

2014/15 Expenditure & Savings

PREFERRED SUPPLY CONTRACTS & BUSINESS SERVICES



City of Vincent

This information is accurate as at : 15/09/2015

SUMMARY

Total Savings	\$456,388
Savings from Preferred Supply Contracts	\$397,846
LGIS Dividends	\$58,541
Total Subscription	\$46,836

WALGA SUBSCRIPTIONS

Business Service	Subscriber	Business Service	Subscriber
<u>Asset management ROMAN II</u>	YES	<u>Environmental Planning Tool</u>	NO
<u>Council Connect</u>	NO	<u>Procurement Consultancy</u>	YES
<u>Councils Online</u>	NO	<u>Tax Service</u>	YES
<u>Local Laws</u>	NO	<u>Employee Relations</u>	YES
<u>Local Government Act Guide</u>	YES		

PREFERRED SUPPLY CONTRACTS & BUSINESS SERVICES

Contract	Expected Savings 2014/15	Expenditure 2013/14	Est. Savings 2013/14	Expenditure 2014/15	Est. Savings 2014/15
Advertising Placement & Media Buying	Up to 25% below market rates	\$ -	\$ -	\$ 92,607	\$ 23,152
Ag & Turf Machinery & General Power Eqpt	An average discount of 12% against market rates	\$ 24,100	\$ 4,097	\$ 22,361	\$ 2,683
Asset Management	Discounted hourly rates	\$ 35,891	\$ 1,795	\$ 33,314	\$ 5,663
Audit Services	Up to 10% discount against market rates	\$ 24,860	\$ 2,486	\$ 24,460	\$ 1,835
Bill Payment	Up to 60% below market rates	\$ -	\$ -	\$ -	\$ -
Building Consultants	Discounted hourly rates	\$ -	\$ -	\$ -	\$ -
Bulk Fuel, Fuel Cards & Oils & Lubricant	Up to 50% below market prices	\$ -	\$ -	\$ -	\$ -
Call Centre Management Services	Up to 30% below market rates	\$ -	\$ -	\$ -	\$ -
Contestable Energy	Up to 30% off retail prices	\$ 852,078	\$ 127,812	\$ 676,154	\$ 118,327
Corporate Wardrobe, Workwear & Footwear	An average discount of 25% against market rates	\$ 9,495	\$ 2,374	\$ 30,176	\$ 7,544
Debt Management	An average discount of 25% against market rates	\$ -	\$ -	\$ -	\$ -
Engineering Consulting Services	Up to 40% below market rates	\$ -	\$ -	\$ 4,950	\$ 1,114
Environment & Sustainability Services	Up to 20% below market prices	\$ 22,595	\$ 2,259	\$ 6,600	\$ 825
Fuel Tax Rebates	Recovery of diesel fuel rebate revenue	\$ -	\$ -	\$ -	\$ -
General Hardware	Up to 44% below retail, 3% below wholesale	\$ 34,564	\$ 5,185	\$ 32,041	\$ 4,806
Heritage Advisory Services	Procurement benefits	\$ -	\$ -	\$ -	\$ -
IT and Related Services	Between 10% and 31% below market rates	\$ 27,331	\$ 3,826	\$ 36,286	\$ 5,443
Landscape Infrastructure	Between 5% and 20% below market rates	\$ 36,383	\$ 4,548	\$ 22,960	\$ 2,870
LED Luminaires	Up to 20% off retail, up to 10% off wholesale	\$ 69,209	\$ 10,381	\$ -	\$ -
Legal Services	Up to 50% below market rates	\$ 39,162	\$ 7,832	\$ 119,841	\$ 26,964
LGIS - Insurance Services & Risk Management	Member dividend provided by LGIS	\$ -	\$ 24,226	\$ -	\$ 58,541
Library Stocks and Related Services	Between 10% and 35% below RRP	\$ 14	\$ 3	\$ -	\$ -
Marketing & Communication Services	Up to 25% below market rates	\$ 179,006	\$ 71,602	\$ 25,067	\$ 6,267
Office and Workplace Supplies	Up to 70% below market rates	\$ 47,298	\$ 18,919	\$ 43,401	\$ 17,360
Office and Workplace Furniture and Fitout	An average discount of 20% against market rates	\$ 2,971	\$ 594	\$ 431	\$ 95
Operating Lease and Finance Solutions	Procurement benefits, investment opportunities	\$ 528,294	\$ 79,244	\$ 768,836	\$ 115,325
Organic Composting Services	Between 3% and 40% below market rates	\$ -	\$ -	\$ -	\$ -
OSH Legal	Up to 20% below market rates	\$ -	\$ -	\$ -	\$ -
Parking	Up to 15% off market rates based on volume	\$ -	\$ -	\$ -	\$ -
Plant and Equipment	Up to 20% off market rates	\$ -	\$ -	\$ -	\$ -
Playground Goods and Services	Up to 20% of market rates	\$ -	\$ -	\$ 126,475	\$ 18,971
RFID Technology	Hardware priced below market rates	\$ 27,905	\$ 2,791	\$ 14,968	\$ 1,497

continued on page 2...

