

Case study



Local Government Procurement improved governance and delivered over \$640,000 in savings to NSW Councils by using VendorPanel software to increase utilisation of preferred suppliers

The Organisation

NSW Local Government Procurement (LGP) provides a fully integrated procurement service to 152 general-purpose local government councils, 13 special purpose councils, and 13 Regional Aboriginal Land Councils in New South Wales.

The Situation

The LGP “whole of Local Government” preferred supplier panels are selected through a robust public tender process. Once the panels are put in place, the key challenge is to ensure that Council staff obtain quotes and proposals from these preferred suppliers. Historically, Council staff and stakeholders were provided with details of the preferred suppliers details via a list, with responsibility for the process left in the hands of each staff member.

The Challenge

The quotation, selection and feedback processes used by staff were inconsistent, inefficient and spread across multiple systems and therefore not transparent. For staff, this high degree of manual coordination was inefficient and frustrating. It was difficult to work out which preferred supplier was best suited to their specific requirement, and cumbersome to demonstrate that an appropriate and fair process had been used in obtaining quotes.

This meant that compliance to preferred supplier panel agreements was not as high as it could be, resulting in higher supply risks, costs, and missed savings opportunities.

The Solution

In July 2010 LGP launched www.VendorPanel.com/LGP, an innovative web-based sourcing application designed to address the challenges facing complex organisations in improving compliance to preferred supplier lists.

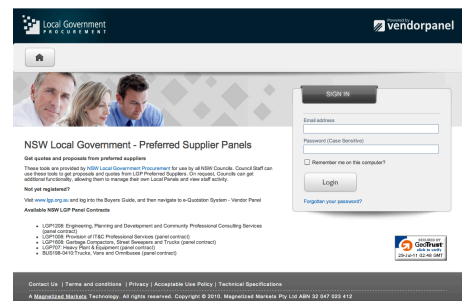
The Results

The use of VendorPanel across LGP preferred supplier panels has delivered the following outcomes in the first 12 months of use:

- ✓ **160% increase in utilisation** of preferred suppliers panels
- ✓ Estimated **cost savings of \$640,000**
- ✓ Average **staff time savings of one-hour per RFx**
- ✓ Improved probity and governance through embedded, consistent and transparent RFx processes
- ✓ Real-time visibility of end-to-end procurement processes
- ✓ Increased competitive tension between suppliers
- ✓ Improved supplier performance feedback

The VendorPanel.com/LGP initiative has been recognized in a number of awards:

- **WINNER** of Victorian AIIA 2011 e-Government iAward
- **WINNER** of Victorian AIIA 2011 e-Logistics and Supply Chain iAward
- **FINALIST** in Department of Finance and Deregulation 2011 Excellence in e-Government Awards
- **FINALIST** in Smart 2011 Awards for Excellence in Supply Chain Innovation in NSW



To learn more about VendorPanel

www.MagnetizedMarkets.com or call (03) 9095 6181