Technical and Parts Consultation Committee Minutes May 15, 2022 1:00 pm to 3:00 pm

Committee Attendance

- Tully Gawazuk, Industry
- Ryan Kehl, Industry
- Franca Colosimo, Industry
- Lynsey Wilson, MMDA

- Steve Lupky, MPI
- Robert Ferreira, MPI
- Gord Froese, MPI

Other Attendees:

- Dennis Cloutier, ATA
- Cody Sterzer, MPI

Regrets:

• Ferd Klassen, ATA

Action Items from previous meeting's agenda (March 10, 2022):

1. Adhesive Templates Data:

• Further to discussion at the last committee meeting about trade uptake of adhesive templates, Waldemar shared data that illustrates the uptake since introduction in February. See attached slides for details. The data source was paid claims. For example, in April 229 templates were listed on paid claims for that month.

There was discussion about the eligibility for Parts Autonomy and discrepancies between the VIN decode information and the optional trim packages installed on vehicles. Templates are included under Parts Autonomy and repair shops are encouraged to contact their SRA if they suspect an impact to their RPS based on mismatched vehicle-built information, e.g. vehicle has black out decal package but the VIN decode shows standard trim.

2. Parts Autonomy (PA)

• MPI shared an industry overview for the last quarter. The data shows the program's success rate peaked in Q3 and has been on a slight decline. See attached slides for details.

Industry representatives shared their concerns about parts supply chain concerns and how they are impacting their shop's ability to meet their RPS targets. All trade attendees were encouraged to share specific examples with their respective SRA, so that this information can be taken into account by MPI. While line discounts provide another option for shops to consider, it is not expected that they become the primary mechanism for shops to meet their RPS targets. Line discounts were implemented to provide flexibility and open options for the trade, it is not a required process. Franca asked if MPI can provide data to show actual alternate parts used vs parts line discounts.

The plan for re-baselining the current RPS targets was discussed. MPI is currently looking for feedback from shops regarding re-baselining and the response rates have been good. RPS in general is being reviewed which may result in changes that will address industry concerns to targets. MPI will continue to seek feedback from the trade on this program and shops should reach out to their SRA when they are struggling with part sourcing or RPS management.

Action Item

• MPI to collect count of alternate parts applied to the estimate compared to count of line discounts used for RPS.

3. OFI Review and Feedback

- Prior to this meeting no formal OFIs had been submitted.
- One informal request was sent regarding Sublet Repairs. The issue was determined to be an estimator error.
- Repair shops are encouraged to continue to leverage the <u>escalation process</u> in these cases if the issue cannot be resolved directly. Contact information for the appropriate supervisor or manager is now available on <u>MPI Partners</u>.

4. Escalations

- Since the last meeting, no escalations have been reported.
- MPI shared an example of <u>repair shop support</u> specific to steering gear reprograming. The repair shop was unable to support their request for additional labour due to a lack of available documentation. In the absence of published labour times in Mitchell, MPI offered to collaborate with the shop to determine appropriate repair times. In cases like this one, an MPI technician can attend the shop to jointly determine the appropriate labour time for an operation. Once confirmed, MPI would document this information to assist with future claims and avoid unnecessary delays.

New Items to Discuss

1. Training Opportunities – Mitchell Procedures

- Waldemar discussed the work being done to develop new Estimating Standards training modules and advised that MPI may reference other training content provided by Mitchell or Car-Part where appropriate. The new modules will be provided as online self-serve options.
- Third party training is also available for Mitchell through the 'Help' link in Connect and for Car-Part through the Car-Part portal accessible from MPI Partners

2. Update on Collaborative Research Initiative

- Cooperation between the volunteers and MPI on validating findings from MPI's paint consumption study has shown that the discrepancy that was originally identified with bumper only refinishing appears to be an anomaly due to the constraints of the initial study. The team has not been able to reproduce this issue at the participating shops. This joint initiative has shown the importance of collaborating with repair technicians within a repair facility on specific studies to obtain both feedback and understand application in a production environment.
- With the conclusion of the first collaborative research initiative, MPI proposed to conduct a survey to collect suggestions from the trade at large for other joint research opportunities. All committee members agreed that there is value in sending out a survey to all accredited Manitoba repair shops. Committee members provided some suggestions for consideration of future initiatives and how to promote participation in the survey.

Action Item

- MPI will draft a survey to the industry for volunteers and ideas to partner in future research initiatives.
- MPI will engage the ATA and MMDA for promoting participation

3. NTT – Temporary Repairs

- Gord reminded the committee that an NTT was sent out the week prior about the option of temporary repairs. He explained that each temporary repair request is unique and will be handled on a case-by-case basis.
- Tully acknowledged that temporary repairs can be a good option for some shops, but they could cause delays if they impact a shop's capacity to perform regular work.
- Franca asked if temporary repairs impact KPIs. Robert explained that there is no impact to KPIs. The only potential impact is to the reporting date.

