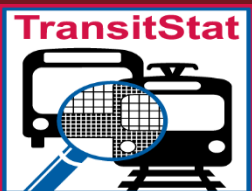


Supply Chain Management

Vendor Performance Management

By: Ryan Fogliano

RTA Mission:
To Provide
Safe, Reliable, Clean, and Courteous
Public Transportation

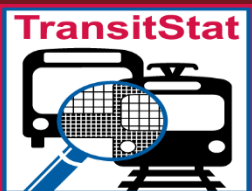


Greater Cleveland Regional Transit Authority



Purpose

- RTA prides itself on providing safe reliable public transportation. What if I said, we can help improve the safety and efficiency of our authority with a simple Vendor Management Tool. With the help of our IT department we can turn simple data into a meaningful report that can help eliminate faulty vendors and increase vendor performance. With this vendor management tool we will have the ability to promote quality products and on time deliveries while decreasing RMA's and financial waste due to lost time and service to our customers. Our main goal with this tool is to improve the RTAs ability to provide safe reliable transportation by creating a more efficient service strategy.



Vendor Performance Metric Tool

- **Quality**: Correct line item was delivered with correct specifications by correct date.
- **Quantity**: Correct quantity of line items were correctly shipped as ordered by correct date.
- **On Time**: Each line item received on or before the vendors promise to deliver date

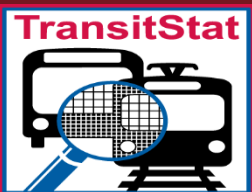


Desired Project Outcomes

- Encourage vendors to meet performance expectations.
- Allow a vendor the opportunity to improve performance.
- Provide sufficient documentation to avoid repetitive, non-conforming vendors.

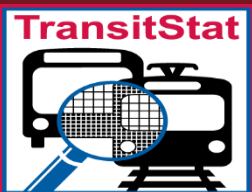
“Good suppliers are made, not born”

Juan Carlos Villa and Joseph Schofer



What's at stake for GCRTA?

- Increase revenue, decrease expenses
- Enhance customer experience
- Increase service efficiency and achieve good state of repair
- Achieve a safety culture



Approach

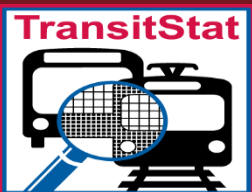
- Create an action PLAN

Purpose

Leaders

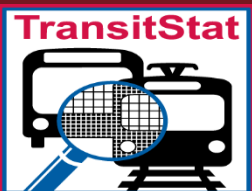
Actions

Needs



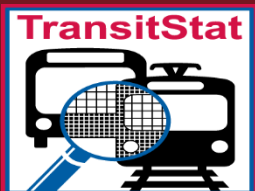
Phases

- PHASE 1: Information Gathering
- PHASE 2: Observation and Learning
- PHASE 3: Designing and Implementation
- PHASE 4: Testing and Evaluation



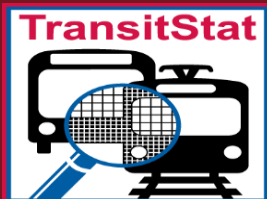
Phase 1: Action Items

	What	Who	When	Status	Notes
PHASE 1	Develop PLAN	Sam Ryan Michelle	6/6	Complete	Identify Purpose, Leaders, Action Steps, and Needs
	Identify key stakeholders	Sam Ryan Michelle	6/12	Complete	Who is impacted by vendor performance? <ul style="list-style-type: none"> • Procurement • Accounting • Quality assurance • IT/Internal audit to create dashboards
	Clearly define and develop project deliverables	Sam Ryan Michelle	6/12	Complete	Create Performance Metric Tool that <ul style="list-style-type: none"> • Collects and analyzes data • Can communicate and make recommendations to vendors. • Measures (document error, quantity, quality, internal error (See KPI's)
	Define components and tools that will be needed in the process	Sam Ryan	6/12	Complete	<ul style="list-style-type: none"> • Ultramain • Oracle • Excel



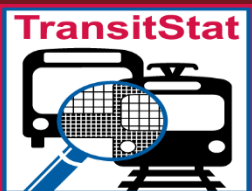
Phase 1: Action Items

PHASE 1	What	Who	When	Status	Notes
	Identify and define KPIs (metrics)	Sam Ryan Michelle	6/12	Complete	<ul style="list-style-type: none"> • Delivery issues • On time performance <ul style="list-style-type: none"> • Did vendor ship the correct items, in correct quantity • Performance insights • Reliability <ul style="list-style-type: none"> • Does material meet our specifications, is it usable for what was ordered? • Was material delivered when it was promised
	Define performance expectations for project and vendors, create a baseline	Sam Ryan Michelle	6/21		Areas of competency and performance standards vendors are expected to meet.
	Identify data collection instruments and tools	Sam Ryan	6/21	Complete	Will information come directly from suppliers? From internal systems? From internal users or stakeholders?
	Create PowerPoint for first presentation	Sam Ryan	6/14	Complete	Use deliverables



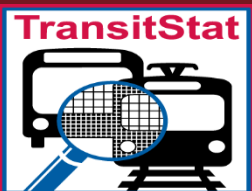
Progress

- PLAN created
- Literature Review of VPM's
- Identification of key stakeholders, tools, and technology
- Created spreadsheet with quantity and quality data
- Identification of performance measures



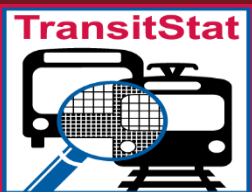
Phase 3: Design and Implement

- Created a Vendor Scorecard
- Designed “Score” calculator
- Created interactive dashboard



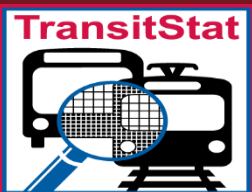
What data to collect and how?

