

# OHIO DEPARTMENT OF TRANSPORTATION

## 3<sup>RD</sup> PARTY PARTS MANAGEMENT

CASEY CLARK  
DIVISION OF INNOVATIVE DELIVERY



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# OUTLINE

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- ② 2) RFP PROCESS
- ③ 3) IMPLEMENTATION
- ④ 4) STATEWIDE SETUP
- ⑤ 5) CURRENT STATE
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# BEFORE PARTS CONTRACT

- ① MECHANICS AND PARTS ROOM PERSONNEL USED CREDIT CARDS FOR PURCHASES LESS THAN \$2500
- ① QUOTES WERE GATHERED FOR PARTS PURCHASED BETWEEN \$2500 AND \$50,000.
- ① ALL OTHER PURCHASES WERE CONTRACTED
- ① MECHANICS HAD TO NAVIGATE THROUGH CONTRACT PRICE LISTS TO FIND ITEMS THEY NEEDED AND VENDORS THEY COULD USE
- ① ODOT COULD NOT SPEND MORE THAN 50K WITH A NON CONTRACT VENDOR STATEWIDE

# BEFORE PARTS CONTRACT

- ① PARTS WERE “RECEIVED” MANUALLY INTO INVENTORY BY ODOT EMPLOYEES IN (EMS) – EQUIPMENT MANAGEMENT SYSTEM
- ① IF A PART WAS NOT ASSIGNED A STOCK NUMBER, IT HAD TO BE CREATED MANUALLY
- ① INVOICES FOR PURCHASED PARTS HAD TO BE STICKERED WITH PURCHASE INFORMATION AND SENT TO ACCOUNTING TO HAVE THE BILLS PAID

# BEFORE PARTS CONTRACT

- ① AFTER PARTS WERE PAID FOR AND RECEIVED, THE PARTS COULD BE CHARGED TO ODOT WORK ORDERS OR EQUIPMENT
- ① ODOT HAD TO CERTIFY 100% OF CONSUMABLE INVENTORY ANNUALLY TO DAS (DEPARTMENT OF ADMINISTRATIVE SERVICE) AND OBM (OFFICE OF BUDGET MANAGEMENT). THIS WAS SIGNIFICANT IN THE AMOUNT OF TIME LOST CALCULATING THESE PARTS.

# BEFORE PARTS CONTRACT

- ① MECHANICS WERE SPENDING TOO MUCH TIME BUYING PARTS OR COMPLETING PAPERWORK AND NOT WORKING ON EQUIPMENT
- ① CONTRACTS & EQUIPMENT OFFICES SPENT TOO MUCH TIME CREATING AND BIDDING ANNUAL PARTS CONTRACTS
- ① MAKING ADJUSTMENTS TO INVENTORY WAS TEDIOUS, INEFFICIENT AND TIME CONSUMING
- ① TOO MANY EMPLOYEES INVOLVED IN PURCHASING AND INVENTORY OF PARTS

# RFP PROCESS 2011

- ① IN 2011, ODOT BEGAN THE PROCESS OF PRIVATIZING THE PARTS - PROCUREMENT PROCESS
- ② OVER SEVERAL MONTHS, ODOT EMPLOYEES PUT TOGETHER A SET OF REQUIREMENTS AND ISSUED A REQUEST FOR PROPOSAL (RFP)

# RFP PROCESS 2011

- ① VENDORS PRESENTED THEIR PROCESS TO ODOT IN 2012
- ① VENDORS WERE SCORED BASED ON REQUIREMENTS THAT ODOT HAD ASSEMBLED FOR THE PARTS PRIVATIZATION PROGRAM
- ① ON 9/1/12 A THREE-YEAR CONTRACT WENT INTO EFFECT. THERE WERE ALSO TWO, 2-YEAR RENEWALS BUILT INTO THE CONTRACT. IT WILL RUN THROUGH 6/31/17, IF RENEWED NEXT SUMMER.



# IMPLEMENTATION

- MANCON WAS SELECTED AS THE SUCCESSFUL BIDDER AND BEGAN TO OPERATE ODOT'S PARTS SERVICE
- ODOT CHOSE TO HAVE ONE MAIN VENDOR-MANAGED PARTS ROOM AT OUR CENTRAL GARAGE LOCATION IN COLUMBUS AND IN EACH OF THE OTHER 11 DISTRICT LOCATIONS AROUND THE STATE



# IMPLEMENTATION

- ① ODOT OPENED ONE MANCON LOCATION AT A TIME
- ① THE PROCESS STARTED IN THE FALL OF 2012, A FEW MONTHS BEFORE WINTER
- ① ODOT OPENED THE SOUTHERN LOCATIONS FIRST SO THAT IT DID NOT AFFECT OHIO'S SNOW AND ICE OPERATIONS, SIGNIFICANTLY
- ① SNOWBELT LOCATIONS OPENED LAST

# IMPLEMENTATION

- ④ AFTER WINTER, MANCON OFFICES WERE OPENED ONE AT A TIME UNTIL ALL 12 WERE RUNNING
- ④ MOST BUGS WERE RESOLVED FOR EACH LOCATION BEFORE MOVING TO THE NEXT
- ④ MANCON CHARGES ODOT A YEARLY USAGE FEE PLUS ANY TIME NEEDED FOR OVERTIME
- ④ MANCON MAKES NO MONEY ON PARTS SOLD TO ODOT. ODOT REIMBURSES MANCON FOR PURCHASE PRICE

