

OPPORTUNITY: FLEET

This opportunity comprises the 3 sub-categories - Supply of Motor Vehicles and all vehicle assets (trailers etc), Purchase of fuel and Fleet Management Services (initially this was considered a medium priority however when bringing under the 'Fleet' scope it becomes high)

Research Outcomes

The work that will be undertaken over the month of August will look to deliver the following outcomes:

1. Recommendations on which aspects of these sub-categories should be bundled together (or not)
2. Depending on the recommendation referenced above, determine the market or supplier approach that will be necessary
3. Submit a project plan and timeline to deliver and implement the recommendation(s)

Research Timeline

August -	Estimated days effort:	Early	Mid	Late
Collate spend information	5 - 10			
Consolidate and review spend information	10 - 15			
Meet with each Council	3			
Review contracts	1 - 2			
Prepare recommendation for next steps	2 - 3			◇

Information to collate will include:

1. Detail of spend per sub-category
2. Asset lists and replacement plan
3. Contract status and copy of contract per sub-category
4. Overview of internal processes and supplier interactions – buy, manage, accountabilities, issues

When Benefits could be realised:

This will depend on the information collated, however if any fuel benefits are promptly identified these could be implemented in weeks, though if a go to market strategy is employed any benefits could be expected to commence towards the end of the calendar year. This would also apply to Vehicles and Fleet Management.

OPPORTUNITY: ELECTRICITY AND GAS

This category is high spend however we are unsure whether any opportunity exists. In this phase we will determine, through engagement with subject matter experts (SMEs), whether any opportunity exists and how this could be approached. (NB: This is the category where most of the Councils have recently been to the market and signed new agreements).

Research Outcome

The outcomes from this initial phase will be:

1. Commentary from SMEs on the possibility of talking with the incumbent suppliers about consolidating volume for better pricing.
2. Understanding each Councils contract status (specifically any contractual obligations for an 'Initial Term')
3. Document the key pricing considerations and selection criteria for each Council
4. Propose whether this should be progressed and the expected benefits of doing so.

Meetings with the incumbent Suppliers may also occur as part of this research.

Timeline

August -	Estimated days effort:	Early	
Meet with SMEs			

Collate spend and contract information
Review contracts in line with SME feedback
Finalise plan of action from here with SMEs
Prepare recommendation for next steps or meet with Suppliers

5		
2		
2		
2		◇

Information to collate will include:

1. Detail of spend
2. Contract status and copy of contract
3. Overview of internal processes and supplier interactions

When Benefits could be realised:

This will depend on the information collated. If any benefit is identified implementation could be limited to any termination periods that may exist in contracts. (e.g 60 days notice)

OPPORTUNITY: MAIL & COURIER

This opportunity will focus on mail management (including the use of mail-houses) and courier services. However, depending on the processes employed to manage these two services, it may be necessary to understand local Council mailroom operations if these are applicable.

Research Outcome

The initial work that will be undertaken will seek to deliver the following outcomes:

1. Summary of the mail processes and compliance to NZ Post Standards
2. Confirmation of the spend across this category for all Councils and any obvious savings opportunities (if any)
3. Contract status (mail, courier, mailroom and / or mail-house)
4. Recommendation on future Mail & Courier options and the proposed market engagement or supplier negotiation plan
5. Submit a project plan and timeline to deliver and implement to the options referenced above.

Research Timeline

Estimated days effort:	Aug			Sept
	Early	Mid	Late	Early
Collate spend information	10 - 15			
Consolidate and review spend information	15			
Meet with each Council	3			
Review contracts	3			
Prepare recommendation for next steps	2 - 3			◇

Information to collate will include:

5. Detail of spend across Mail and Courier services (including any management fees if applicable)
6. Contract status and copy of contract(s)
7. Overview of internal processes and supplier interactions – buy, manage, courier delivery runs, accountabilities, issues

When Benefits could be realised:

Reviewing spend data will quickly identify where and how quickly benefits could be realised. Postal rates have limited flexibility however using the right mail process can bring quick benefit. Courier costs *may* benefit from a go to market approach which would result in savings commencing towards the end of this calendar year.

OPPORTUNITY: STATIONERY, incl OFFICE FURNITURE

This category includes any stationery purchased for internal use and any office furniture including ergonomic accessories.

Research Outcome

The outcome for this review will be a recommendation as to how stationery should be managed across the Councils for the next (approximately) 2 years. Likely result is we will go to market as ASAP with a tender.

Research Timeline

	Sept		
	Estimated days effort:	Early	Mid
Collate spend information	5		
Consolidate and review spend information	5		
Meet with each Council	2		
Review contracts	2		
Prepare recommendation for next steps	2		◊

When Benefits could be realised:

If a tender is determined as the go forward plan, benefits could be realised commencing November.

Assumptions:

In preparing this summary the following assumptions have been made across all opportunities and all timelines

- Information will be provided as requested and as required
- Additional Resource will be available to assist with analysis
- Subject matter experts will be available to meet with across the Councils
- Contracts have termination periods that allow the Councils to exit without cause