Course Project: Sourcing Report

OBJECTIVES The purpose of the Course Project is to enable a student to use the knowledge from the course to develop a full procurement model and supply chain strategy called a Sourcing Report. This report will contain all of the information that a Buyer would need in order to intelligently purchase a specific component. In selecting and presenting this data, you will assemble the recommendation about the source of supply and the cost to the company. Given a situation as described below, solicit a quote, evaluate technical abilities and the suppliers' management team, negotiate the commercial terms, and enforce ethical policies. From this data, you will prepare a sourcing recommendation. There are elements of this project that require analysis and application of chapter materials in order to complete. There may be research required based upon student knowledge of the process, and you must cite your sources where appropriate. COURSE PROJECT - OVERVIEW The Course Project will cover a fictitious component part known as a Hydraulic Cylinder Assembly End Block on the path to being released. Purchasing as a BUY part to select, evaluate and decide on the source of supply for the company. The company requires you to have the part made to print and in inventory at our factory in 100 days at production volumes. A timeline of activities is necessary for you to be able to track progress against and ensure that the correct processes are followed by you and the Supplier. You will categorize this part, find possible sources of supply in Juarez, Mexico to evaluate the suppliers you find, submit the specifications, and take a bid. You will evaluate the bid, negotiate the price, establish quality standards, pilot, build the part, and submit samples to the internal quality group for confirmation. Then, you may award the business, start production, and determine the mode of transportation, ensure regulatory compliance with import, and have inventory in place by Day 95 of the 100-day task. The estimated usage for this part is 20,000 units per year. Cost Management has given you a budgeted target price based upon known elements of steel type and price per pound, the perceived standard machine shop processes and tolerances and clear zinc plating process, typical machinery, labor, and profit totaling a purchase price of $9.75 USD each. This spend is worth $195,000. Your approval level is $50,000, requiring you to present your sourcing decision to the vice president of procurement in order to place the business. You must present a case to the Vice President that supports your decision to work with a given supplier and why. Course Project: Sourcing Report OBJECTIVES The purpose of the Course Project is to enable a student to use the knowledge from the course to develop a full procurement model and supply chain strategy called a Sourcing Report. This report will contain all of the information that a Buyer would need in order to intelligently purchase a specific component. In selecting and presenting this data, you will assemble the recommendation about the source of supply and the cost to the company. Given a situation as described below, solicit a quote, evaluate technical abilities and the suppliers' management team, negotiate the commercial terms, and enforce ethical policies. From this data, you will prepare a sourcing recommendation. There are elements of this project that require analysis and application of chapter materials in order to complete. There may be research required based upon student knowledge of the process, and you must cite your sources where appropriate.