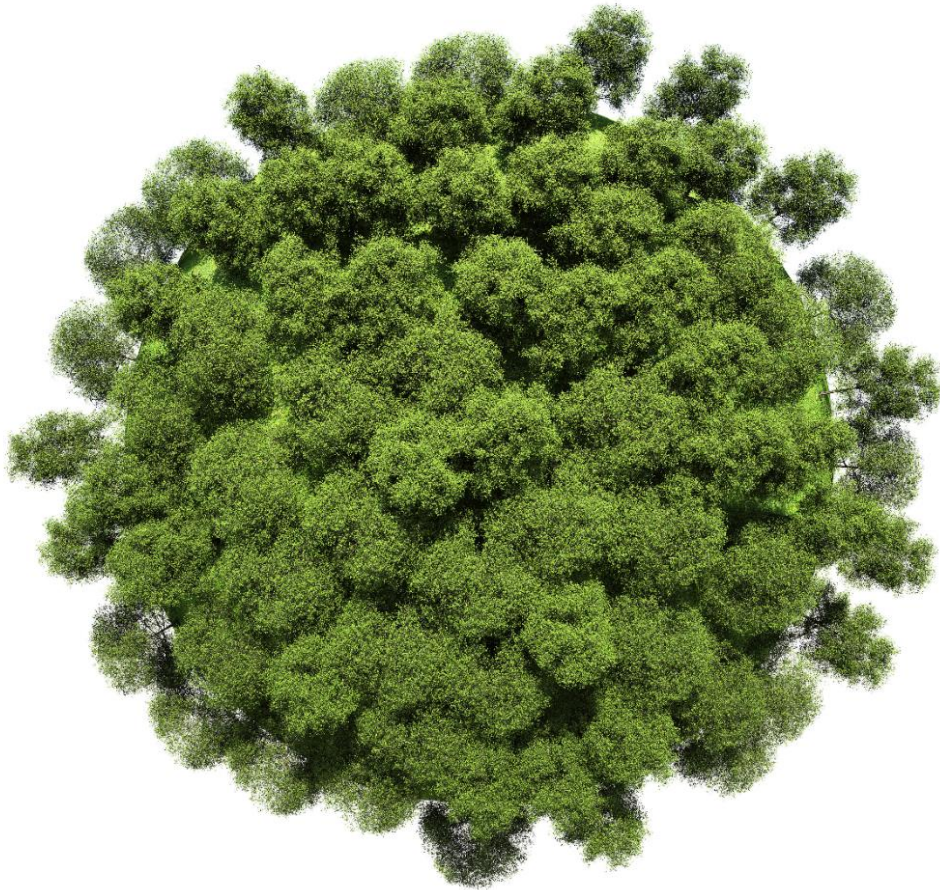




*Healthy Parks
Healthy People®*



Enabling positive outcomes through the VendorPanel source-to-contract platform

Parks Victoria Case Study

March 2020

Deloitte.

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Context

Parks Victoria

Parks Victoria strives to be a world-class park service dedicated to providing healthy parks for healthy people. In delivering this vision, Parks Victoria aims to; establish strong partnerships with people inspired to protect and share Victoria's natural landscape, conserve the natural environment and cultural heritage for current and future generations, work with members of the community to collectively plan and deliver great outcomes and provide benefits beyond park boundaries, and strive to be innovative through the utilisation of new research, change opportunities and technological advancements, to plan, deliver and perform at a world-class standard.

As a statutory authority of the Victorian Government, Parks Victoria is responsible for managing a diverse estate of more than 4 million hectares. There are 4,300 native plants and 1,000 native animal species inhabiting over 3,000 land and marine parks and reserves, and the estate spreads across 18 per cent of Victoria's landmass, 75 per cent of Victoria's wetlands and 70 per cent of Victoria's coastline.

VendorPanel Implementation

In 2018, Parks Victoria implemented VendorPanel as an innovative Source-to-Contract platform to simplify procurement and supplier management, reduce risk, maximise savings and drive positive social outcomes.

The implementation is complete and 12 months later the platform is providing all the expected benefits, with usage higher than expected and a significant indicative ROI on the investment. In addition, there are other benefits being attained including competition, compliance and empowerment benefits.

