



CITY AND COUNTY OF SAN FRANCISCO
San Francisco Municipal Transportation Agency
Request for Proposals
THE PROCUREMENT OF
30-Foot, 40-FOOT AND 60-FOOT LOW FLOOR
DIESEL HYBRID COACHES

Proposal Section	Title	Bid Submission Requirements
5-C	C. Parts Supply System	A description of the parts supply system for the bus, including locations of parts warehouses, percentage of parts routinely stocked in the U.S., and average time between receipt of parts order and shipment of order. Describe your parts ordering procedure, including any "coach down" or emergency procedures and the availability of parts storage locally during the warranty period. Are bar coded parts available now? If not, when?

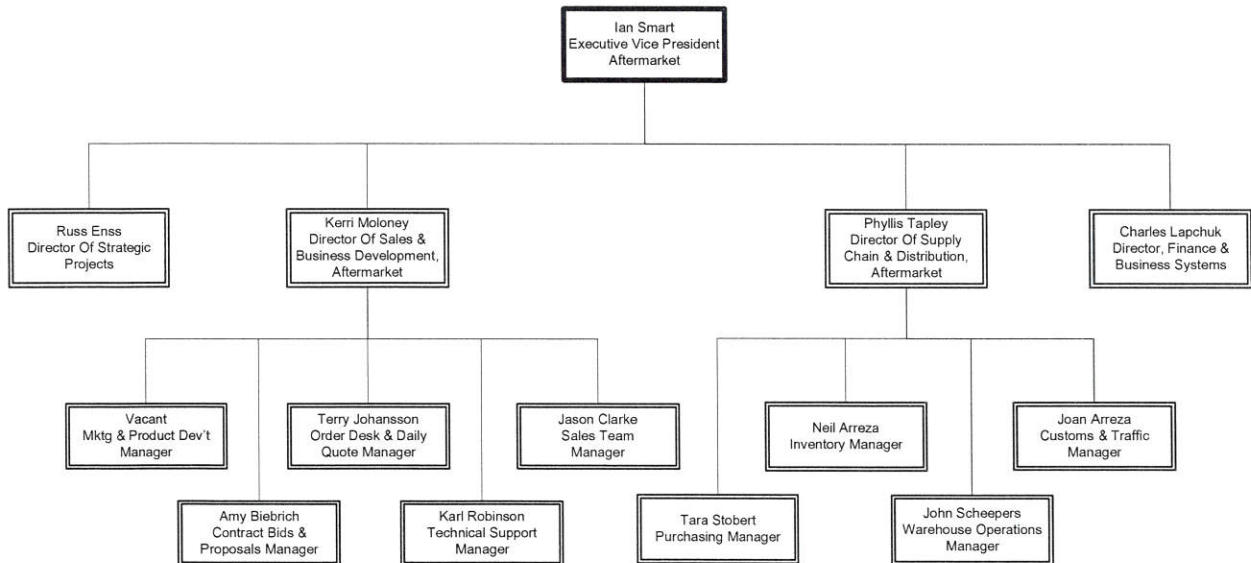


NEW FLYER

New Flyer Parts

The New Flyer Parts organization consists of 190 dedicated employees, across four major locations, who support the active New Flyer fleet of buses across North America. The employees within this team that are responsible for day to day support of customers and vendors are based out of our main Parts office in Winnipeg, Manitoba. The team that is focused on the physical handling and movement of material through our network is based at the individual Parts Distribution Centers.

The overall team is organized into four major groups with each being lead by a Director who has control over a distinct portion of the New Flyer Parts Business as illustrated in the organization chart below. The Director of Strategic Projects is responsible for leading all major change initiatives in the Parts business including facility upgrades / relocations, IT system upgrades / implementations and major process improvements. The Director of Sales and Business Development is responsible for all elements of customer support and satisfaction. The Director of Supply Chain & Distribution is responsible for managing the vendor base, parts distribution network, logistics and customs related to procuring and delivering material to support our customers. The Director of Finance and Business Systems is responsible for the accurate recording of financial transactions and records as well as the ongoing maintenance and support of our business system software.



