

Greater Cleveland Regional Transit Authority

RECOMMENDATION FOR SUPPLY CHAIN SERVICES FOR THE PARATRANSIT MAINTENANCE GARAGE FACILITY

Presented to: Operations Committee
October 21, 2014

Paratransit Maintenance

- Maintains 300 Vehicles
 - 80 Paratransit
 - 220 Assorted Support Vehicles



Greater Cleveland Regional Transit Authority

HISTORY

- A 2008 study concluded the RTA could benefit from contracting supply chain services and inventory parts.
- Contract awarded to Genuine Parts Company, d.b.a. NAPA, for three (3) years with an option for two (2) additional one (1) year periods.
- Contract commenced operation in December 2009 and expires November 2014.

Performed a Cost-Benefit Analysis to determine if it was advantageous to continue the supply chain service.

The review committee consisted of representatives from:

- Paratransit Operations
- Office of Management and Budget
- Inventory
- Procurement

PROJECT REVIEW

Cost-Benefit Analysis

- Labor Costs
- Material Costs

Lessons Learned

- Reduced inventory investment
 - GCRTA pays for parts when installed
- Eliminated purchase of parts that may become obsolete.
- Reduced administrative and handling Costs
- Increased parts availability at reduced costs
- Took advantage of National Supply Chain Resources

Benefits

- Increased shop productivity
- 92% average in “just in time” stock position
- Non-stock requests filled within 24 hours
- Inventory value decreased by 50% over the past five years

Based on our analysis, we recommend continuing with our current supply chain model

PROCUREMENT OVERVIEW

Scope of Services

- To provide replacement parts, as required and as needed for the Paratransit Vehicle Maintenance Garage Facility.
- Supply chain services will include delivery of all parts and supplies to the facility, storage, and distribution to Authority personnel.

PROCUREMENT OVERVIEW

- RFP issued on July 7, 2014
- RFP downloaded by 20 potential vendors
- Two (2) vendors responded

PROCUREMENT OVERVIEW

- Evaluation Panel Members:
 - Office of Management and Budget
 - Paratransit Operations
 - Inventory
 - Procurement

PROCUREMENT OVERVIEW

- Evaluation Criteria:
 - Proposed Strategy, Implementation and exit plan
 - Ability to reduce and control supply chain costs
 - Prior experience in similar environment overseeing daily inventory and distribution of parts.
 - Flexibility of program to operate in GCRTA environment

PROCUREMENT OVERVIEW

Recommended Vendor:

- Genuine Parts Company
- DBE Goal 0%

PROCUREMENT OVERVIEW

Genuine Parts Experience:

- RTA vendor since 2009
- Over 250 clients that contract for their services including school districts, municipalities, counties, state government, and private industrial fleets.

PROCUREMENT OVERVIEW

Clients include:

- City of Chicago, Chicago, IL
- Chicago Transit Authority, Chicago IL.
- City of Sacramento, CA.
- City of Dublin, OH.
- Southwest Airlines, Dallas, TX.

PROCUREMENT OVERVIEW

Recommendation:

Staff requests that the Operations Committee recommend award to Genuine Parts Company to provide certain supply chain services to the Vehicle Maintenance Garage at the Paratransit Facility, for a period of three years in an amount NTE \$2,434,391.00 with two, one-year options in amounts NTE \$859,777.00 and \$885,571.00, respectively, for a total contract amount NTE \$4,179,739.00.