

The Trane Company

La Crosse, Wisconsin

Client

The Trane Company is a worldwide supplier of heating, ventilating, and air conditioning equipment and controls for residential, commercial, and industrial applications. The company's Aftermarket Business Unit (ABU) supplies Trane repair centers and authorized service centers that in turn sell services and repair parts to customers with Trane air conditioning and heating units.

Problem Statement

Trane's largest and oldest distribution center (DC) was out of space and needed updating. However, the facility was incompatible to retrofit due to low ceiling height, poor column spacing, and limited dock doors. Trane could also realize significant savings in transportation costs by relocating to a new facility.

Scope-Of-Work

Trane asked Tompkins Associates to assist in locating Third-Party Logistics (3PL) vendors that could provide outsourcing services for its ABU. Tompkins helped to identify, solicit, evaluate, and negotiate contracts with potential 3PL companies that could take over Trane's two existing DCs as a consolidated, single DC.

A comprehensive, detailed Request for Proposal (RFP) was created that identified Trane's business, distribution, and system requirements. Tompkins assisted Trane in selecting 10 potential 3PL companies with the capability to provide the necessary level of service, market presence, and financial security. After extensive due diligence, the list of bidders was reduced to four.

Tompkins provided Trane with the tools and procedures to help analyze the RFP responses from the final four bidders and then assisted in selecting the most suitable 3PL provider.

Results

Tompkins' recommendations helped to establish a baseline for comparison of the selected 3PLs. Utilizing the detailed RFP provided by Tompkins, Trane will be able to reduce the risk of pricing speculation and assumptions from the 3PL vendor.