- UltraMain and Oracle reports
 - Line item by transaction number
 - Track quantity ordered and received
 - Promise date versus received date
 - Quality discrepancies



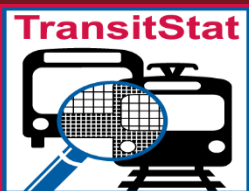
How is vendor **performance** calculated?

- **Quality**: number of line items with quality discrepancies over total amount of line items
- **Quantity**: number of line items with incorrect delivery amounts over total amount of line items
- **On Time**: Number of items delivered later than promise date over total items



Scorecard

Vendor	Quality	Quantity %	OTD %	Total Average	Score
CUMMINS BRIDGEWAY LLC	98.80%	85.00%	75.00%	86.27%	4.67
WABTEC CORPORATION	100.00%	97.50%	87.50%	95.00%	4.67
MOHAWK MFG & SUPPLY CP	100.00%	90.00%	67.50%	85.83%	4.33
W.W.Williams	100.00%	67.50%	37.50%	68.33%	2.67
BOSTWICK-BRAUN CO.	96.43%	77.50%	65.00%	79.64%	3.67
THE AFTERMARKET PARTS COMPANY LLC	99.00%	77.14%	65.71%	80.62%	3.67
H. LEFF ELECTRIC COMPANY	97.87%	80.00%	55.00%	77.62%	3.67
GILLIG LLC	99.00%	77.50%	40.00%	72.17%	3.00
SERVCO PRODUCTS INCORPORATED	100.00%	95.00%	12.50%	69.17%	3.33
MUNCIE RECLAMATION & SUPPLY	98.50%	95.00%	87.50%	93.67%	4.67

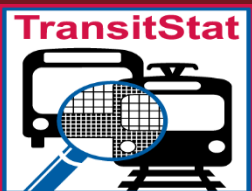


Score Calculator

Adjust "Average"
to calculate score

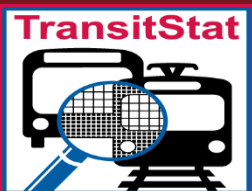
Score Calculator			
Metric	Average	Value	Score
Quality	99.00%	4	
Quantity	88.00%	2	
On Time	75.00%	3	
Total		9	3.00

Adjust vendor Average per metric for score



What is a “Good Performance”

- Average
 - Meeting expectations: **90.0 or More**
 - Below Expectations: **80.0 – 89.9**
 - Not Meeting Expectations: **Less Than 80.0**



How is **Score** Calculated?

Points
4pts
3pts
2pts
1pts
0pts

Quality
99-100%
97-98%
95-96%
93-94%
>92.9%

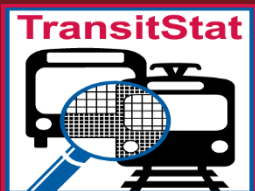
Quantity
95-100%
90-94%
85-89%
80-84%
>79.9%

On Time
80-100%
60-79%
40-59%
20-39%
>19.9%

Avg. →
Points →

Quality	Quantity	On Time
99.00%	77.50%	40.00%
4 pts	0 pts	2 pts

$4 + 0 + 2 = 6 \text{ pts}$ $6 \text{ pts} / 3 \text{ Metrics}$ **2.00 POINTS**



What does the data tell us?

Overall

Quality	Quantity	OTD	Average	Score
98.61%	85.62%	50.69%	78.31%	3.65

On Time

Expected to be
greater than 90%



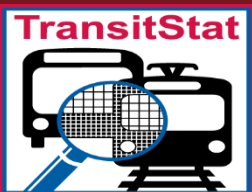
Total Score

Expected to be
greater than 4.00



Next Steps

- Address challenges and Improve processes
 - Sustainability of project
 - Create Real Time Reporting
 - Oracle to send Promise to Deliver date to UltraMain
 - Validity of data
 - Ensure promise to deliver date is accurate in Oracle
 - Reliability
 - Implement processes to ensure metrics are easily tracked



Copy and Paste each Trx No from spreadsheet to Oracle

Vendor ID	Item	Trx No	Trx Date	Award Description	Quantity Ordered	Quantity Received	Correctly shipped	QTY Target	Promise Date	Received Date	On Time	OT Target
134083	7522080D	39-CBM-PR0158947	1/2/2019	31807136-1-1		12				1/2/2019		
134083	9249806	39-CBM-PR0161672	6/24/2019	31903013-1-1	10	10	Y	1	7/19/2019	6/24/2019	Y	1
134083	9226622	39-CBM-PR0161712	6/25/2019	31902786-1-1	4	4	Y	1	7/5/2019	6/25/2019	Y	1

Shop Requisitions Receiving

Receiving | Work Confirmations

Receiving: Receiving >

View Receipts

Receipt Created By

Include people from all organizations

Items Received
(For additional search criterion when selecting Items Received Any Time)

