

Parts Autonomy Program Guide

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1.0 Introduction and Overview

Parts Autonomy allows repair shops to make part type selections, regardless of lowest cost pricing, as best suited to each repair scenario, while maintaining the required Realized Part Savings (RPS) for MPI. Shops with significant savings in excess of their RPS target are also eligible to receive incentive payments if targets are significantly exceeded (see section on [Program Standards and Management](#) for further details).

Parts Autonomy only applies to parts with published Original Equipment (OE) pricing in the MPI-approved estimating software and as defined in the Parts Autonomy and Estimate Part Selection Estimating Standards. MPI parts business rules also apply.

1.1 How Parts Autonomy Works

1. Shops with Parts Autonomy may make part type selections for eligible parts once the need for replacement has been determined by MPI. Parts Autonomy privileges do not extend to making repair vs. replace decisions. Parts deemed repairable must be repaired.
2. Parts without published OE pricing, or as listed below, are excluded from Parts Autonomy privileges. Shops must source the lowest cost option for any parts that are excluded from Parts Autonomy. This includes all of the following part types:
 - Accessories & Special Order parts
 - Powertrain & Drivetrain parts (with unpublished prices)
 - Tires
 - Glass
3. Additional costs such as shipping, core charges, restocking, non-returnable parts, etc., are not part of Parts Autonomy, and the relevant estimating standards and business rules apply to them.
4. MPI recommends that shops give additional consideration to cycle time when making part type choices. Excessive loss of use billings due to delays resulting from back ordered parts may be recovered from a repair shop if another option was available.
5. When alternate parts are available that will prevent a vehicle from becoming a total loss, MPI may source parts to prevent the vehicle from becoming a total loss.

1.2 Realized Parts Savings (RPS)

Parts Autonomy was designed to give shops control over part type decisions. In consideration for the privilege to make parts decisions independent of cost, shops are required to provide expected savings in order to remain in good standing with the Parts Autonomy program. In order to meet the benchmarked level of savings, shops are required to maintain a rolling three-month RPS score above 0%. RPS targets are calculated for each shop and consider each shop's work mix consisting of vehicle types (car, truck, or van), makes, and ages.

2.0 Program Support

MPI is committed to providing support for safe and proper repairs while helping shops succeed in the Parts Autonomy program.

2.1 Shop Support

Each accredited repair shop has a designated Shop Relationship Advisor (SRA) who functions as a liaison between the shop and MPI for all performance-related activities. Shops are encouraged to contact their SRA anytime they have questions or require assistance on any of the following:

- The Parts Autonomy program
- Parts Autonomy program performance improvement
- The RPS shop measure

The following contacts are available to program participants:

- Partner Support: 1-855-882-4313 (shops will be asked to enter their Registered Account Number)
- Email: SRA@mpi.mb.ca

Information on additional types of support can be found at [MPIPartners | Contact](#).

2.2 MPI's Obligations

A Shop Relationship Advisor will:

- Review the shop's RPS performance monthly
- Answer any questions
- Arrange for additional training and coaching when requested
- Provide all necessary materials, standards, policies, procedures, and processes

3.0 Program Requirements

In addition to meeting program requirements, shops should actively participate in proactively addressing issues in order to meet requirement of the Parts Autonomy program.

To achieve success in the Parts Autonomy program, a participating shop must meet all of the following requirements:

- Maintain the MPI Light Vehicle Accreditation Agreement in good standing
- Ensure MPI estimating software is up to date and used as required
- Use up to date MPI-approved alternate part-sourcing software
- Follow all applicable estimating standards and parts business rules
- Maintain regular contact with their SRA and review any questions or concerns
- Meet or exceed their rolling three-month RPS target, including:
 - Reviewing their shop measures and RPS scorecard monthly
 - Actively working with their SRA and participating in activities to improve their RPS if they are not meeting their RPS target

4.0 Eligibility and Onboarding

Newly accredited shops will immediately be onboarded onto the Parts Autonomy program. In addition to SRA provided training and onboarding, new shops will receive regular SRA support.

The Parts Autonomy program does not have a probation period, however shops participating in the Parts Autonomy program are evaluated on a monthly basis. Shops not meeting program requirements will be subject to performance management and corrective action where required. Please see the section on [Program Standards and Management](#) for further details.

