

# Supply Chain Management Transformation

Safety & Operations Committee



# Purpose & Agenda

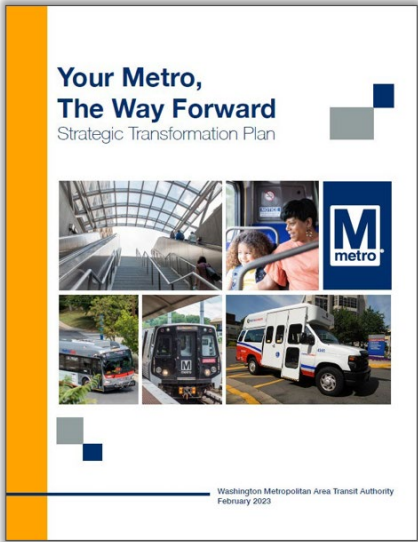
Supply Chain Management

**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**

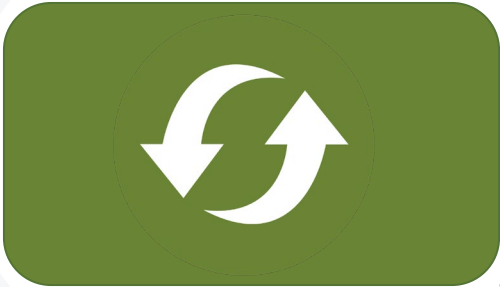
- Customer interactions
- Service schedules
- Communications