# STATEWIDE SETUP

- ① CURRENTLY MANCON OPERATES 12 LOCATIONS, ALL WITHIN ODOT-OWNED BUILDINGS. MANY ARE LOCATED INSIDE THE DISTRICT'S OLD PARTS ROOM.
- ① EACH LOCATION GENERALLY OPERATES 40 HOURS PER WEEK
- ① MANCON CAN PURCHASE PARTS OR COMPONENTS FOR ODOT VEHICLES AND EQUIPMENT, HAND TOOLS, SHOP SUPPLIES, PAINT AND BODY SUPPLIES AND RENTAL EQUIPMENT FOR ODOT MAINTENANCE OPERATIONS

# STATEWIDE SETUP

- ④ MECHANICS/ODOT PERSONNEL NOW REQUEST PARTS DIRECTLY FROM EIMS (ENTERPRISE INFORMATION MANAGEMENT SYSTEM)
- ④ MANCON CHARGES THE PART DIRECTLY TO THE OPEN REPAIR ORDER
- ④ EMPLOYEES NO LONGER NEED TO RECEIVE AND CHARGE PARTS
- ④ MAKES PURCHASING ITEMS MUCH FASTER AND EFFICIENT

# STATEWIDE SETUP

- ① ALL 88 ODOT LOCATIONS DO HAVE LIMITED SHELF STOCK MAINTAINED BY MANCON AT THEIR LOCATION
- ① WHEN AN ORDER IS PLACED BY AN ODOT EMPLOYEE, MANCON PULLS THE PARTS FROM THE DISTRICT SHELF OR PURCHASES THE PARTS FROM A STORE TO REPLENISH STOCK
- ① THE PARTS ARE PLACED IN A BIN FOR THE ODOT LOCATION THAT ORDERED THEM
- ① ODOT EMPLOYEES DELIVER THE PARTS TO THE COUNTY AND OUTPOSTS THAT REQUESTED THEM
- ① MOST LOCATIONS HAVE A DELIVERY EVERY DAY, OR AT MINIMUM, EVERY OTHER DAY

# STATEWIDE SETUP

- ① THE ODOT LOCATION CAN ADD OR REMOVE ITEMS MONTHLY FROM THIS STOCK, AS NEEDED
- ① TYPICALLY SHELF STOCK INCLUDES BATTERIES, HYDRAULIC HOSES, WINDSHIELD WASHER FLUID, WIPER BLADES, LUBRICANTS, ETC.
- ① MECHANICS PLACE AN ORDER FOR ANY ITEM TAKEN FROM SHELF STOCK IN EIMS AND MANCON AUTOMATICALLY REFILLS STOCK
- ① MANCON OWNS ALL “SHELF STOCK” AND IT IS ON CONSIGNMENT UNTIL ODOT USES IT

# CURRENT STATE-PARTS STANDARDIZATION

- IN FEBRUARY OF 2016, ODOT BEGAN WORKING WITH ALL 12 DISTRICTS AND MANCON ON PARTS STANDARDIZATION
- MAIN GOALS WERE TO CREATE UNIFORMITY AROUND THE STATE AND CREATE COST SAVINGS BY ORDERING BULK QUANTITIES
- BEGAN WITH SMALL PARTS LIKE OIL FILTERS, LUBRICANTS AND ANTIFREEZE
- STARTING TO TRANSITION INTO LARGER PARTS SUCH AS STROBE LIGHTS AND HYDRAULIC SYSTEMS



# CURRENT STATE-PARTS STANDARDIZATION

- ① TO DATE, ODOT HAS STANDARDIZED 15 PARTS. THIS YEAR, ODOT IS ON PACE TO SAVE \$30,000 COMPARED TO BUYING THESE SAME PARTS IN 2015

# OVERALL BENEFITS

- ① INCREASED FOCUS ON ODOT'S MISSION; TO MAINTAIN THE FLEET AND GET VEHICLES BACK ON THE ROAD
- ① REDUCE PART INVESTIGATION TIME
- ① ELIMINATE TIME REQUIRED TO DRIVE TO PICK UP PARTS
- ① INCREASED FOCUS ON MAINTAINING EQUIPMENT RATHER THAN PURCHASING PARTS
- ① INCREASED PARTS AVAILABILITY

# OVERALL BENEFITS

- ① INCREASED DATA QUALITY BY UTILIZING VENDOR PART NUMBERS AND SKUS
- ① REDUCE ODOT'S MANPOWER REQUIREMENTS TO RUN PROGRAM
- ① ELIMINATE ODOT'S COSTS TO MAINTAIN INVENTORY
- ① ONE POINT OF CONTACT

# FUTURE GOALS

- ① CONTINUE PARTS STANDARDIZATION ACROSS ENTIRE STATE, RECOGNIZING ADDITIONAL COST SAVINGS
- ① INTEGRATE MANCONS NAV SYSTEM WITH ODOT'S EIMS SYSTEM TO TRACK AND BETTER MEASURE PERFORMANCE AND KPI'S
- ① DEVELOP KPI'S TO BETTER UNDERSTAND COST SAVINGS AND EFFICIENCIES
- ① INVESTIGATE OTHER ODOT SECTORS
- ① LEVERAGE THE BENEFITS OF THE MANCON CONTRACT BY INCREASING SCOPE OF THE INVENTORY UNDER THEIR MANAGEMENT; SAFETY, TRAFFIC & FACILITIES

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