Receipt

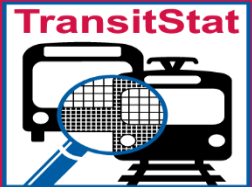
Requisition Number

Order Number

Supplier

Receipt	Requisition	Description	Quantity	Unit	Transaction Date	Supplier	Order Type	Order Number	Ordered
39-CBM-PR0158947	SR0110713	SOLOINOID NIPPLE ASSY.			2019	THE AFTERMARKET PARTS COMPANY, LLC	Purchase	31807136	2
39-CBM-PR0158947	SR0110712	BALANCER, EHAHAUST VIBOL OEM # 127-310-SCA-C05-C05 AVAILABLE FROM VOA CORPORATION			2019	THE AFTERMARKET PARTS COMPANY, LLC	Purchase	31807136	10
39-CBM-PR0158947	SR0110734	RUBBER BLOCK, SHOCK MOUNT GROMMET; FRONT & REAR, 22/23/2400 NABI	12	Each	07-Jan-2019	THE AFTERMARKET PARTS COMPANY, LLC	Purchase	31807136	12

Search and then select the item



Receiving: Receiving > View Receipts >
 Requisition SR0110713

[Copy To Cart](#)

Description **SOLONOID NIPPLE ASSY.,,ACCUMULATOR; 3200 NEW FLYER**
 Created By **Pflug, Joseph Lee**
 Creation Date **19-Dec-2018 06:37:45**
 Deliver-To **GCRTA CBMF WAREHOUSE 2500 WOODHILL ROAD CLEVELAND, Ohio, OH, 44104**
 Justification

Status [Approved](#)
 Change History **No**
 Urgent Requisition **No**
 Attachment **None**
 Note to Buyer

Select Order Number

Details

Line	Description	Need-By	Deliver-To	Unit	Quantity	Qty Delivered	Qty Cancelled	Open Quantity	Price	Amount (USD)	Details	Order
1	SOLONOID NIPPLE ASSY.,,ACCUMULATOR; 3200 NEW FLYER	28-Dec-2018 00:00:00	CBMF WAREHOUSE	Each	2	2	0	0	323.01 USD	646.02		31807136
Total										646.02		

Shop | **Requisitions** | **Receiving**

[Requisitions](#) | [Notifications](#) | [Approvals](#)

Receiving: Receiving > View Receipts > Requisition SR0110713 >

Standard Purchase Order: 31807136, 0 (Total USD 5,955.38)

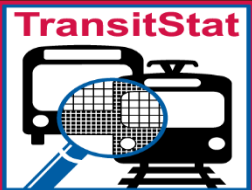
Currency=USD

Actions [View Receipts](#) [Go](#) [0](#)

Order Information

General		Terms and Conditions		Summary	
Total	5,955.38	Payment Terms	Net 30	Total	5,955.38
Supplier	THE AFTERMARKET PARTS COMPANY, LLC	Carrier		Received	5,955.38
Supplier Site	OH, DELEWARE	FOB	Destination	Invoiced	5,955.38
Address	3229 SAWMILL PKWY DELAWARE, OH 43015	Freight Terms		Payment Status	Paid
		Shipping Control			

Select Go to "View Receipts"



Record "Ordered" and "Promised Date" into original spreadsheet

Requisitions | Notifications | Approvals

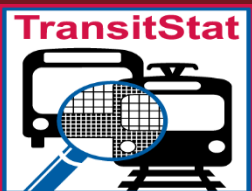
Receiving: Receiving > View Receipts > Requisition SR0110713 > View Order Details >

