



Chicago Transit Authority

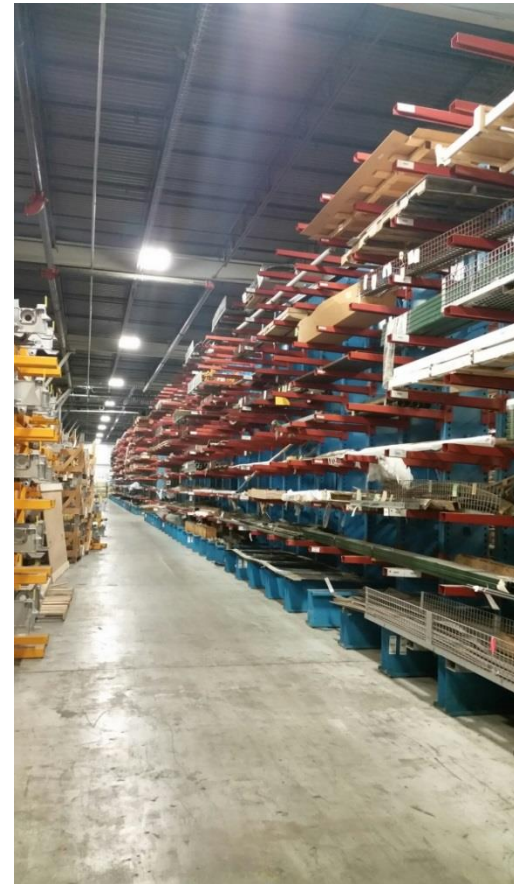
**APTA RAIL CONFERENCE
DENVER, COLORADO**

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June 12, 2018

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

CONTRACT

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

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

* 2018 Year to Date data through March

DECREASE IN CTA INVENTORY

| Inventory | |
|----------------------------------------|---------------|
| CTA Inventory (2012) | \$101 million |
| CTA Inventory (2018) | \$47 million |
| 3 rd Party Inventory (2018) | \$28 million |

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

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.