**Long-term strategy**

- Budget allocation
- Capital improvements
- Priority projects

**Goals — Our priorities to achieve the vision**

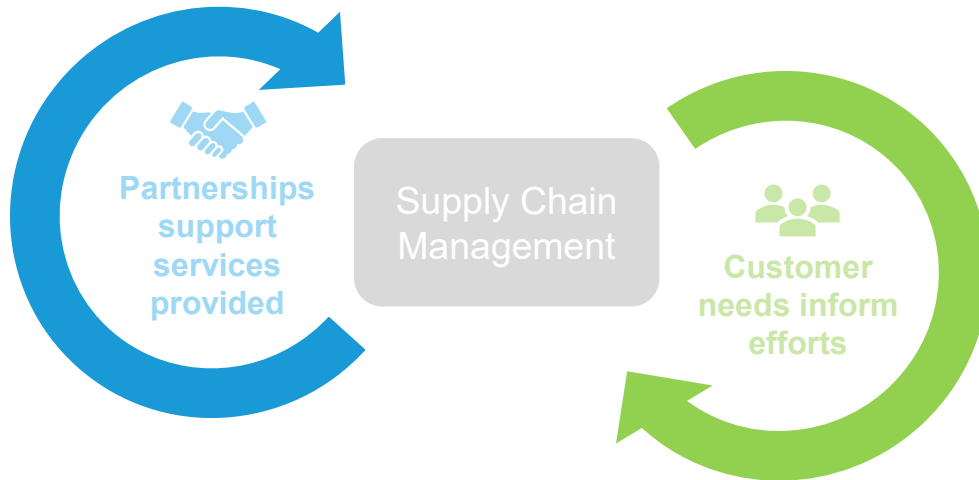


# Supply Chain Management Overview

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



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

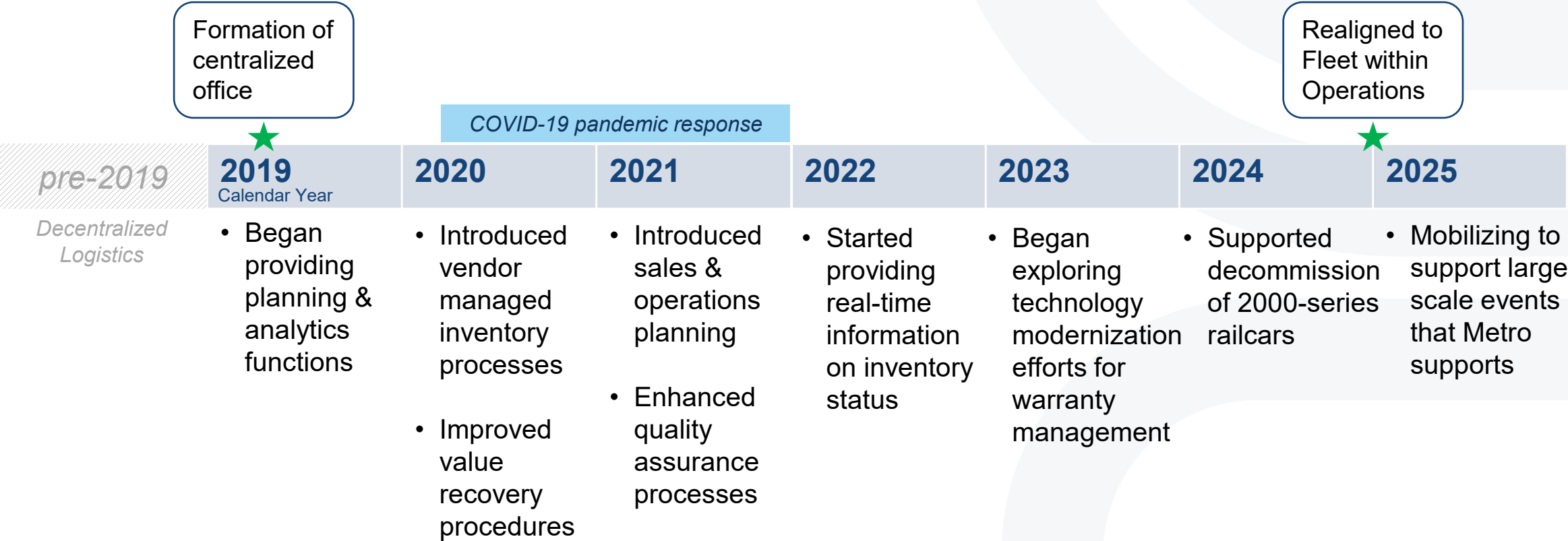


**Key functions to deliver Strategic Transformation Plan include:**

- 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

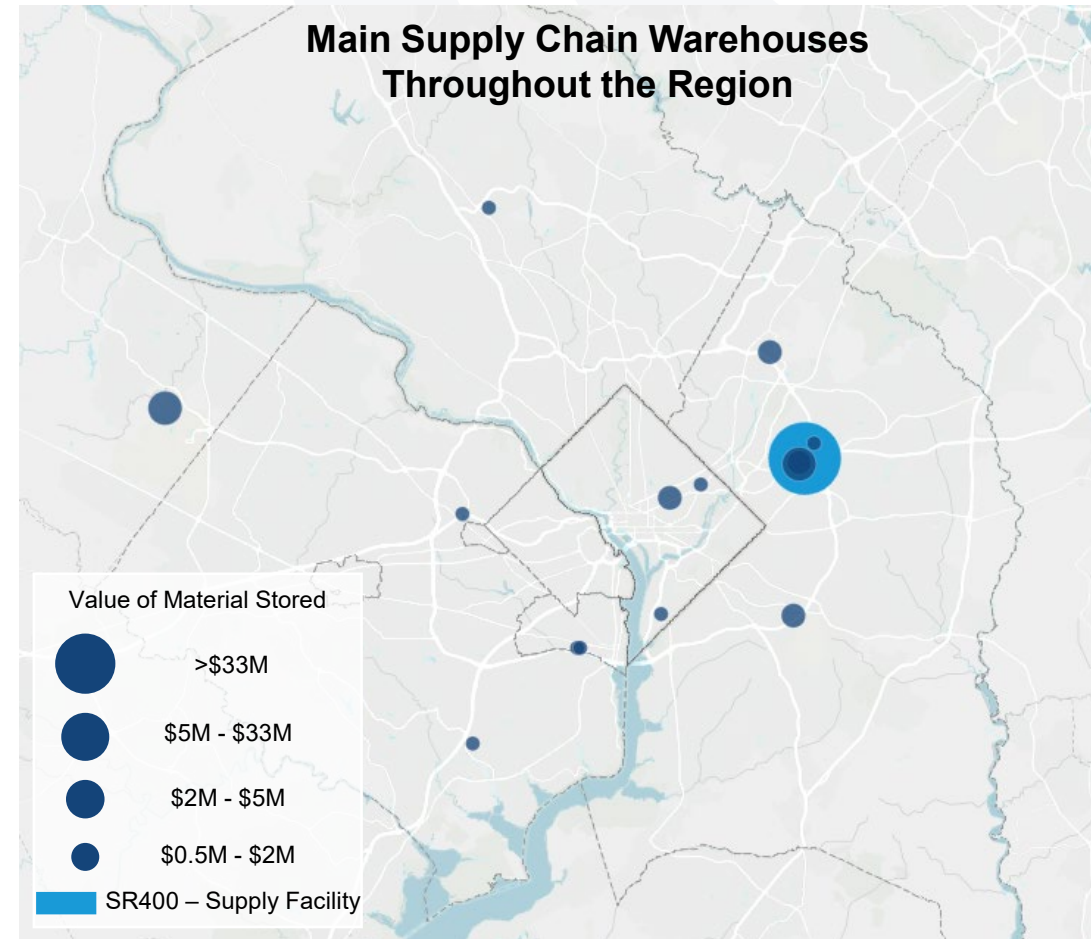
# Metro centralized supply chain efforts