Receipts for Standard Purchase Order: 31807136

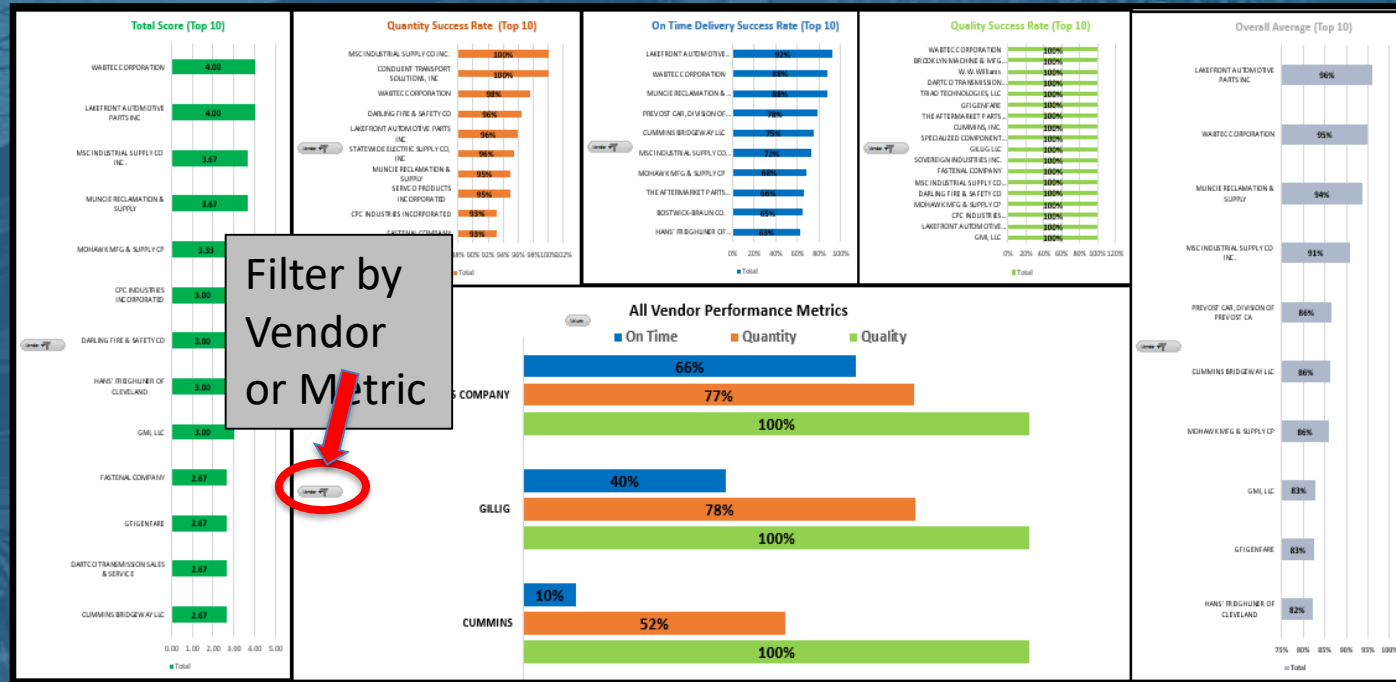
Receipt	PO Number	Line	Shipment	Description	UOM	Ordered	Returned	Net Received	Defects	Location	Receipt Date	Promised Date	Need-By Date	Performance
39-CBM-PR0158947	31807136	3	1	SOLONOID NIPPLE ASSY.,,ACCUMULATOR; 3200 NEW FLYER	Each	2	0	2	0	CBMF WAREHOUSE	02-Jan-2019 00:00:00	27-Dec-2018 00:00:00	28-Dec-2018 00:00:00	Late
39-CBM-PR0159543	31807136	4	1	MOTOR ASSY,BRIDGEPLATE;	Each	4	0	4	0	CBMF WAREHOUSE	08-Feb-2019 00:00:00	07-Feb-2019 00:00:00	28-Dec-2018 00:00:00	Late
39-CBM-PR0158947	31807136	1	1	RUBBER BLOCK, SHOCK MOUNT GROMMET; FRONT & REAR, 22/23/2400 NABI	Each	12	0	12	2	CBMF WAREHOUSE	02-Jan-2019 00:00:00	27-Dec-2018 00:00:00	24-Dec-2018 00:00:00	Late
39-CBM-PR0158947	31807136	2	1	BALANCER, EHAUST VIBRATION; 212/23/24/2500 NABI, ALSO USE VIBOL OEM # 127-310-SCA-C05-C05 AVAILABLE FROM VOA CORPORATION	Each	10	0	10	9	CBMF WAREHOUSE	02-Jan-2019 00:00:00	28-Feb-2019 00:00:00	05-Jan-2019 00:00:00	Early
39-CBM-PR0160045	31807136	2	1	BALANCER, EHAUST VIBRATION; 212/23/24/2500 NABI, ALSO USE VIBOL OEM # 127-310-SCA-C05-C05 AVAILABLE FROM VOA CORPORATION	Each	10	0	10	1	CBMF WAREHOUSE	12-Mar-2019 00:00:00	28-Feb-2019 00:00:00	05-Jan-2019 00:00:00	Late

Export

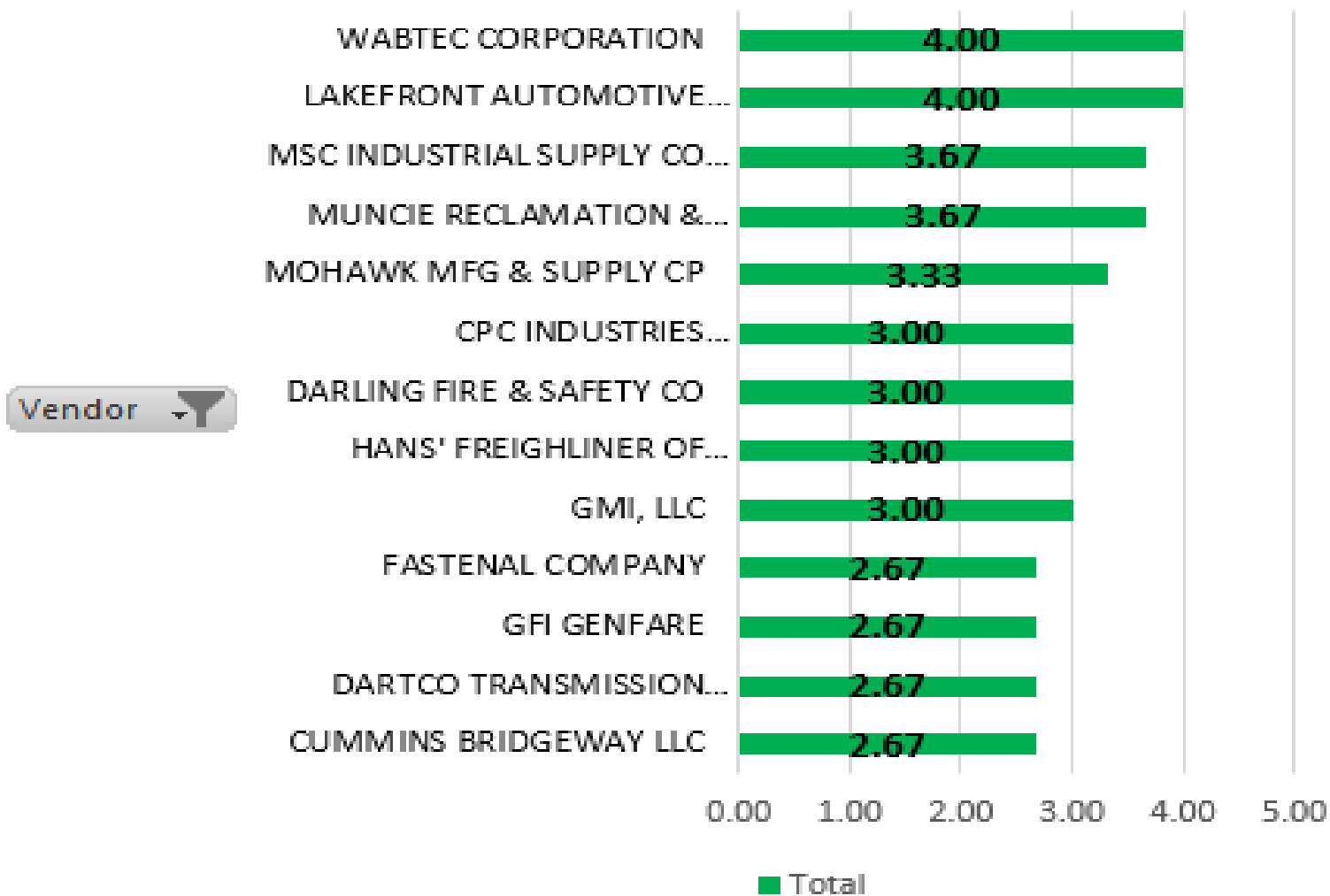
"Defects" tab could help track "quality" metric.



