



Council Newsletter - March 2017

Edition 18

Regional Procurement

A Division of Strategic Services Australia

Solving the Procurement Puzzle

MESSAGE FROM THE MANAGER



As we continue our march forward into 2017 we can understand that time is relentless and surely it cannot be revisited once it has passed. Therefore, making the best use of our time is paramount not only to our own sense of worth it is also intrinsically linked to productivity.

The time invested in undertaking tasks or processes that are not core functions of your organisation would be better spent on those areas that are most relevant. Whilst 'outsourcing' may not be a word that is palatable at the best of times it is something that occurs every day of the working week in Local Government. Outsourcing of some contracting or tendering functions may provide Council staff with valuable time to spend on more relevant or strategic issues.

Regional Procurement is well placed to offer a range of tendering services and can undertake the entire process from conception to completion or any part thereof. Should you wish to discuss any aspect of our tendering capabilities please contact us to speak to one of our Account Executives or you may contact me directly.

Risk Management in Contracting:

Regional Procurement is raising awareness on the important subject of risk management in contracting. This issue has arisen due to our recent experience with a well known supplier that would not execute a contract unless Regional Procurement agreed to their request for a \$265,000 (originally \$65,000) cap on liability for uninsured events.

After consultation with Jardine Lloyd Thompson on this matter we were strongly advised not to accept any such condition. The reason being that agreeing to such a cap would then expose Regional Procurement and in turn our valued client councils to a situation where we are all in fact re-insuring this supplier for their risk!

Following a prolonged negotiation period of well over 3 months it was my decision to abandon any hope of securing an executed contract with this particular supplier. I have now formally written to the Councils affected by this impasse and advised them to now accept the second placed tenderer for the supply of the products covered by this contract. I am pleased to advise that the current contracts in place with this supplier are not the subject of this particular requirement. As these contracts fall due for renewal we will be diligent in ensuring that should this supplier respond with the same request to cap liability we will have no option but to pass them over in the initial evaluation stage of the tender process.

Please contact me directly should anyone wish to know the specific details on this matter. Needless to say that Regional Procurement will never accept a request from a supplier that compromises the financial position of our client councils or this organisation.

Electricity:

Regional Procurement has commenced the contract renewal process for a number of our client Councils in relation to Small Sites (SME) as well as Contestable Sites and Street Lighting. We offer two distinctly different approaches to provide our valued client Councils with a solution to this sometimes puzzling yet necessary commodity.

We test the market for our client Councils using either of the following methods:

1. Standard tender process for Small Sites (SME) which consume less than 100mwh per annum.
2. Reverse Auction process for all Contestable Sites which consume greater than 100mwh per annum and Street Lighting. The Reverse Auction process is unique to EnergyAction and has provided our client Councils with much needed savings over the past 8 - 9 years since we commenced our partnership with this company.

^^ The Reverse Auction process is exempt from Local Government (General) Regulation - Part 7 Tendering requirements. To enquire about this innovative option for securing better than average market rates please contact me directly.

Regional Procurement only goes to market for individual client Councils based on their respective volumes. This may seem contrary to the popular belief that 'bigger is better' or that a better deal can be obtained by aggregating the volumes of multiple Councils. Our experience clearly shows that the retail energy industry prefers to deal with individual entities as this provides for a quick turnaround on the results obtained and as such achieves a better outcome.

To facilitate either of the Tender or Reverse Auction processes Regional Procurement follows these simple steps:

- A Letter of Participation (to allow Regional Procurement to undertake the respective process on behalf of Council) and Letter of Authority (to allow EnergyAction to access your energy retailer) be signed by the participating Council to confirm their support for the process. This does not bind the Council to any outcome. Such commitment must be the subject of a Council resolution only where the results are to the satisfaction of the parties involved.
- Copies of all invoices are provided for information purposes
- The tender or reverse auction is advertised in the Sydney Morning Herald and on TenderLink
- An Evaluation Plan is provided outlining all pertinent steps in the process including milestone dates, evaluation criteria, etc
- At the nominated closing date and time an evaluation meeting is convened and facilitated by Regional Procurement
- A comprehensive evaluation report is provided to the Council officer to assist with the reporting process
- Upon confirmation of Council's endorsement of the recommended outcome a contract is signed by the GM and sent directly to EnergyAction for lodgement with the successful energy retailer

Please contact me to discuss should you wish to know more about the services we offer regarding this very important commodity.

Annual Council Rebate Program:

Regional Procurement is proud to advise that we are on track to again deliver a significant amount of rebates to our valued client Councils. For the 16/17 financial year, we rebated \$314,000 to Councils that procured goods and services under our various contracts.

I am pleased to advise that our forecast for the 17/18 financial year is tipped to exceed \$340,000! These rebates are paid directly to the client Councils for expenditure they have made under our contracts. It is very important to us that your loyalty is rewarded as we continue to provide value-added services to you all.

Your ongoing support and use of Regional Procurement contracts is what keeps our doors open and for that I say a profound 'Thank you'. The fact that we are still in operation after opening our doors over 13 years ago gives me a great sense of satisfaction in the knowledge that the services we offer are meaningful and provide solutions to the needs of our valued client councils.

Peter Salafia

Manager

Regional Procurement Initiative

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We are also current member of the Regional Procurement Initiative.

We are located 20 KMS from the Newcastle CBD with brand new facilities & a brand new way of thinking. Our

experienced, professional & friendly staff have a wealth of knowledge, and combined have well over 100 years' experience in asset re marketing. Our goal, is to maximise our vendors return on assets.

We provide re-marketing services for passenger & commercial vehicles, light & heavy trucks, motorcycles, boats, machinery, plant & equipment. We provide superior customer service to our vendors & buyers, exceed expectations and deliver results.



We would like to offer you the opportunity to try our services with no risk to yourself. We are offering to sell up to 3 assets free of charge as we are that confident that you will be happy with our service and we will develop a mutually beneficial relationship.

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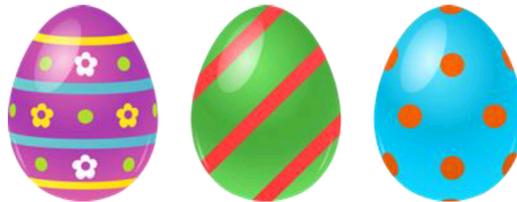


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Happy Easter!

From the team here at Regional Procurement we hope everyone has a great Easter and relaxing long weekend filled with laughter, family and lots of chocolate!

Thank you!



Interested in what's currently out in the market?

Visit our [Tenderlink Portal](#) to view all advertised tenders.



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As a Participating Council of Regional Procurement, we would love to keep you informed of the work we are currently undertaking.

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