

CASE STUDY



A system to manage high volume procurement

Client	Central Highlands Regional Council (CHRC)
Project Value	\$12m per year
Date	December 2014 – March 2016
Client's Representative	John Frisch Central Highlands Regional Council EMERALD QLD 4720 P 1300 242 686 D 07 4980 6382 E JFrisch@chrc.qld.gov.au



Lange Personnel Col Lange, David Williams

The challenge

CHRC was amalgamated on March 15, 2008 from Shires of Bauhinia, Duaringa, Emerald and Peak Downs and extends over 60,000 square kilometres (about the size of Tasmania). It has the largest sapphire fields in the Southern Hemisphere and a population of only 26,800. CHRC has \$800 million in assets, \$112m operating budget, an \$88m capital budget and over 4,600 kilometres of roads. CHRC has 11 library branches, 6 aquatic centres, and 7 customer service centres.

In 2014 CHRC faced a downturn in the local mining industry as a result of falling commodity prices. The loss of industry and people also had a flow-on affect to the income derived by CHRC and the broader community.

In October 2014 CHRC signaled its determination to support local businesses by adopting a Local Preference Policy.

'This is really good news for local businesses,' said the Mayor, Councilor Peter Maguire. 'Council spends around \$120 million per annum on materials and services, and while we work under a strict regulatory regime for the purchase of these goods and services, we are determined to do what we can to support economic activity in the region.'

The Local Preference Policy was mandated to take effect on the 3rd November 2014.

CHRC needed new technology to build a more streamlined capability to give effect to the new policy; they chose the 360Pro SaaS eRFx solution.



Contact Col Lange for further information:
clange@langeconsulting.com.au
Ph: +61 (0) 418 481 494
www.langeconsulting.com.au

CASE STUDY



A system to manage high volume procurement

Implementation

360Pro implementation began with all interested suppliers applying to be added to the Central Supplier Panel.

An 'open-ended' Approach to Market (ATM) to join the Central Supply Register was published in 360Pro on the 10th of October 2014. That ATM remains open to allow new suppliers to make applications. In just over a month, over 300 local and nearby suppliers submitted applications to join the register.

Suppliers use 360Pro for free, they don't need any training and it only takes about 5 minutes to prepare and lodge an application. Applications are still flowing in and suppliers continue to be assigned to panels.

As of 2018, there are about 1,000 suppliers registered as members of over 100 panels.

they still need to be competitive to win business.

CHRC has reinvested some of their savings back into sponsoring enhancements to 360Pro that will improve functionality and their corporate reporting.

Local suppliers can see that they are being treated in accordance with the new Local Preference Policy. They all have equal opportunities to submit quotations. Through a well-led management team, a practical implementation strategy and clever technology, Central Highlands Regional Council has been able to transform and decentralize their high-volume simple procurement.

Results

CHRC staff out in the regions now issue 15- 30 RFQs per week out to local suppliers. The procurement Manager maintains a watching brief on procurement activities via 360Pro and provides local support and guidance where necessary. He trains new staff and provides feedback to existing staff where required. Monthly reports are generated from 360Pro to advise council of procurement activities and progress towards meeting local content targets. Local providers can now see that they have the support of council, but



Contact Col Lange for further information:
clange@langeconsulting.com.au
Ph: +61 (0) 418 481 494
www.langeconsulting.com.au