Supply Chain Management 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.

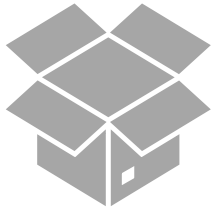


# Improvements in material use and divestment

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



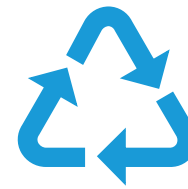
Rationalize and expand sale and disposal channels to increase value recovery

## 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

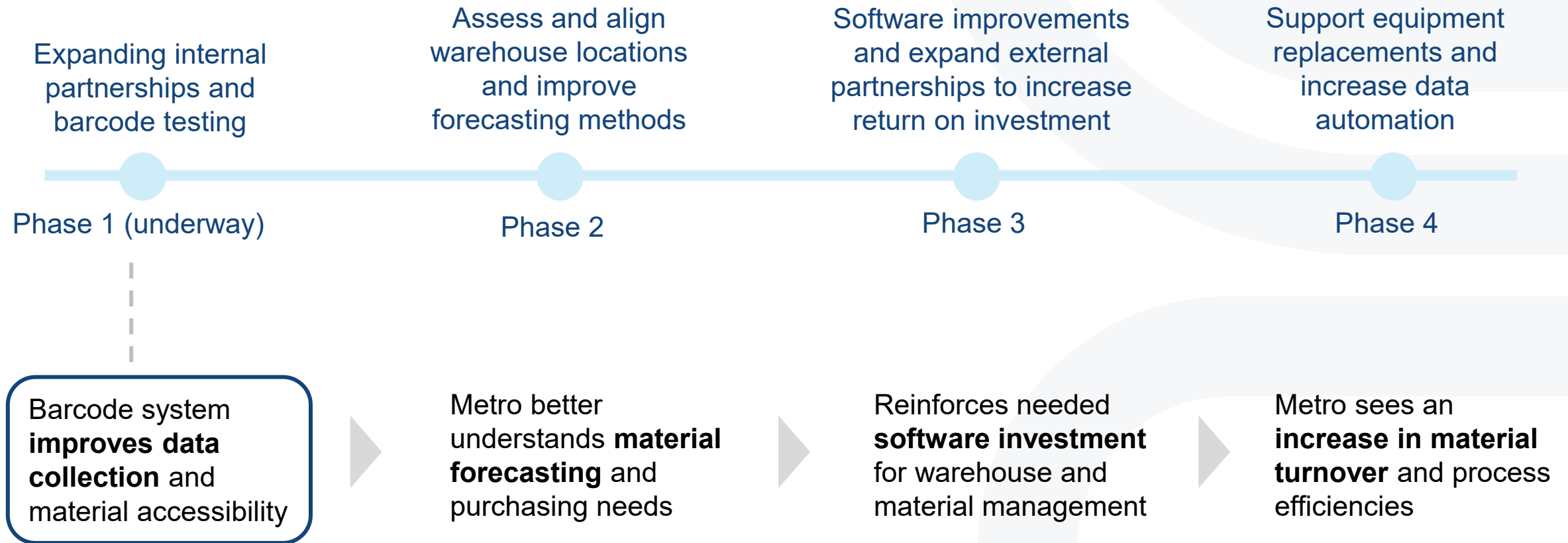


Materials are where they are needed

# 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