4. Ready for Pay – KPI Reporting

- Robert explained that several factors such as short payments, temporary repairs, audits etc. can potentially move the reporting date from the month the claim was closed to month the follow-up changes were made. This could result in a claim landing in a different reporting period.
- MPI is looking to address this issue by focusing on the initial payment request and how the claim can be kept in the period it was initially reported.
- Additionally, some claims may not be in the reporting period the shop would expect. Subrogation, third party out of province and other claims requiring Adjuster involvement may be delayed and show up in a later month was a thought from the industry. MPI confirmed that the only reason would be the "Potential T/L" indicator has the biggest impact for causing reporting delays. MPI generates a weekly report to help identify on which claims the "Potential T/L" indicator can be removed. This will help with accurate shop data.
- Robert informed the group about new tools in the KPI report that will help shops understand the month-on-month changes. SRAs are available to provide support on the new tool.
- MPI is addressing the TL indicator process with estimating and adjusting to be removed off of estimates when not applicable to ensure it doesn't impact reporting of any sort.
- Tully acknowledged that the T/L status removal was a significant improvement as it could impact Carfax reporting which in turn may affect trade in values.

5. Estimating Standards - Updates

- Cody presented a summary of OFIs that have been documented by MPI since the reformatted ES were published last year.
- Claims Audit and the SRAs also provided OFIs that had been collected during audits and discussions with the shops. These were included in the summary.
- MPI will be proceeding with the proposed clarifications to several estimating standards which will be published as drafts for 30 days for trade review in the coming weeks.

Roundtable

- Franca asked if there was a way to reduce the 'holds' on claims. This requires constantly reaching out the Adjuster to have the hold removed.
 - Rob advised MPI is currently working on a fix for this issue.
- Tully shared a concern regarding AM custom accessories. He brought up an example where an accessory supplier from Toronto did not carry inventory for a part that was advertised on their website. Shops are encouraged to <u>report such cases to MPI</u>, so that they can be investigated.
- Tully also mentioned that when accessory part sales are spread out over multiple suppliers, shops lose buying power and their discounts are impacted. Waldemar clarified that shops are not required to use the supplier listed by MPI. The goal is simply to establish an approved price point. Shops can use their preferred suppliers for the price that was approved by MPI.

Next Meeting

• Waldemar will send out communication to look for suitable date for next meeting in early July.

Meeting adjourned: 2:32pm

Technical & Parts Consultation Committee

May 5, 2022





- 1. Review uptake of Adhesive Templates
- 2. Parts Autonomy
- 3. OFI review & feedback
- 4. Escalations

- 1. Training opportunities Mitchell procedures
- 2. Collaborative Research Update
- 3. NTT Temporary Repairs
- 4. Ready for Pay KPI Reporting
- 5. Estimating Standards Updates



Adhesive Templates

Uptake since introduction to MAPP on February 1:

Operation	Baseline	Feb	Mar	Apr
R&R New OEM	73.7%	71.6%	67.2%	62.9%
R&R ATC	0.0%	0.8%	4.7%	9.1%
R&I	26.3%	27.5%	28.1%	28.0%

Month:	Feb	Mar	Apr
ATC Count	18	140	229



Parts Autonomy

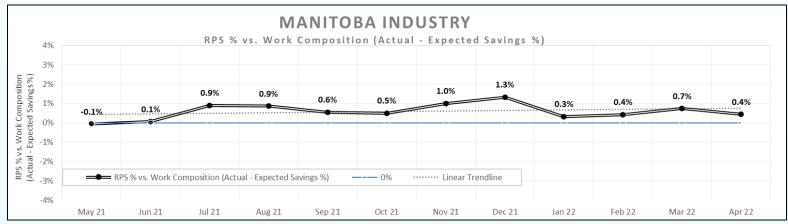
RPS Quarterly Performance

FY	2021/22			2022/23	
Tier	Q1	Q2	Q3	Q4	Q1
Level 1 - 2	116	130	152	141	124
PR	114	101	78	88	98
Lost PA	N/A	N/A	N/A	1	1
Success %	50.4%	56.3%	66.1%	61.3%	56.1%

Q1 – April only

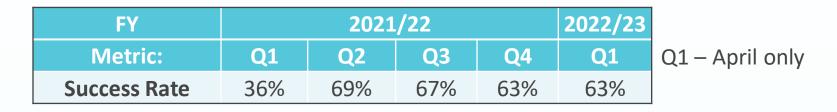
Note: Shops with no claims are not included in counts.