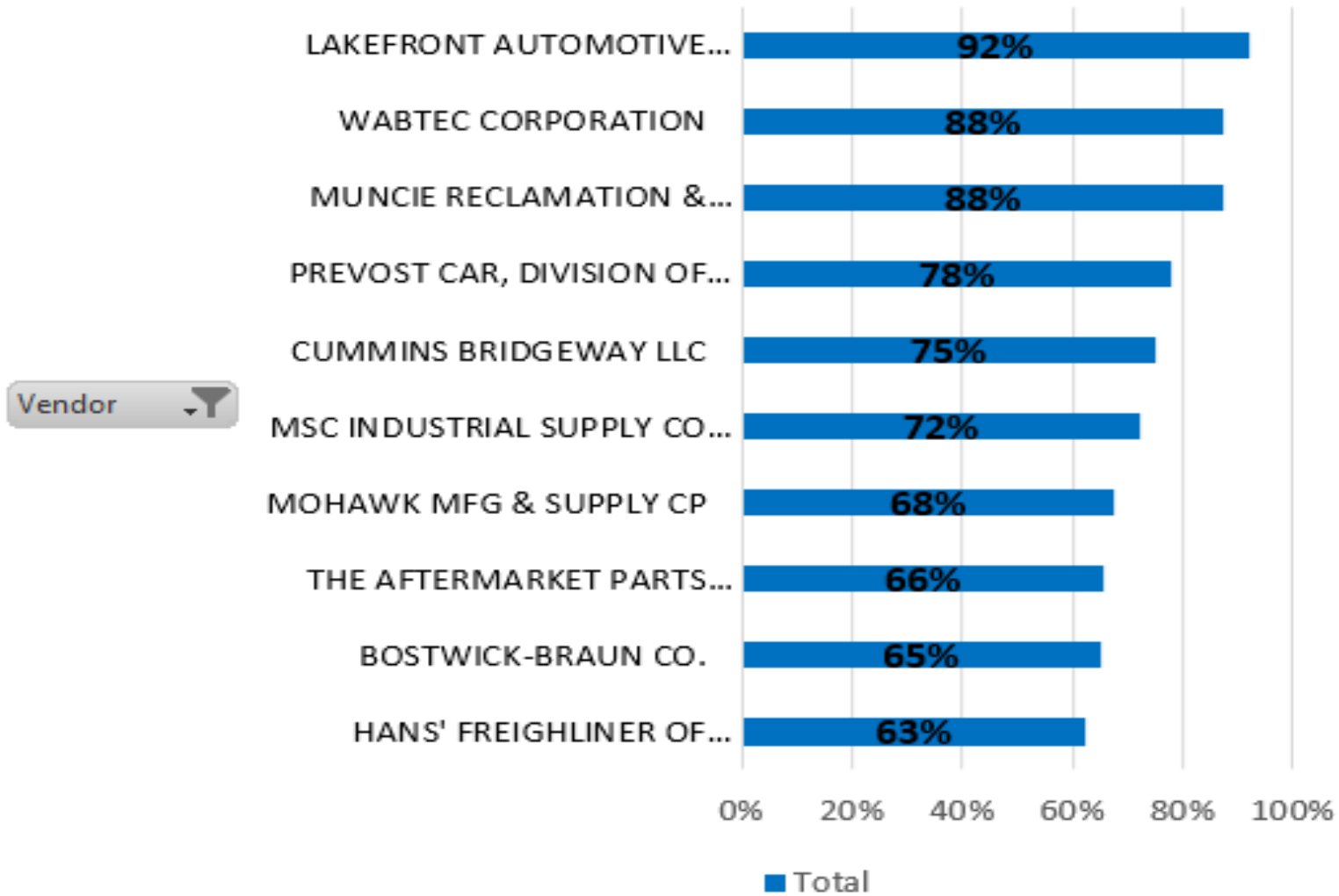
Dashboard



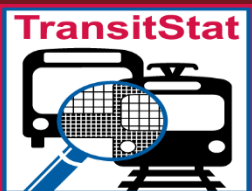
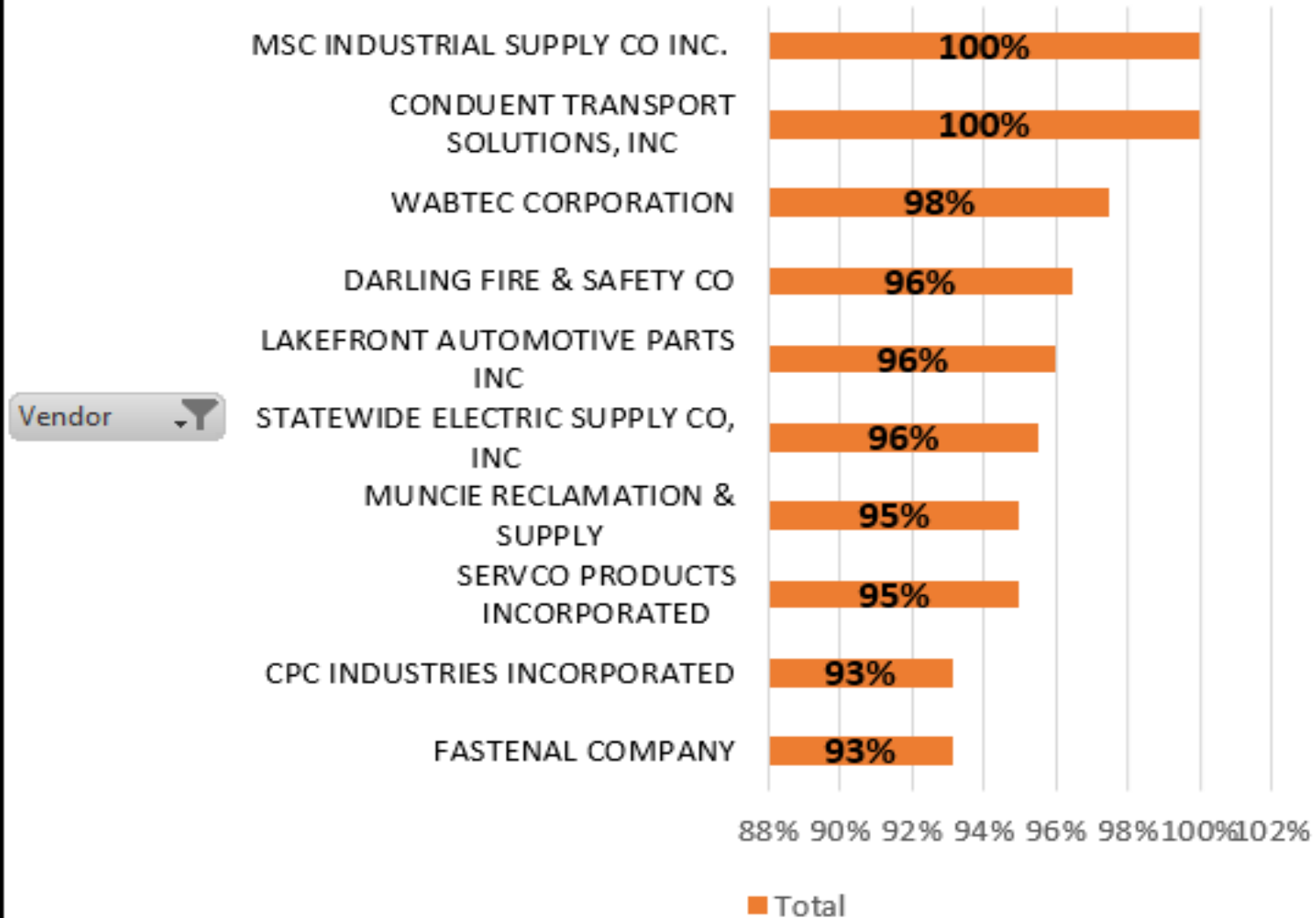