Each Parts Autonomy program participant must be an accredited repair shop under the Light Vehicle Accreditation Agreement.

Acceptance to the Parts Autonomy program is at the discretion of MPI.

4.1 Training and Onboarding

Completing the required training will help a shop perform successfully in the Parts Autonomy program. A shop's SRA will ensure a shop new to the Parts Autonomy program is provided with the required training and reference material.

Training required for the Parts Autonomy program is listed below. This list may be updated or expanded as required to ensure the training remains current and relevant.

- Review of related standards, business rules, and guides on MPI Partners
- Completion of any required Mitchell or MPI training for a newly accredited shop (as applicable)
- Completion of CPP training material (as applicable)
- Watching Parts Autonomy training videos
- Participating in an in shop Parts Autonomy onboarding session with an SRA

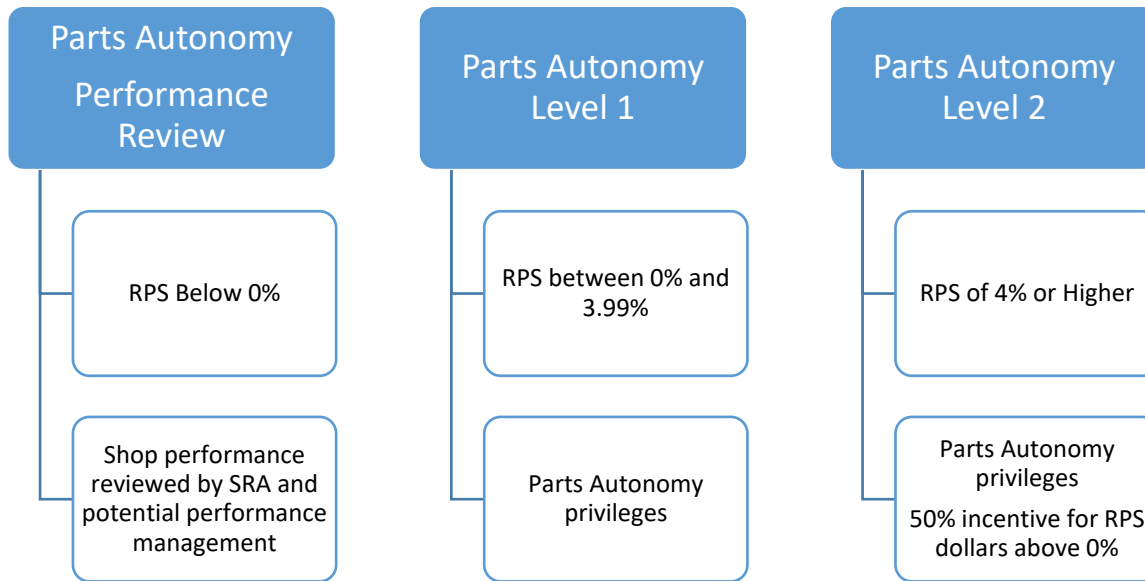
The shop staff and management should ensure they fully understand the training material and engage their SRA to ensure program success. MPI recommends the following shop roles participate in the Parts Autonomy training and onboarding to ensure a positive impact on the shop's program performance:

- Shop managers and leads
- Estimators / repair planners
- Parts staff
- Repair technicians
- Administrative and closeout staff

5.0 Program Standards and Management

Program management is essential to maintaining Parts Autonomy program standards. The following sections outline MPI's Parts Autonomy program management methods and practices.

Shops succeeding in the Parts Autonomy program are tiered based on RPS results. Shops with an RPS of 4% or higher than their target may be eligible for incentives. When a shop has an RPS score below their target, the shop's SRA will review the shop's RPS performance for the last three rolling months, and the SRA may begin performance management.



5.1 Program Incentives

Shops with an RPS score at the end of a calendar quarter are eligible for an incentive. The incentive is based on 50% of RPS dollars above a shop's target RPS. For Example:

	%	\$
RPS Target	18%	\$9,000
RPS	23%	\$11,500
RPS Variance	5%	\$2,500
RPS Incentive (50% of Variance)	N/A	\$1,250

***GST and PST are not paid on quarterly incentive payments.**

5.2 Performance Management

When a rolling three-month RPS score is below 0%, RPS performance will be reviewed. Underperforming repair shops may receive enhanced SRA support intended to help facilities improve their RPS and reduce the risk of being placed on a corrective action plan in the future.

