

New Flyer



DBE Participation in Transit Vehicles

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MANAGEMENT LEARNING ZONE



#1 Heavy-Duty Transit Bus Manufacturer



- Largest installed base of transit buses in North America – 32,000
- Manufacture 2,500 Equivalent Units (EUs) per year.
 - Approx. 80% in US, 20% in Canada.
- 4 Bus Manufacturing Facilities
- Industry-leading Service and Support network including Parts Distribution centers

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Transit Bus Product Offering



New Flyer's Product Line Up

Xcelsior®
60'



Xcelsior®
35', 40'



MiDi®
30', 35'



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New Flyer Locations



- Bus Operations
- Aftermarket
- Service Centers



NEW FLYER
Fresno, CA
Parts Distribution Center

NEW FLYER
Los Angeles, CA
Service Center
NABI
Combined in Q1-14

NEW FLYER
Winnipeg, MB
Parts Fabrication
Bus Assembly

NEW FLYER
Winnipeg, MB
New Product Development
Parts Distribution Center

NEW FLYER
Brampton, ON
Parts Distribution Center

NEW FLYER
Arnprior, ON
Service Center

NABI
Delaware, OH
Parts Distribution Center

NEW FLYER
Hebron, KY
Parts Distribution Center

NEW FLYER
Crookston, MN
Bus Assembly

NEW FLYER
St Cloud, MN
Bus Assembly

NEW FLYER
Elkhart, IN
TCB Parts Fabrication

NABI
Anniston, AL
Bus Assembly

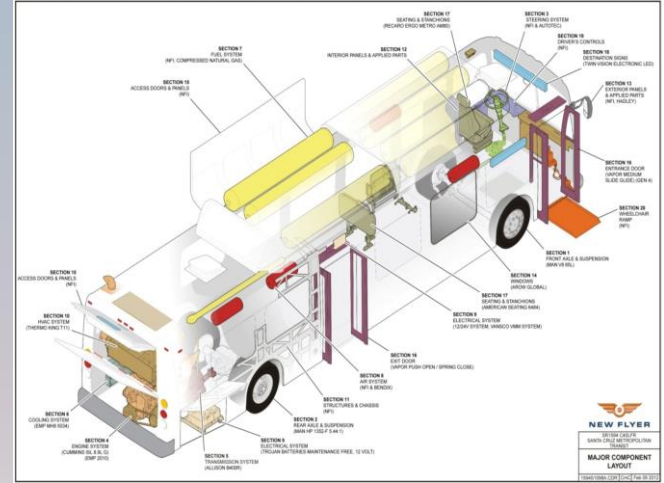
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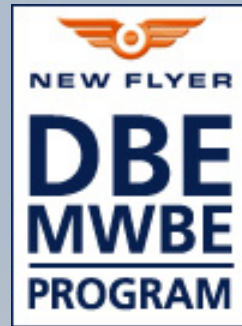
Supply Chain - a Key Value Driver

Stats

- 5,000 components per bus
 - 200+ suppliers
 - 80% of product costs
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- Most critical systems that drive customer value and satisfaction are purchased components
 - Seek to partner with best in class suppliers and drive continuous improvement



Supply Chain - a Key Value Driver



- Supplier delivery needed for execution to schedule
- Supplier quality needed for customer satisfaction
- Supplier support needed for the life of the vehicle
- Total cost evaluation

Core Operating Principle : Supplier Partnerships



- Select best in class suppliers
- Collaboration to optimize our Products and provide;
 - **Best Value for our Customers**
- Suppliers integrated into our Business
 - B2B, JIT, On-Site

New Flyer DBE Program



- Continuous effort to ensure DBE opportunity and participation
- Annual Goal of DBE participation is set and monitored
- 3 methods to encourage DBE participation
 - Supplier selection process
 - Tendering new contract requirements
 - Participation at our Tier 2 suppliers

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DBEs in our Supplier Selection Process



- Team dedicated to sourcing/validating new Suppliers
- Focus on long term relationships
- Supplier performance is critical;
 - Delivery, Quality, Cost, Service, Aftermarket, Engineering
- Technical Specifications must be met
- **Inability to change suppliers on a contract by contract basis**



TVM Perspective: Accomplishments

- Significant DBE participation occurs under the program
- Have seen several DBE's grow out of the program
- We do add new DBE suppliers to the New Flyer supply base each year
- Increased DBE participation at Tier 2 level

TVM Perspective: Challenges

- Contract specific goals
- Extent of the transit bus \$ a DBE can supply
- Expectations on the TVM goal %
- Finding capable and qualified DBEs
- Tier 2 participation
- Reporting / Goal Setting methodology
 - Ex. NAICS codes vs. capabilities



Thank You

David White, EVP Supply Management

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