Total Score (Top 10)

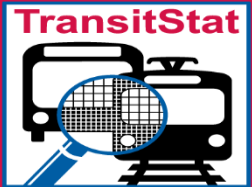
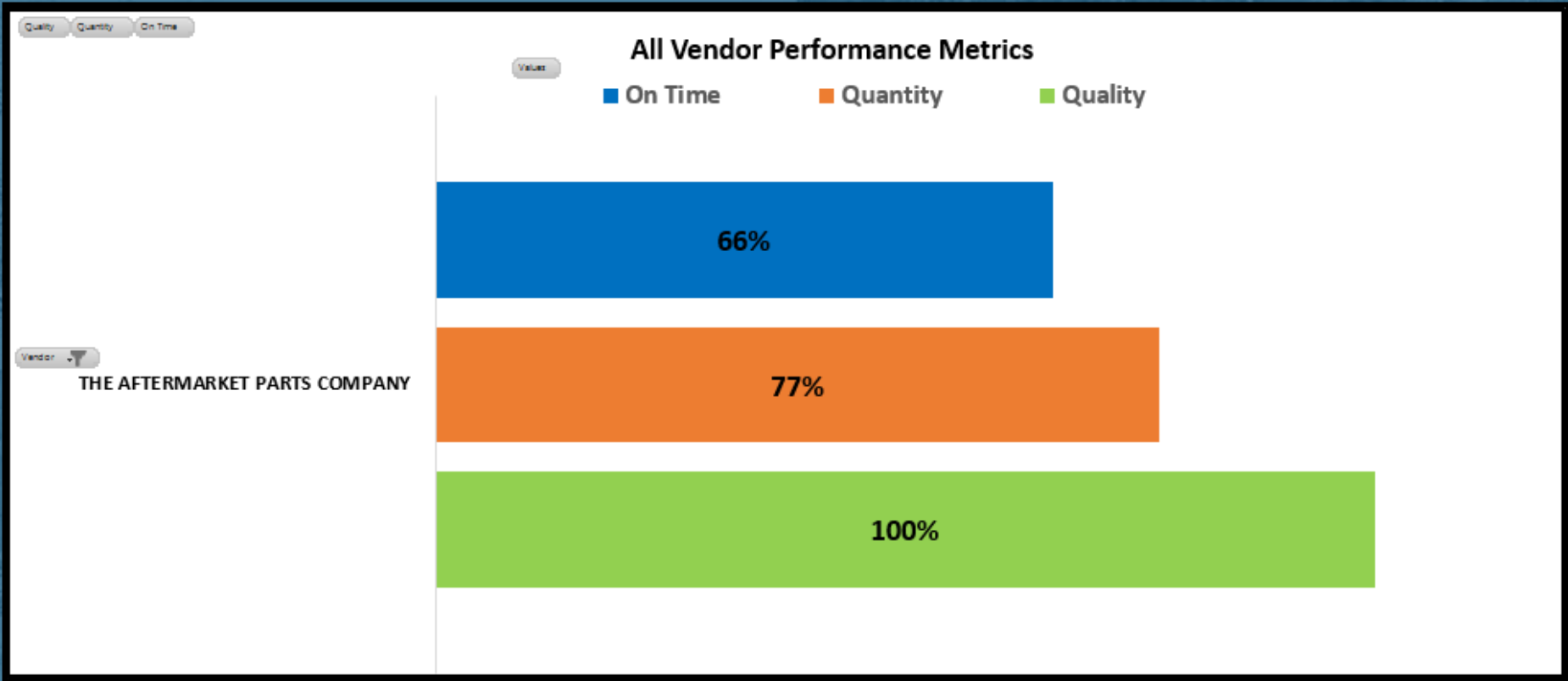


