



COMPANY:	Specialist Technologies Limited		
	Request For Proposal	SECTION	
REQUIREMENT: Methodology Assessment	Supplier Rationalisation Request for Proposal (RFP)	REFERENCE:	RG/TCL/RFP001
		DUE DATE:	17th March 2004

Case Studies

Customer UK MoD (NPPO) & Industrial Fasteners PLC (INFAST)
 Contact through usual MoD channels
 INFAST

Reason for Change: MoD wanted to expand and aggregate demand across the Army, Royal Navy and RAF. Following the RAF Model of exact requirements delivered direct to bases for General Engineering Hardware GEH. The idea was to appoint private companies who would then “partner” with the supply chain to reduce cost and lead-time.

The NPPO included aerospace items into the general contracts which has caused several Quality issues and lack of expertise in running these contracts. INFAST who won the second GEH contract partnered with STAG to handle the aerospace aspect of the requirement. And thus avoided these problems. It should be noted that two previous contracts for aircraft metal and packaging were taken on by a large logistics company in the automotive sector which were returned to MoD by them as were unable to satisfactorily handle the aerospace requirement.

Scope: 12000 active aerospace part numbers initially tendered for which will be added to as demand dictates.

Value: £3 million per annum over five year period (with two year extensions) making seven years total

Result STAG applied its procurement procedures to establish a dedicated supply chain for the contracts. Suppliers were involved in the planning of future requirements based upon information supplied by NPPO/INFAST and history held by STAG itself.

IT interface was developed between STAG and INFAST which resulted in automatic checking and verification and loading of requirement onto the company computer system. Direct delivery of parts to bases maintained and full electronic invoicing covering the 30,000+ lines being handled annually.

Cost Benefits INFAST apply STAG low cost base to its own resulting in better pricing for ultimate customer. Lead times reduced. Wastage reduced as each MU can order the exact number of items in pre-packed quantities without minimum order restrictions. Buffer stocks held down the supply chain in case of surge demands. Suppliers appreciating better visibility of requirement for production planning.

Please note STAG has also entered into a similar arrangement with RAC/Lex Multipart for part 1 of the GEH contracts this is run exactly as above with the exception that the computer interfaces are different. This contract covers 4000 lines valued at £500k per annum.



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Customer French DGA (Navy) via The French Embassy in London

Contact: Olivier Hamonic Currently head of DGAC in Tahiti
Email contact: To be advised

Reason For Change: New States emerged due to the break up of the old Soviet Union, this required the opening and staffing of new embassies. In order not to increase overall civil service staff establishment the French decided to re-deploy people from their established embassies worldwide. London re-deployed eight of the ten staff involved in the procurement department. The major procurement activity in London was on the Lynx Helicopter. Two Contracts had already been issued one to Westland Helicopters for propriety parts representing 61%, in value, of the total requirement. The other was to Rolls Royce for engine parts representing 16%, in value, of the total requirement. The remaining 23% of vendor supplied parts was taken over by STAG on a handling fee basis.

Scope: 300 suppliers representing over 1000 different part numbers.
Spares ranged from AGS through to wheels and brakes, on board computers, flotation equipment, etc...

Value: £2 million per annum over five years.

Result Two-year backlog of orders reduced to six weeks.
Orders aggregated thus reducing minimum order quantity problems
Improved supplier relationships
Lower lead times

Cost Benefits The savings made by STAG procurement procedures saved the French Navy budget in excess of the handling fee charged.

Staff re-deployment went to schedule



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Customer	UK MoD (RAF) ES/AIR RAF WYTON Contact through usual MoD channels
Reason for Change:	RAF wanted to aggregate order process through one single procurement channel for AGS parts.
Scope:	Three contract tenders issued covering 6500 individual part numbers to be delivered direct to 70+ MU bases worldwide. STAG won all three contracts and a subsequent one in 2000 for a further 1500 part numbers.
Value:	£2.5 million per annum over five year period (contracts have been extended twice) making over seven years to date.
Result	STAG applied its procurement procedures to establish a dedicated supply chain for the contracts. Suppliers were involved in the planning of future requirements based upon information supplied by MoD and history held by STAG itself. IT interface was developed between STAG and MoD which resulted in electronic transmission of demand orders automatically checking/verifying/loading the requirements onto the company computer system. In addition automatic MoD 640 documentation was generated covering the 30,000+ lines being handled annually. STAG now used as benchmark for future much larger contracts see NPPO/INFAST case study
Cost Benefits	Lead times reduced. Wastage reduced as each MU can order the exact number of items in pre-packed quantities without minimum order restrictions. Buffer stocks held down the supply chain in case of surge in demand. Suppliers appreciating better visibility of requirement for production planning. One point of contact for all commodities, supply & technical support. Proven to create easier working practices. Early indication of obsolescence and manufacturing delays allow the customer to plan more effectively. Performance > 96% schedule adherence (>85% including obsolescence recovery). This has been entirely driven by advanced procurement & strategic stock.