2014/15 Expenditure & Savings

PREFERRED SUPPLY CONTRACTS & BUSINESS SERVICES



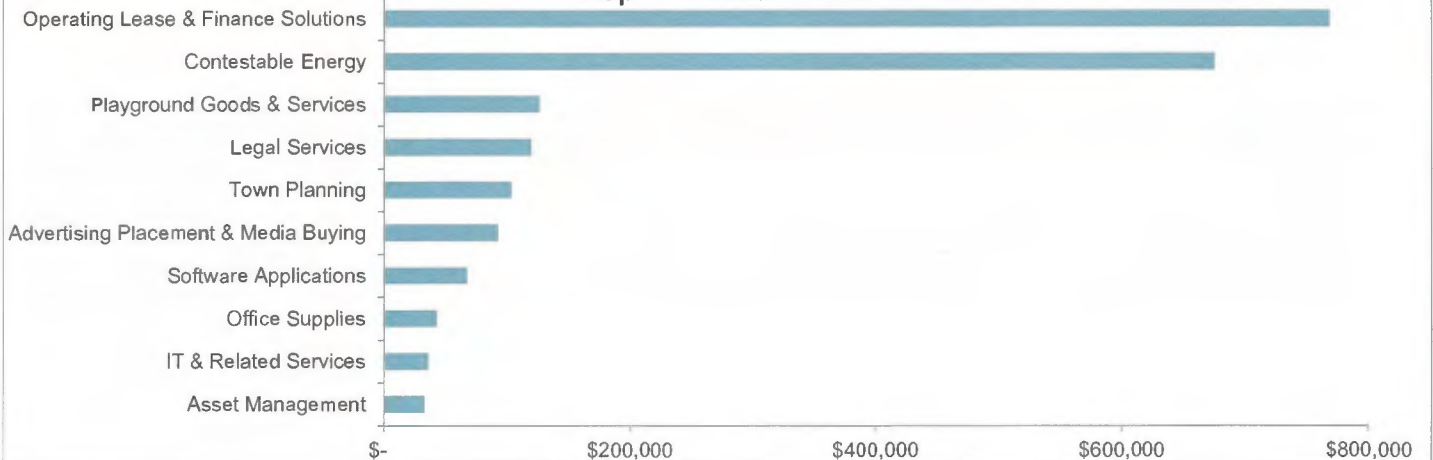
City of Vincent

continued from page 1...

PREFERRED SUPPLY CONTRACTS & BUSINESS SERVICES

Contract	Expected Savings	Expenditure 2013/14	Est. Savings 2013/14	Expenditure 2014/15	Est. Savings 2014/15
Road Building Materials & Related Services	Up to 16% savings plus mobilisation benefits	\$ -	\$ -	\$ -	\$ -
Security Systems and Services	Between 8% and 20% off services and hardware	\$ 711	\$ 107	\$ -	\$ -
Signage, Road Traffic and Other	An average discount of 15% below market rates	\$ 18,211	\$ 2,732	\$ 10,509	\$ 1,576
Software Applications	Up to 60% below market rates	\$ 74,299	\$ 11,145	\$ 67,409	\$ 11,797
Sustainable Energy Infrastructure	Between 2% and 40% off parts and hardware	\$ 33,460	\$ 5,019	\$ 14,528	\$ 2,179
Sweeping Equipment	An average discount of 10% against market rates	\$ -	\$ -	\$ -	\$ -
Telecommunications	Up to 70% below market rates	\$ 11,871	\$ 7,123	\$ 3,907	\$ 2,344
Temporary Personnel Services	An average discount of 20% against market rates	\$ -	\$ -	\$ 3,121	\$ 468
Town Planning	Discounted hourly rates	\$ 38,956	\$ 1,948	\$ 103,518	\$ 5,176
Trucks	Up to 30% below market rates	\$ 128,618	\$ 29,582	\$ -	\$ -
Tyres, Tubes & Automotive & Marine Batteries	Up to 42% for tyres and 60% for batteries	\$ 58,580	\$ 26,361	\$ 30,144	\$ 13,565
Used Oil	Up to 23% below market rates	\$ -	\$ -	\$ -	\$ -
Waste, Recycling & MGB's	Up to 20% off Collection, up to 32% off MGBs	\$ -	\$ -	\$ -	\$ -
TOTAL		\$ 2,325,861	\$ 453,990	\$ 2,314,063	\$ 456,388

Top 10 Panels - 2014 / 15



Assumptions and Notes

- Savings are determined by requiring Preferred Suppliers to confirm in their Tender Response the discount off normal market rates provided exclusively to WALGA Members.
- Pricing and discounts will vary between Preferred Suppliers.
- Preferred Supplier pricing (where available) can be obtained as commercial in confidence information by logging into eQuotes.
- While volume based purchasing by a Local Government could generate better than normal market prices, such an approach should not be able to deliver better pricing than WALGA rates. This is because WALGA pricing is based on whole-of-sector expenditure and the fact that all Preferred Suppliers are contractually required to provide their best pricing exclusively through the WALGA Panel.
- Local Governments can use the tender exempt nature of Preferred Supply Panels to negotiate optimal value for money from Preferred Suppliers.
- The Bill Payments contract expired on 1 March 2015 without a continuation into a new contract.
- Savings are in addition to efficiency savings generated from the reduction in tendering and streamlined quotation processes.

ADVERTISING PLACEMENT AND MEDIA BUYING

Advertising and Media Services spend is broken down as stated below:

Total Advertising Spend	West Australian Spend	Community News Spend	Other Spend	Allocation of Community News Pages
\$92,607	\$10,702	\$30,504	\$51,401	6