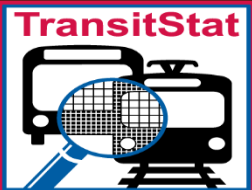
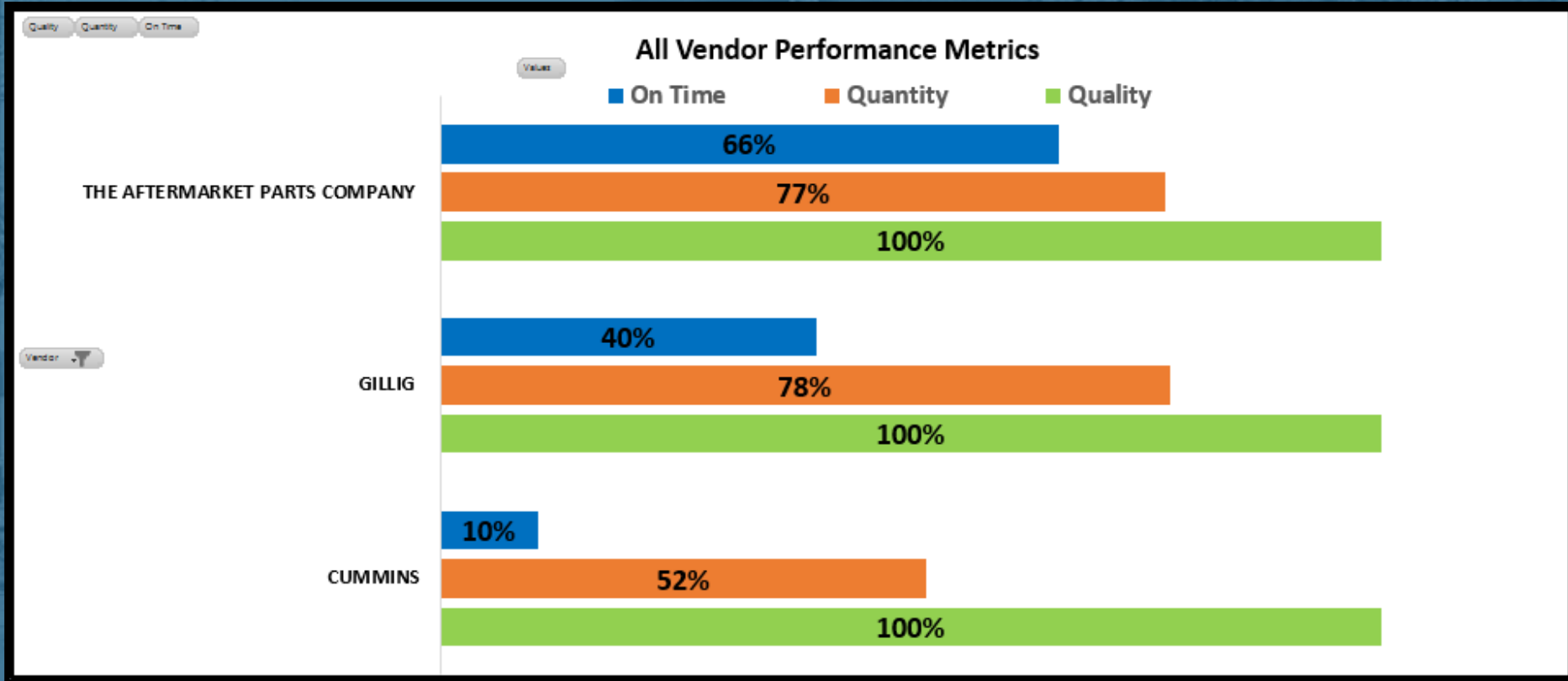
On Time Delivery Success Rate (Top 10)