New Flyer Parts operates a network of four strategically located Parts Distribution Centers (PDC's) within North America. This network houses \$72 million of inventory including 59,423 unique part numbers, making it the largest transit parts inventory in the North America.



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To further diversify and grow our aftermarket parts business, New Flyer acquired Orion from Daimler Buses North America in March, 2013. Combining scale, footprint and overhead has created a robust service infrastructure that continues to provide a high level of service and support to our customers.

Parts Distribution Center Locations

Our PDC's are located in Brampton, Ontario (servicing our Eastern Canadian customers), Fresno, California (servicing the US Southwest/West Coast markets), Winnipeg, Manitoba (which services our Western Canadian customers) and Hebron, Kentucky (servicing the US Midwest/East Coast markets).

Southwestern PDC:

- 31,584 sq ft,
- 18,579 unique parts in stock
- \$7.16 million in inventory
- 3181 S. Willow Avenue, Suite 102, Fresno, CA 93725
- Ph: 1-800-665-2637

Midwest PDC:

- 110,600 sq ft,
- 38,353 unique parts in stock
- \$41.08 million in inventory
- Midwest Parts, 2300 Progress Drive, Hebron, Kentucky, 41048
- Ph: 1-800-665-2637

Western Canada PDC:

- 27,000 sq ft,
- 20,038 unique parts in stock
- \$11.25 million in inventory
- New Flyer Industries, Parts Organization, 630 Kernaghan Avenue, Door 76, Winnipeg, Manitoba, R2C 5G1 CANADA
- Ph: 1-800-665-2637

Eastern Canada PDC:

- 32,182 sq ft,
- 18,341 unique parts in stock
- \$12.40 million in inventory
- New Flyer Industries, Parts Organization, Unit 1, 420 Deerhurst Drive, Brampton, Ontario, L6T 5H9.
- Ph: 1-800-665-2637



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Customer Support

New Flyer Parts has a team of 14 Customer Account Managers that provide the day to day support that our customers need to manage the in service parts requirements of their fleets. Each Account Manager has direct access to engineering build information and drawings, inventory levels across the PDC network, technical manuals and historical customer purchasing records. This team is trained to use this information as well as their relationships with the New Flyer Parts Supply Chain Team to solve problems and support our customers in service parts needs. Each New Flyer customer has a Customer Account Manager assigned to them.

Hours of Operation

Parts Customer Service Representatives are available Monday to Friday from 7:30 A.M. to 4:30 P.M. Central Standard Time.

Normal Order Processing

The following are our standard ordering procedures.

- a) Parts orders are mailed, telephoned, emailed, or faxed to New Flyer Parts.
- b) Within 24 hours, a Sales Acknowledgment is produced confirming all order details. This is faxed or mailed back to the customer as directed.
- c) New Flyer Parts ships all in stock orders within 24 hours of receipt of order.
- d) Backordered items automatically generate internal material requirements, prompting the generation of appropriate Purchase Order, Work Order (manufactured goods) or Internal Inventory Transfers from other departments.
- e) Upon receipt of backordered items, our system automatically releases the order to be shipped to our customer.

Bus Down Order Processing

The following are the steps involved in bus down order processing.

- a) Your assigned Parts Account Managers personally supervise each Bus Down order.
- b) Each order is monitored independently of daily or stock orders; the order is processed immediately upon receipt.
- c) Where stock is available, the order is shipped same day, generally by Federal Express next day air service, unless directed otherwise by you.
- d) Where stock is not available, the order is processed with alert notifications to the purchasing and warehouse departments. Orders are immediately placed with the



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quickest OE source of supply and are expedited to achieve the best possible delivery date. Product will be direct-shipped from the supplier whenever possible for emergency orders. Daily reports are generated to facilitate monitoring by each department until completed.

