



Safety and Operations Committee

Board Information Item III-B

**Supply Chain Management
Transformation**



Board Document

OVERVIEW			
PRESENTATION NAME	Supply Chain Management Transformation	DOCUMENT NO.	300040
ACTION OR INFORMATION	Information		
STRATEGIC TRANSFORMATION PLAN GOAL	Service excellence; Financial Stewardship and Resource Management;		
RESOLUTION	No		
EXECUTIVE OWNER			
EXECUTIVE TEAM OWNER	Dwyer, Brian P.;		
ORGANIZATION	Operations		
DOCUMENT INITIATOR	Milan Perazich		
OTHER INFORMATION			
COMMITTEE	Safety and Operations Committee	COMMITTEE DATE	6/26/2025
PURPOSE/KEY HIGHLIGHTS	The purpose of this presentation is to introduce the functions of supply chain management at Metro and ongoing efforts to increase efficient use of inventory. -Overview of Supply Chain Management -Support provided across Metro -Recent performance -Modernization of practices		
DISCUSSION	Supply Chain Management manages a variety of material for Operations and Infrastructure departments that ranges from small parts, such as nuts and bolts, to large equipment for the rail and bus fleets. Supply Chain Management has several key functions to		

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support the Strategic Transformation Plan including warehouse storage logistics, collaborating with Procurement on contracts and warranties, and monitoring for and responding to marketplace disruptions.

A centralized supply chain management office was created in 2019 under Operations. Since the formation of the office, Supply Chain has improved the services offered to internal partners and customers and coordinated on major operational milestones, including supporting the decommissioning of the 2000-series railcars. In January 2025, Supply Chain Management was realigned under Fleet within Operations which aligned the office with the teams that comprise the majority of Supply Chain's material oversight – railcar and bus maintenance.

There are currently 25 warehouses throughout Metro's service area that are co-located with operational facilities such as rail yards and bus garages. There are 2 storerooms that operate 24/7 to support Metro's operations. As supply chain processes become more efficient, Metro anticipates realigning manpower to better support operations and place staff where the demand is.

Over the last few years, Supply Chain Management has improved processes and procedures to recover value of material at the end of useful life. This has included: 1) streamlining disposal processes to expand sales and increase return on investment; 2) identifying obsolete materials and partnering with internal departments to increase compliance on removing them; 3) developing regional partners to find new uses for material; and 4) partnering with procurement to align contract language with Metro's needs.

Supply Chain Management has identified three areas for opportunity to focus on. The first is improving parts forecasting to improve material management. The second is enhancing warehouse logistics through incorporation of modern storage, handling, and data practices. Finally, the third is expanding divestment opportunities to increase financial recovery.

Moving forward, Supply Chain Management will be modernizing. Metro is prioritizing increasing data availability and usage, expanding internal and external partnerships, and improving warehousing logistics. By focusing on these areas, Metro anticipates improved material tracking, increased value recovery, and ensuring materials are located where they are needed.

Supply Chain modernization will be rolled out in phases to address



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	improvement areas and ensure lessons learned from initiatives can be applied across phases. The modernization efforts will also inform facility planning efforts Metro has underway by utilizing data collection to optimize space utilization.
INTERESTED PARTIES	There are no interested parties
RECOMMENDATION/NEXT STEPS	Metro will plan to update the Board on progress of modernization efforts.
FUNDING IMPACT	There is no funding impact.

Supply Chain Management Transformation

Safety & Operations Committee



Purpose & Agenda

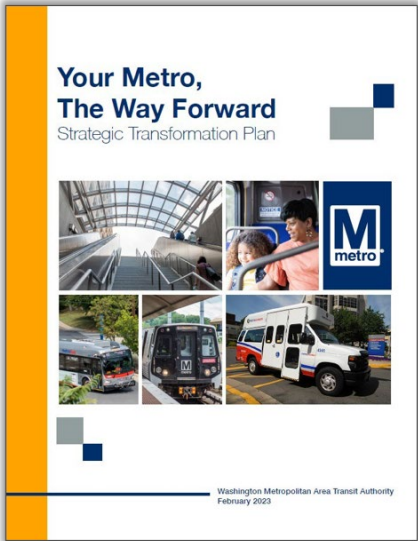
Supply Chain Management

Purpose: Introduce the functions of supply chain management at Metro and ongoing efforts to increase efficient use of inventory.