The purpose of the Case Study is to provide an overview of the challenges that Parks Victoria experienced within sourcing prior to implementing VendorPanel, the benefits realised and future plans.

This Case Study has been completed by Deloitte, informed by and in collaboration with Parks Victoria.



Sourcing before VendorPanel

Prior to the introduction of the VendorPanel platform, decentralised procurement for goods and services of value less than < \$150K was managed in a largely ad-hoc, localised manner, often with the same group of suppliers.

Users reported their procurement processes prior to VendorPanel to be along the lines of:

1. Call or email known supplier(s) with details of the request for quotation
2. Supplier(s) responded with a quotation, often verbally or in the form of a handwritten sheet from a quotation book
3. Preferred supplier was selected based on a range of criteria chosen by the requestor. These criteria may have varied between projects and included: price, familiarity with the area/site and previous experience with the supplier
4. Details of quotations received and the selection process were stored in either emails or physical project folders

Parks Victoria reported managing procurement processes either through saving/filing of email quotations or by keeping a physical file for each project. The exact process differed between individuals, as there was no (widely adopted) central policy. None of the users consulted reported having to regularly provide documentation of their historical procurement processes or being subject to regular audits. In regional and remote areas, quotations were requested from the same core group of known local suppliers. While these suppliers were asked to provide their best/most competitive price, further investigation of alternative quotes uncovered uncompetitive behaviour. Some users also reported concern about the risk to project delivery associated with awarding multiple concurrent projects to the same supplier.



Sourcing after 12 months with VendorPanel

Benefits

Having used VendorPanel for over 12 months, Parks Victoria reported that they were navigating the system well and found the process intuitive. Some users reported already seeing benefits of the process rigour VendorPanel requires and the corresponding increase in competition.

enabled better selection of viable and proven suppliers. The VendorPanel platform also gives suppliers exposure to procurement opportunities at other government departments and agencies, and at local councils.

Outlined below are the key benefits realised:

1. **Reduced Risk**

VendorPanel enabled greater compliance and has allowed for effective exception reporting to reduce instances where RFQs were not in line with procurement policies.

2. **Commercial Outcomes**

Overall functionality and reporting capability has enabled greater visibility of procurement statistics to inform better supplier category management. This has enabled the establishment of supplier panels. With more suppliers within VendorPanel, this has led to increase supplier competition, reduced risk, cheaper options and greater breadth of access to services and products.

3. **Supplier Management**

Suppliers have successfully adopted the solution and are now regularly responding to requests within a single platform, enabling greater supplier collaboration. In addition, with understanding the suppliers better, it has

4. **Maturity**

The data available from VendorPanel informs Parks Victoria's organisational procurement strategy. By providing an easy to follow, guided process for creating and evaluating RFQ's the VendorPanel platform has enabled the procurement function to move away from only talking about procedural issues with buyers and stakeholders and to start having discussions about what value for money looks like for PV (such as delivering social procurement framework outcomes).

5. **Usability**

Parks Victoria found the user interface very user friendly. The navigation is very easy to understand and requires minimal training. In many cases, some users were self-taught and found the pre-filled content in RFQ process very helpful, in particular for standard and mandatory information that is required. In addition, the supplier evaluation tool was found to be very useful and convenient for recording purchasing decisions. Lastly, the suppliers also found it easy to register.

Future plans for use of VendorPanel

With the benefits of VendorPanel continually being realised, Parks Victoria are also looking to improve their Source-to-Contract process in the medium to long term.

Some of the areas Parks Victoria are looking to improve are:

1. utilise the compliance information from VendorPanel to ***audit and educate users*** on how to appropriately engage with local suppliers;
2. ***enhance existing reporting*** dashboard functionality and usability;
3. set up ***reminders*** set up for various activities; and
4. develop training materials and ***support for supplier end users***.

Parks Victoria and VendorPanel are working together to continually improve the Source-to-Contract process and explore how Parks Victoria can leverage the VendorPanel platform to deliver social procurement outcomes.





For questions in relation to this case study, please contact Frank Kelloway at Deloitte Consulting on fkelloway@deloitte.com.au.

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