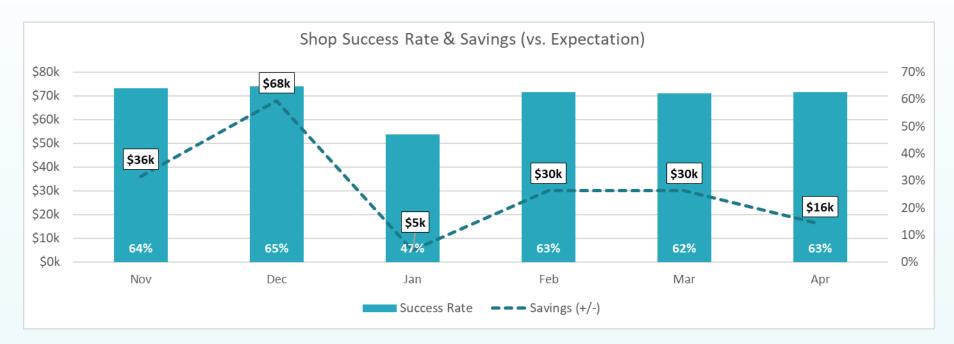
RPS Variance by Month



Shop Type Analysis

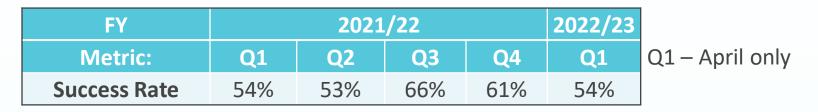
Dealer – shop success

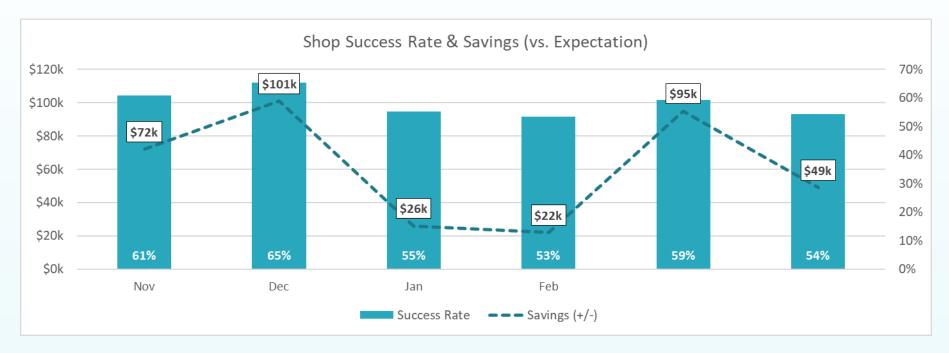




Shop Type Analysis

Independent – shop success







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Estimating Standards – Updates

Published MPI Content	Count of Entries	Recommendation
ES - Glass*	2	Update (1), PDP (1)
ES - Refinish Allowances*	6	Update (3), PDP (1), Duplicate (2)
ES - Tear Downs*	4	Update (3), PDP (1), Duplicate (1)
ES - Estimate Part Selection	3	Update (3)
ES - Shop Materials	3	Update (2), Duplicate (1)
ES - Shipping & Freight Charges	3	Update (2), Defer (1)
ES - Pre and Post Repair Diagnostic Scanning*	3	Update (1), PDP (1), N/A (1)
ES - Wheels*	2	Update (1), PDP (1)
ES - Betterment/Depreciation	1	Update (1)
ES - Final Repair Account Signature Sheet	1	Update (1)
ES - Mechanical Fracture or Breakdown*	2	Update (1), PDP (1)
ES - Tire Allowances*	2	Update (1), PDP (1)
ES - Blend for Colour Match and Extension of Clear Coat	1	Update (1)
ES - Assemblies	1	Update (1)
ES - Restocking Fees & Non-Returnable Parts	1	Update (1)
ES - Marginal Repair & Price Outs*	1	PDP (1)
ES - Sublet Repairs*	1	PDP (1)
ES - Glass Allowances*	1	PDP (1)

Estimating Standards – Updates

• Glass*

Gap Log Entry

- 1. Northern rate is currently listed in the PA section of the ES and should be listed in the rules.
 - Update Northern rate to be moved from the PA section of the ES into rule #2

PDP OFI

- 1. When there are no published NAGS prices, it is not clear what price the shop is entitled to
 - Update Parts Business Rules to include max price 'OEM less \$1'

Refinish Allowances*

Gap Log Entry

- 1. ES is not clear regarding the application of Mask for Overspray when both box-side require refinish
 - Update Add details to the example of the ES to clarify this situation
- 2. Duplicate point 1
- 3. The background section refers to 'Long Expansion' instead of My Templates
 - Update update terminology
- 4. Duplicate point 1
- 5. The formatting of the Feather Prime & Block calculation does not match the other rows in the table
 - Update align formatting

PDP OFI

- 1. Photo requirement for Raw Substrate Prep is unclear
 - This will be addressed through Estimator training