Agenda:

1. Overview of Supply Chain Management
2. Support provided across Metro
3. Recent improvements & areas for opportunity
4. Modernization of practices

Strategic Transformation Plan: Guides long term strategy and day-to-day decision making of Metro over the next five + years



Guiding



Day-to-day decisions

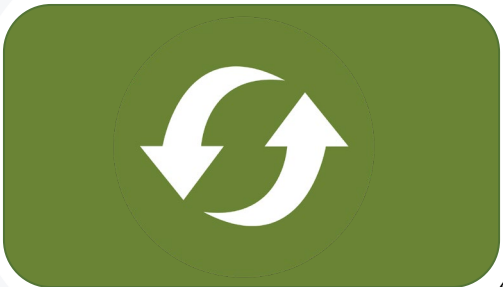
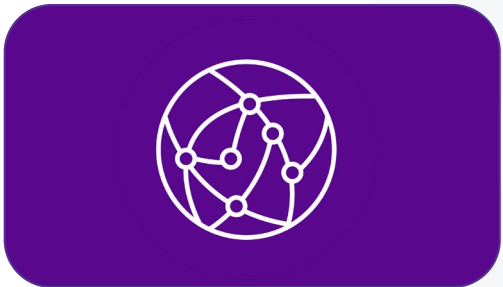
- Customer interactions
- Service schedules
- Communications



Long-term strategy

- Budget allocation
- Capital improvements
- Priority projects

Goals — Our priorities to achieve the vision

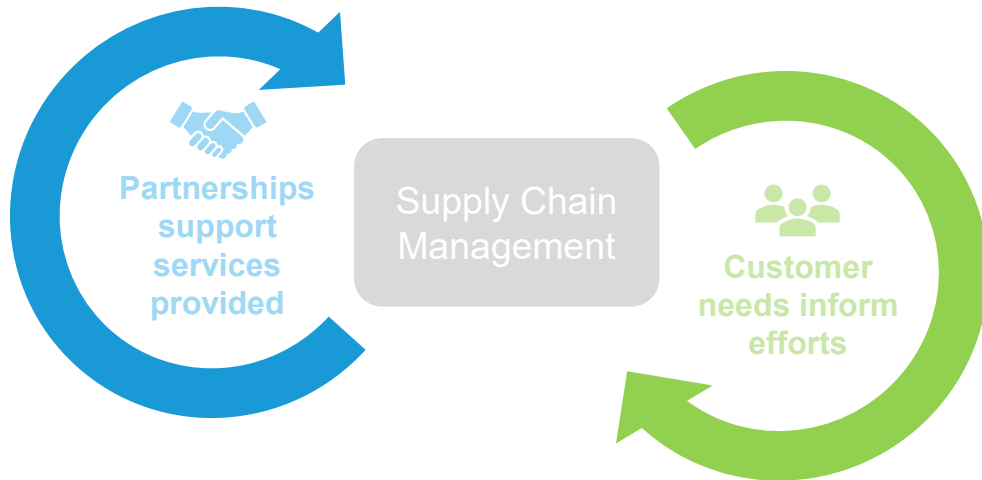


Supply Chain Management Overview

Supply Chain manages a variety of material that ranges in size and use:



Achieved through strong feedback loops between internal partners and internal customers.



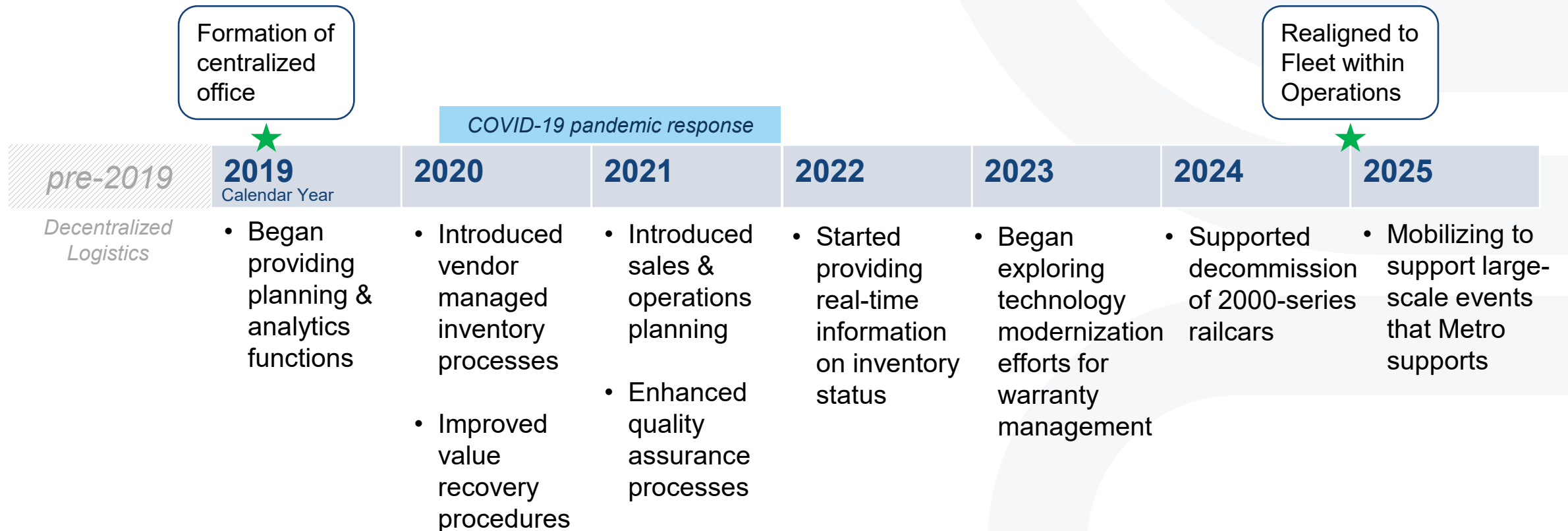
Key functions to deliver Strategic Transformation Plan include:

- Oversee warehouse storage logistics
- Collaborate on contracts and warranties
- Consult on authority-wide projects
- Provide end-of-life and material value recovery
- Monitor and respond to marketplace disruptions

Metro centralized supply chain efforts

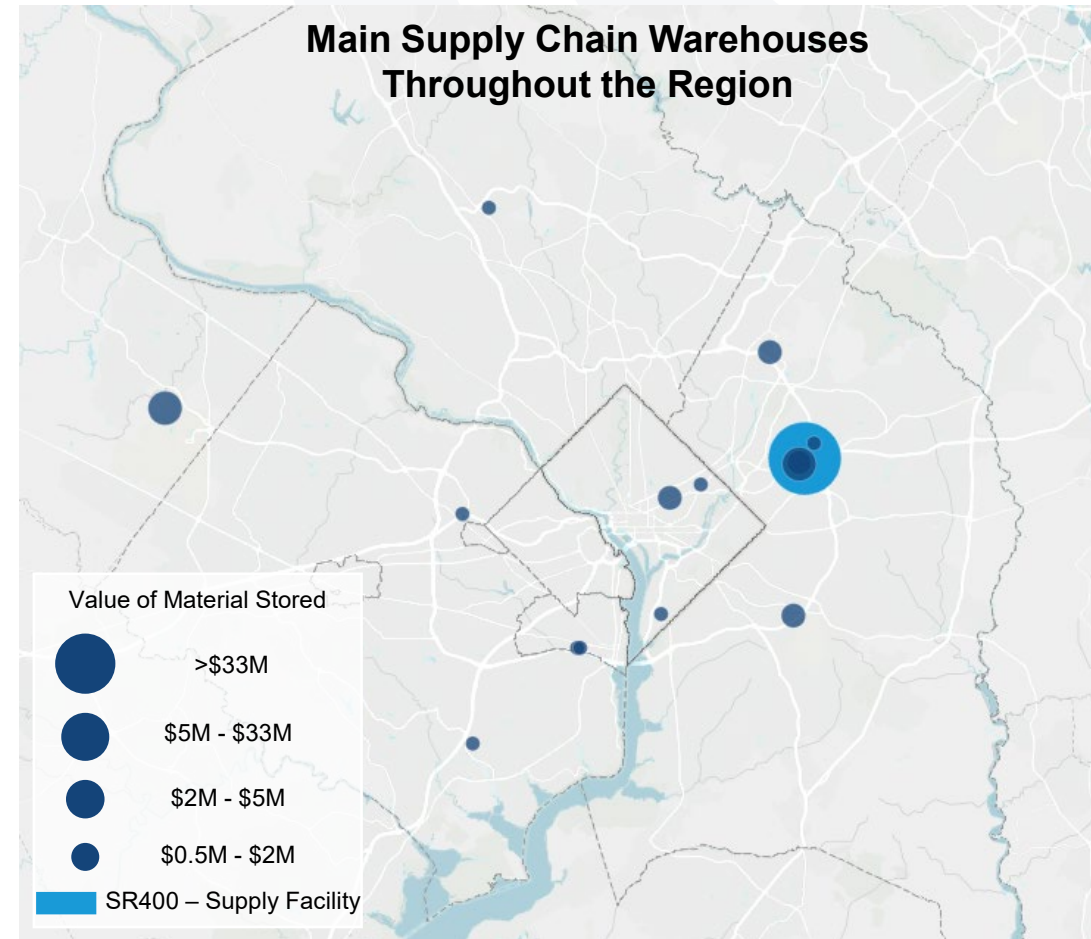
Supply Chain Management

Supply Chain Management has improved services offered and coordinated on major operational milestones.



Warehouses are co-located with major facilities to support operations

- Supply Chain has 25 warehouses
 - *Locations are dispersed throughout Metro's service area*
 - *Aligned with bus garages and rail yards*
- Three storerooms have opened inside renovated or new maintenance activities since 2019.
- Efforts are underway to evaluate storeroom space due to Fleet Maintenance Facility renovations at Dulles rail yard.