- e) Dedicated warehouse staff ensure the timely processing of your order; procurement specialists take special measures to obtain the parts required including sourcing through any of New Flyer's three manufacturing facilities.

Parts Purchase Terms & Conditions

Our standard terms and conditions for purchasing are as follows:

- a) Freight and Packaging – All New Flyer parts prices include the prepaid freight and packaging related to the standard two day transportation of parts from our PDC network to customer locations. For bus down orders New Flyer reserves the right to bill the customer for expedited or air shipping costs.
- b) Taxes – All New Flyer parts pricing does not include taxes.
- c) Payment Terms – Standard payment terms for New Flyer Parts is net 30 from date of invoice.
- d) Return Material Authorization (RMA) – RMA numbers can be requested through your New Flyer Account Manager, The RMA number MUST appear on all documents, correspondence, and shipping containers in order for your return to be processed. Parts returned without prior authorization will be returned to the customer “freight collect”. A twenty percent (20%) restocking charge may apply to incorrectly ordered or surplus part returns. All returned products are subject to inspection by New Flyer Parts, prior to issuance of credit. New Flyer Parts reserves the right to refuse the return of specialty items and custom fabricated parts. Returned shipments must be received within thirty (30) days of the RMA date.
- e) Concealed Shortages and Freight Damage Claims - All claims for concealed shortages must be made to New Flyer Parts within twenty (20) days of invoice date. Shipping damages and/or loss must be noted on the carrier waybill at the time of receipt of shipment. A copy of the carrier waybill and/or carrier inspection report must be submitted with your claim within five (5) days of receipt of shipment to New Flyer Parts.
- f) Service Part Warranty - Parts purchased by the original customer from the Parts Division of New Flyer Industries Canada ULC ("New Flyer") are warranted against defects in material and workmanship for a period of six (6) months from the date of invoice for the Part, or longer, if so warranted by the original manufacturer. Warranty coverage is limited to the repair or replacement of the Part at the sole discretion of New Flyer. New Flyer or its designee shall have the right to inspect and evaluate any Part submitted by a customer under a warranty claim. Where such inspection by New Flyer or its designee



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indicates abuse, neglect, improper handling or maintenance, accidental damage or unauthorized alteration and/or modification of the Part, New Flyer may reject, in its sole discretion, any warranty claim and may return the defective Part freight collect to the customer. New Flyer Parts is not responsible for any indirect, incidental or consequential damages, damages based on loss of revenue, loss of profit or business interruption or for any labor charges associated with a defective Part. All warranty claims must be submitted during the warranty period by the original customer and no later than thirty (30) days after the failure of such Part. The defective Part must be returned to New Flyer within thirty (30) days from the issuance by New Flyer of a Return Material Authorization number.

Fill Rates

Given the wide variety and age of bus models and assembly configurations, stocking levels and fill rates vary from product to product. New Flyer Parts achieves over 85% general fill on all stocked items with higher fill rates on current consumable or fast moving product. Through close communication with our customer, we can assign special products and dedicated inventory levels to stock based on specific customer requests. We monitor fill rates and turnaround times daily, with Performance Measurement completed and analyzed on a weekly basis, and maintain a dedicated group of inventory planners.

Performance Measurement Program

New Flyer Parts operates a Performance Measuring system involving back-order tracking, fill rates, and on-time deliveries. This allows insight into the trends and performance of each operational area. Continuous monitoring and improvement in each of the operational areas is central to the growth of New Flyer Parts and the uninterrupted support of our customers.

Part Numbering and Bar Coding

Each assembly and sub-component on the New Flyer bus is issued a separate part number, as displayed in the New Flyer Parts Manual. Where items are superseded, such information is clearly shown and substitutions are not allowed without customer consent. New Flyer bar codes inventory with the New Flyer Part Number, description and Country of Origin. Our system is also capable of producing custom labels with in-house part numbers.