The first step in the performance management process is an SRA review of shop performance to identify performance concerns. If a corrective action may be needed, MPI will email the shop notifying them of the potential for a future corrective active plan. This information is intended to provide the time necessary to support shops and enable them to improve performance. The performance management process is further outlined below:

Performance Concern Month One

(Only warning)

Rolling shop three-month RPS
score below zero

- One warning of potential corrective action plan (CAP) given.
- Performance review sent to shop via email.
- SRA reviews the performance review with the shop to provide insights and actions to address performance concerns.

Performance Concern Month Two

(Corrective Action Plan begins)

Rolling shop three-month RPS
score below zero

- Start of corrective action plan.
- Performance review sent to shop via email.
- SRA reviews the performance review with the shop to provide insights and action to address performance concerns.
- Parts Autonomy (PA) CAP sent to shop for review.

5.3 Corrective Action

Corrective action plans are utilized when performance has not improved after SRA support during performance management. These plans are created by the SRA and outline objectives, areas of focus, and a timeline for attaining the objectives.

Shops on a corrective action plan will lose their Earned Approval Limits to ensure all estimates and supplements are reviewed by MPI. Shops on a corrective action plan will maintain Parts Autonomy.

RPS performance may also impact a shop's composite score, resulting in a review of eligibility for other MPI programs such as Direct Repair.

Failure to meet the corrective action plan will result in a PA audit of missed parts savings opportunities for a repair facilities' past three months of paid claims. MPI will recover up to the shop's missed RPS variance on the final scorecard, ending their corrective action plan. Audit results will be provided for repair facilities to learn from and provide MPI with insights for future targets.

The corrective action process has been further outlined below:

Corrective Action Plan

Implementation

- Shop is placed in a corrective action plan.
- SRA provides repair shop with a corrective action plan outlining areas of improvement and milestones to achieve.
- Corrective action plans are a minimum of three months.
- Shop has lost Tier placement and Earned Approval Limits (EAL).
- Shop maintains Parts Autonomy during corrective action plan.

Corrective Action Plan

Month 1 Review

- Performance review sent to shop via email.
- SRA reviews performance review with the shop to provide insights to performance concerns.
- Shop and SRA review action plan, milestones, and provide progress status.

Corrective Action Plan

Month 2 Review

- Performance review sent to shop via email.
- SRA reviews performance review with the shop to provide insights to performance concerns.
- Shop and SRA review action plan, milestones, and provide progress status.

Corrective Action Plan

End of Month 3 Review and Decision

- **Scenario One:** Shop has demonstrated they are taking the necessary actions to improve performance and have met their three-month RPS requirement. PA CAP complete, EAL reinstated, and no audit recoveries.
- **Scenario Two:** Shop has not met requirements set out by PA CAP (three-month rolling average above 0%).
- MPI will audit submitted claims for the period of the PA CAP and recover up to the amount of the RPS variance.

Parts Autonomy Audit

3 months of paid claims

- MPI will complete a Parts Autonomy audit.
- Recoveries will be processed following MPI's normal audit recovery process of withholding from future payments.
- Recoveries will be up to the dollar variance found on the shop's most recent scorecard.
- Results will be provided to the repair facility.

5.4 Parts Autonomy Process Audited

MPI will determine the date for the audit by the shop's first opportunity to provide MPI a complete and accurate estimate using either the DR first estimate or CE first supplemented version submitted. Additional supplement dates or shop ordering dates will not be considered.

The audit will determine historical alternate part availability for the date determined above, with a focus on crash parts (included in PA) and powertrain/drivetrain parts (excluded from PA.)

The audit will consider supporting information from the shop to substantiate omitted savings opportunities only if the documentation is clear and fully aligned with the Estimate Part Selection estimating standard.

The recovery value will be capped at the variance reported on the shop scorecard.

The standard audit recovery process of withholding future payments will apply.

Recovery details will be provided via an email report and journal notification on each claim prior to estimate updates in Mitchell.