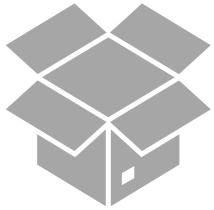


Improvements in material use and divestment

Supply Chain Management

Supply Chain uses innovative methods to recover value of material at end of useful life and support the region.

Streamline Disposal Processes



Rationalize and expand sale and disposal channels to increase value recovery

Focus on Slow Moving Material



Partner with internal customers to improve obsolete material disposal throughput.

Recover Value at End-of-Life



Find new uses for material that returns investment to Metro while supporting the region.

Partnership with Procurement



Align contract language with Metro's needs and plan for disruptions.

Supply Chain Management Opportunities

Supply Chain Management

Metro has identified three areas where improvements will lead to increased efficiency and cost-effectiveness.

Material Management

Parts forecasting require robust training and buy-in from stakeholders to reduce material costs.

Warehouse Logistics

Incorporation of modern storage, handling, and data practices will improve performance and yield efficiencies.

Investment Recovery

Expand internal divestment opportunities and targeted sales marketplaces will increase financial recovery.

Internal partnerships across Metro are key for progressing in these areas.

Modernizing Supply Chain

Supply Chain Management

Metro is identifying solutions to decrease unproductive inventory and better align inventory storage with operational use.

Priorities



Data availability and usage



Partnership expansions



Warehouse logistics

Benefits



Improved material tracking and forecasting



Increased end-of-life value recovery

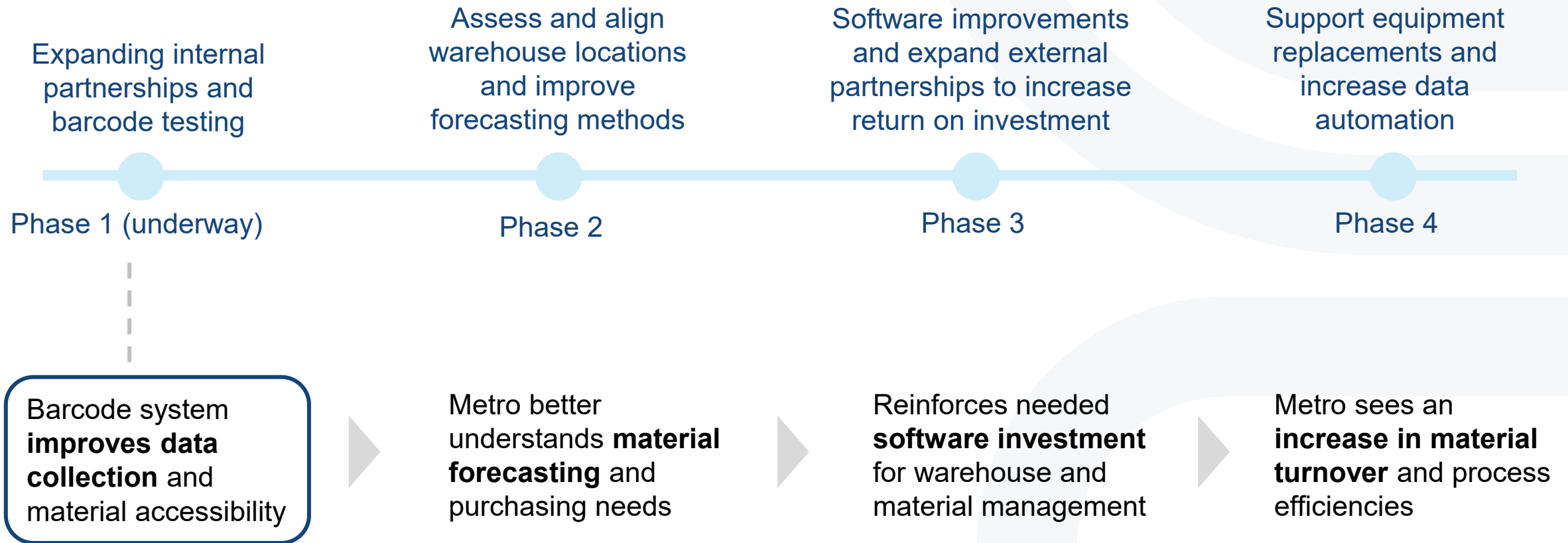


Materials are where they are needed

Modernization Approach

Supply Chain modernization initiatives are interconnected and will inform the focus of efforts across phases.

Supply Chain Management



Supply Chain Modernization drives Facility Planning

Supply Chain Management

Facilities will leverage Supply Chain's data collection to optimize efficiency in space utilization and delivery of the right parts to the right place at the right time

Current Initiatives

- Leased vs. Owned Space Assessment
- Redesign project for space next to main storage facility
- Leverage facilities mapping

Strategic Storage Facility Planning

