lake Zurich	Finalized/Released	Custom PO	11/20/2006	11/20/2006	\$29.55				
<a href="#">0410406397</a>	Gustavo Fernandez	Finalized/Released	Custom PO	11/03/2003	11/03/2003	\$37.50				
<a href="#">0410614157</a>	Integra Software Services, Ltd.	Finalized/Released	Custom PO	08/18/2005	08/18/2005	\$629.20				
<a href="#">0410816812</a>	Laserwords Private Ltd.	Finalized/Released	Custom PO	05/01/2007	04/28/2007	\$229.60				
<a href="#">0410530720</a>	S4Carisle	Finalized/Released	Custom PO	01/07/2005	01/07/2005	\$8,148.80				
<a href="#">0410600422</a>	Third Level Media	Finalized/Released	Custom PO	07/12/2005	08/12/2005	\$8,000.00				
<a href="#">0410600442</a>	Third Level Media	Active	Custom PO	07/12/2005		\$0.00				
<a href="#">0410344359</a>	Triple SSS Press Media Development,	Finalized/Released	Custom PO	04/22/2003	04/22/2003	\$2,000.00				
<a href="#">0410777326</a>	Workflow Data Systems	Finalized/Released	Custom PO	01/02/2007	01/02/2007	\$200.00				
<a href="#">0410897909</a>	Leafstone	Finalized/Released	MultiTitle CPO		11/28/2007	\$22.54				
<a href="#">0410796831-1</a>	Fallsafe Media Co./Lake Zurich	Finalized/Released	P&B PO	03/05/2007	04/13/2007	\$1,485.00				
<a href="#">0410796830-1</a>	Phoenix Color Corp./Hagerstown	Finalized/Released	P&B PO	03/05/2007	03/30/2007	\$911.59				
<a href="#">0410796829-2</a>	R.R. Donnelley J. Willard	Finalized/Released	P&B PO	03/05/2007	04/13/2007	\$6,789.47				
<a href="#">0410796832</a>	Shorewood/Canada	Finalized/Released	P&B PO	03/05/2007	04/13/2007	\$270.00				

- Only one PO is necessary for work that includes several partial payments over an extended period of time.
- OS creates Full Service Vendor POs, however if an **In-House Project Manager (PM)/Liaison** secures a copyeditor directly, then the **In-House PM/Liaison** creates the copyediting PO.
- OS should verify that those issuing POs in CES know that they must fill out:
  - author
  - full title
  - discipline code
  - source code
  - business division
  - product code
 on the Title Master tab in CES.

PCS < Production >

Title Information : ISBN13: 9780135145289 Vendor: Hamilton Printing Co.

Select the Information to Display or Edit

Title Master     Printing     Versions     Component

Title

ISBN  Title Code

Title Abb.

Author Abb.

Author

Title Descr

Title Status

Edition

Product Type

Disc. Code

Bar Coded

Std Case Qty

Copyright

Instock Date

UPC Code

Business Div.  Discipline Code

Product Code  Source Code

Co/Entity

Title Associations

Find... Copy... New... Delete Title Browser Print Edit Save Close

On the Printing tab in CES, OS must make sure that the OS name is selected in the Mfg. Buyer area. If the OS name is filled in here, it will appear on the bottom of the PO. **No one else** should be putting his or her own name at the bottom of the POs. The name at the bottom of the PO should always be an OS.

*NOTE:* These policies apply regardless of the copyright year of the project.

**TASK: Amending Purchase Orders**

Because specifications can change and unexpected costs can arise, there will be instances in which an issued PO no longer accurately reflects the current cost or scope of work. Amended POs are critical in ensuring that costs reflected in the budgets are up to date. For example:

- Any PO in which the total will be exceeded by more than 10% MUST be amended to reflect the current scope of work and pricing.
- Specification changes (change in page count, pieces of art to be drafted, etc.)
- Additional services being requested.
- Final Full-Service Vendor (FSV) or Composition PO once all specs (that affect the costs) are finalized and approved.