If the audit results find no missed opportunities, then no recovery will be made.

Audit results and insights will be leveraged for future RPS re-baselining analysis.

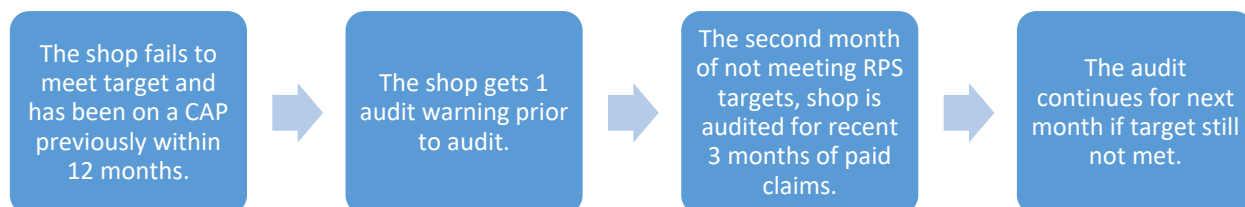
Following the end of the PA audit, MPI will review the next scorecard to confirm if the shop has met their target over the last three months. If a shop fails to hit their target, the PA audit continues until the shop returns to at least a three-month variance of zero. This will be determined by auditing the latest month of paid claims and recoveries will commence as required.

5.5 Continuation of Parts Autonomy Audit

In addition to the individual estimate changes, the audit results will impact the shop's KPIs. If the following scorecard results are not meeting the target, MPI will continue to audit until the shop manages to meet targets on its own.

5.6 Pattern of Not Meeting RPS Targets

After successfully completing a corrective action plan, a shop's performance will continue to be monitored for regression during the following 12 months. If the rolling three-month RPS score falls below expectations at any time, the shop will be issued one warning. If the RPS score falls below a second time at any point in this 12-month period, the PA auditing will resume immediately until the shop achieves the target on their own again.



6.0 Notification of Program Changes and Termination of the Program

MPI may change or terminate the Parts Autonomy program, or any portion thereof, at any time at its discretion, and shall provide you notice of such. MPI will however endeavor to consult and seek input from accredited repair shops before implementing such changes.

6.1 Notification of Program Changes

Notwithstanding anything else in this guide, MPI may deliver updates in accordance with the Light Vehicle Accreditation Agreement. This includes sending updates to any estimating standards, guidelines, documentation, policies and procedures, processes, and rules related to the Parts Autonomy program to repair shops electronically to an email address of their choosing, with relevant supporting documents posted to the MPI Partners website, or in any other manner that MPI deems appropriate.

6.2 Termination of the Program

MPI may cancel the Parts Autonomy program, or any portion thereof, at any time at its discretion. Upon notice of termination, the application of this Program Guide, and the related business rules and estimating standards will be deemed to be terminated.

- 6.2.1 MPI may terminate or suspend the application of this program for any reason by giving thirty (30) days' prior written notice.
- 6.2.2 In addition to its rights under this Program Guide, and without restricting any other remedies available, MPI may, immediately suspend or restrict your ability to participate in the Parts Autonomy program, or any portion thereof, and/or terminate participation in the program if:
 - (a) You make an assignment for the benefit of creditors or take any other action for the benefit of creditors, become bankrupt or insolvent, or take the benefit of or become subject to any legislation in force relating to bankruptcy and insolvency; or,
 - (b) In the opinion of MPI, you have failed to comply with or breached any other term or condition of your Accreditation Agreement.

- 6.2.3 Upon written notice of suspension or termination of the application of this program, you shall cease to participate in the Parts Autonomy program, cease to make parts decisions without the approval of MPI, and you shall follow all additional directions from MPI required to cease participation in the Parts Autonomy program.

Appendices

Additional materials related to the Parts Autonomy program can be found at the following links:

- [Accreditation Agreements](#)
- [MPI Estimating Standards](#)
- [MPI Parts Autonomy Program](#)
- [Direct Repair & Shop Measures](#)

Revision History

- June 2024 – Updated procedures for Realized Parts Savings
- July 2022 – Changed incentive from 25% to 50% and adjusted example on page 4 accordingly.
- September 2024 — Changed RPS Incentive (50% of Variance) from \$625 to \$1,250