CTA Central Warehouse

The CTA has one Central Warehouse Distribution facility which is 330,000 sq. feet, open 6 days a week and has 2 shifts per day.
CTA Supply Chain Warehouse

- 4 Satellite Warehouses
- 2 Storerooms (Bus and Rail Heavy Maintenance)
- 7 Bus Garage Stockrooms
- 8 Rail Terminal Stockrooms
- 2 Core (rebuild cores) Warehouses

Total Number of Supply Chain Employees: 127
PURPOSE OF THIRD PARTY VENDOR AGREEMENT

• Improve the availability of material for bus, rail and facility maintenance.
• Upgrade warehousing technology with electronic bar-coding
• Prevent the build-up of obsolete inventory going forward
• Facilitate the resale of unused material at the central warehouse.
• Increase DBE participation
In November 2012, the CTA Board approved a 5 year agreement with one, three year option with a Third Party Vendor in order to cut costs, modernize operations and improve the management of CTA’s inventory.
## Improved Availability of Material

<table>
<thead>
<tr>
<th>Year</th>
<th>Average HFM Per Day - Bus</th>
<th>Avg. Fleet Size - Bus</th>
<th>HFM/Fleet Size – Bus (%)</th>
<th>Average HFM Per Day - Rail</th>
<th>Avg. Fleet Size – Rail</th>
<th>HFM/Fleet Size – Rail (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>24</td>
<td>1,855</td>
<td>1.29%</td>
<td>9.1</td>
<td>1,310</td>
<td>0.69%</td>
</tr>
<tr>
<td>2014</td>
<td>30.8</td>
<td>1,849</td>
<td>1.67%</td>
<td>18.2</td>
<td>1,368</td>
<td>1.33%</td>
</tr>
<tr>
<td>2015</td>
<td>27.3</td>
<td>1,883</td>
<td>1.45%</td>
<td>13.7</td>
<td>1,480</td>
<td>0.92%</td>
</tr>
<tr>
<td>2016</td>
<td>18.2</td>
<td>1,861</td>
<td>0.98%</td>
<td>9.4</td>
<td>1,463</td>
<td>0.65%</td>
</tr>
<tr>
<td>2017</td>
<td>16.5</td>
<td>1,857</td>
<td>0.89%</td>
<td>10.3</td>
<td>1,451</td>
<td>0.71%</td>
</tr>
<tr>
<td>2018*</td>
<td>9.0</td>
<td>1,838</td>
<td>0.49%</td>
<td>8.3</td>
<td>1,449</td>
<td>0.57%</td>
</tr>
</tbody>
</table>

* 2018 Year to Date data through March
## Decrease in CTA Inventory

<table>
<thead>
<tr>
<th>Inventory</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>CTA Inventory (2012)</td>
<td>$101 million</td>
</tr>
<tr>
<td>CTA Inventory (2018)</td>
<td>$47 million</td>
</tr>
<tr>
<td>3\textsuperscript{rd} Party Inventory (2018)</td>
<td>$28 million</td>
</tr>
</tbody>
</table>
IMPROVED USE OF TECHNOLOGY

Carbon paper

Bar Codes

Scan Guns
Resale of Obsolete Inventory

CTA recovered $588,000 in sales of obsolete inventory back to suppliers.
DBE spend on parts has increased from 12% in 2012 to 30% in 2018.
IMPLEMENTATION

• Moved contracts from CTA to Third Party Vendor on a rolling basis
• Initial purchases from same vendors that CTA had under contract
• Continued with same vendor until prices rose by 10% or more
• First issue automatically routed through Third Party Vendor
• Tried but failed to interface CTA’s ERP system with Third Party Vendor’s inventory management software.
• Began the use of scan guns on Third Party Vendor’s inventory then rolled out to CTA’s inventory.