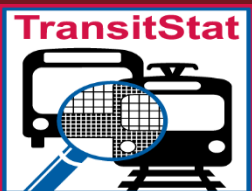
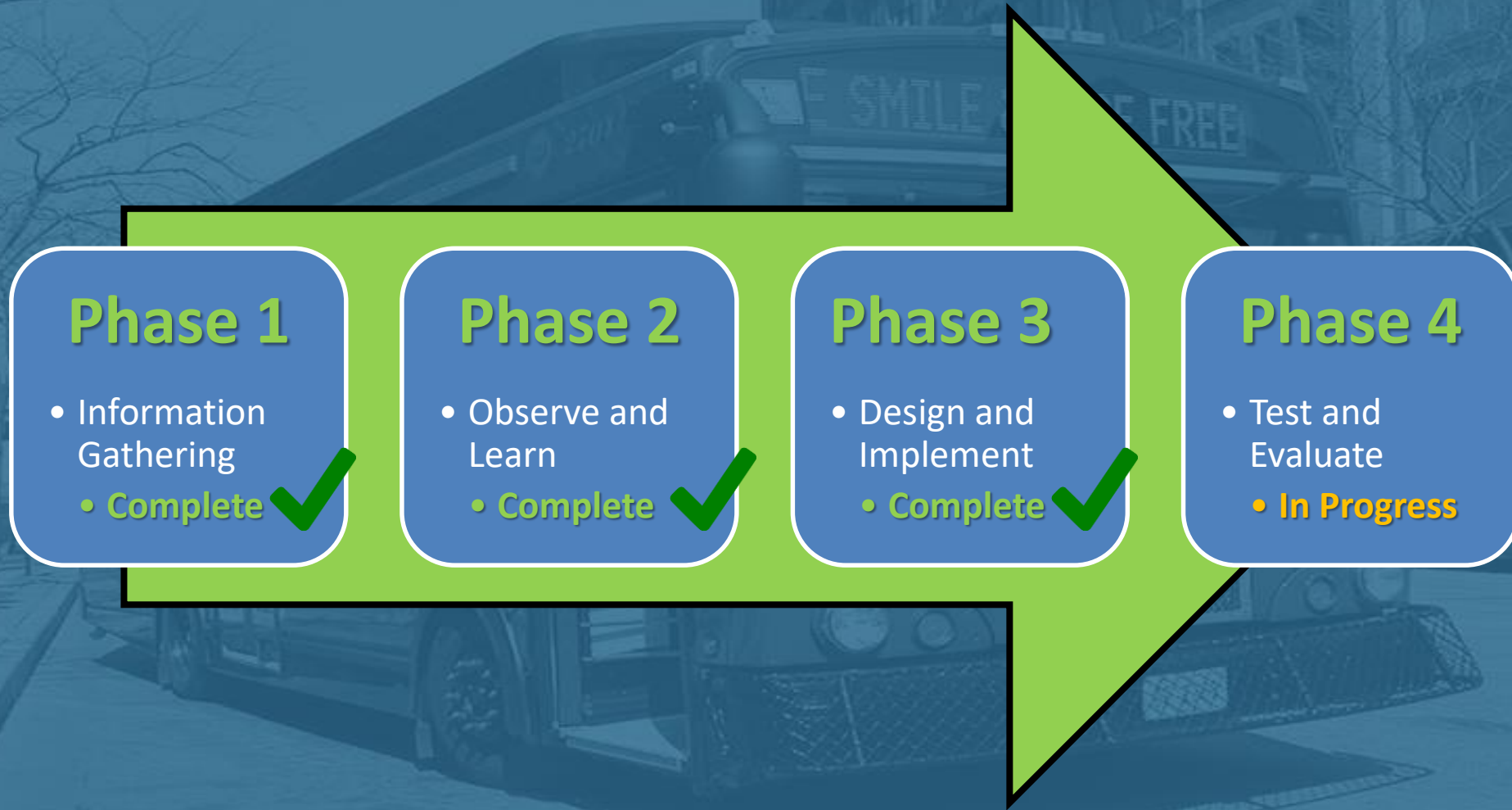
Quantity Success Rate (Top 10)





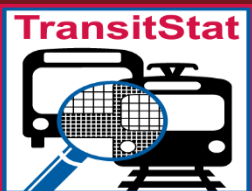


Project Approach



Phase 4: Test and Evaluate

- Improve reliability
- Improve validity of data
- Improve Sustainability
- On-going



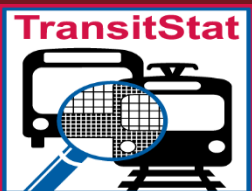
Challenges

- **Technology**

- Oracle and UltraMain speak different languages
- UltraMain doesn't track Promise Date
- Unable to find a report that has all required fields

- **Quality Metric**

- Lack of formalized processes to track.



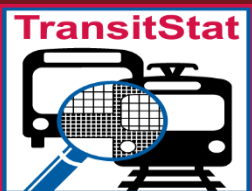
Recommendations

- **Technology Improvements**

- Integrate a “Vendor Performance Management” report in UltraMain V9
- Send Promise Date to UltraMain with Purchase Order Number from Oracle.

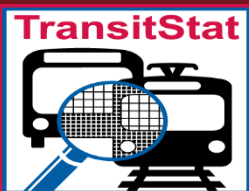
- **Process Improvements**

- Improve process to document quality discrepancies as they happen



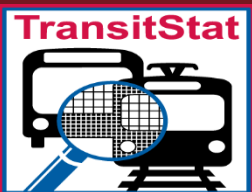
Next Steps

- Immediate
 - Work with UltraMain V9 team to include Vendor Performance report in update
 - Create a process to track quality discrepancies
 - Thoroughly examine how to improve validity of quality metric
- Long term
 - Create a reliable benchmark for acceptable vendor performance based on long term accurate data.





Questions?



Greater Cleveland Regional Transit Authority

