

Contact™



Engineering Services Panel Evaluation Process

**A different procurement approach
and a 360 degree review**

Smarter Procurement Auckland

7 November 2013

So who are we?



Kim Gordon - Head of Group Procurement



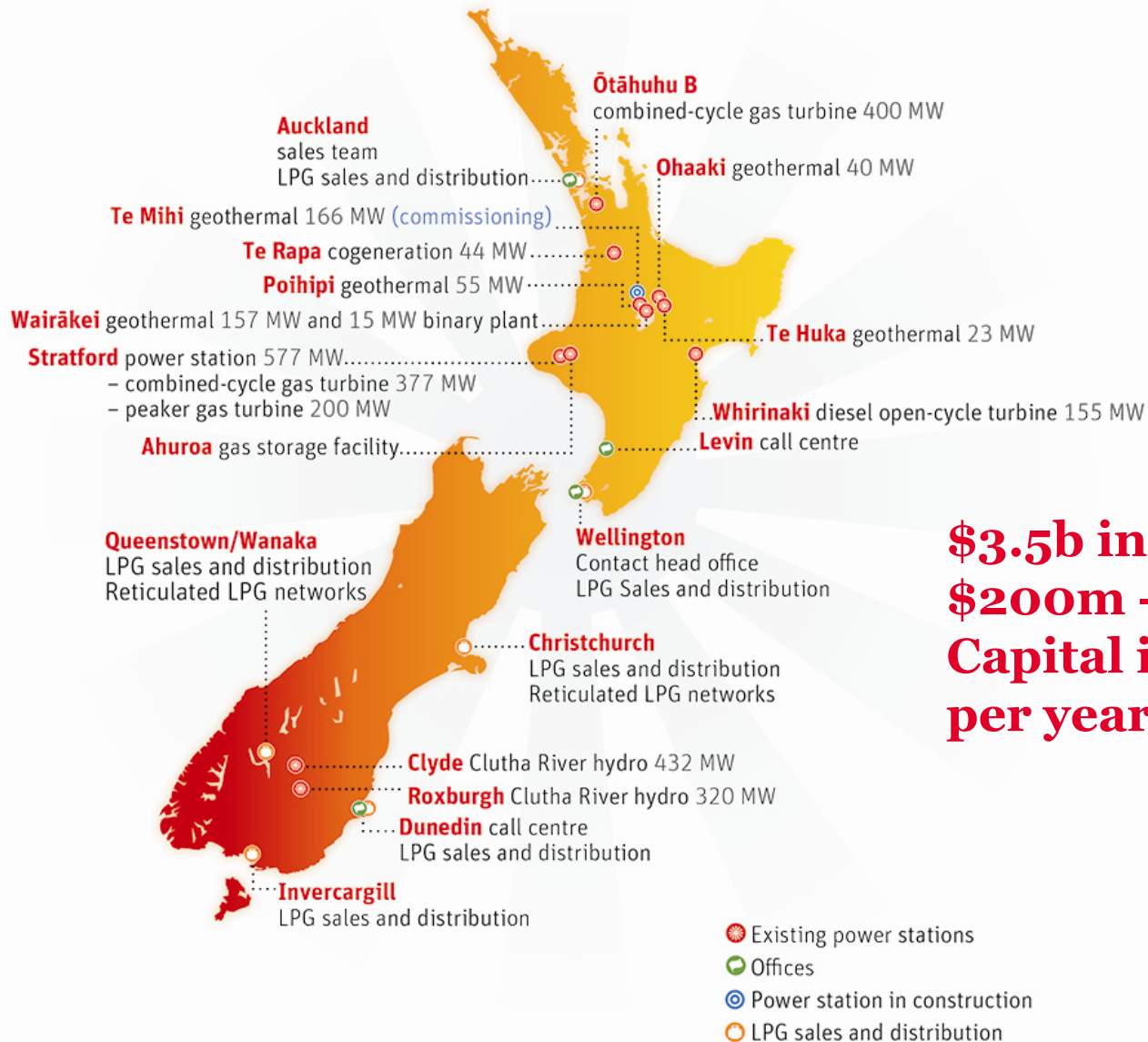
- Commercial and Legal background – senior roles IT, Financial Services and Legal
- Lead Commercial management Contacts ET programme
- Now lead all of Procurement at Contact

Andrew Edwards – Strategy and BD Manager NZ



- 17 years infrastructure services tendering and operations,
- mostly contractor organisations such as Fulton Hogan (8 years), Downer (5 years) and now in professional services sector.
- You name it Andrew has been involved in its procurement or tender.

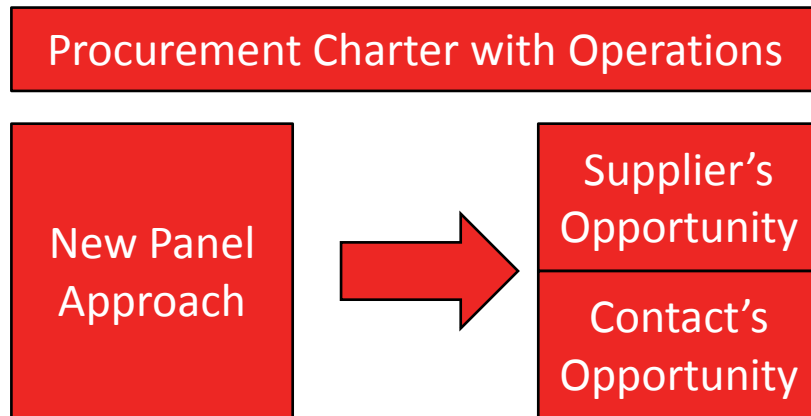
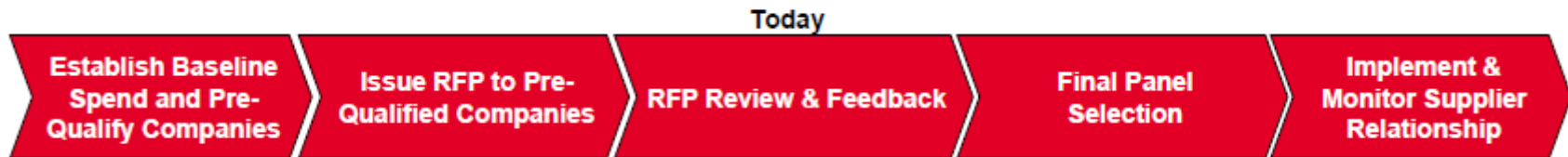
Contact – diversity of Asset type and location



\$3.5b in Net Assets
\$200m - \$350m
Capital investment
per year

A Journey of Change

Change is always hard.....

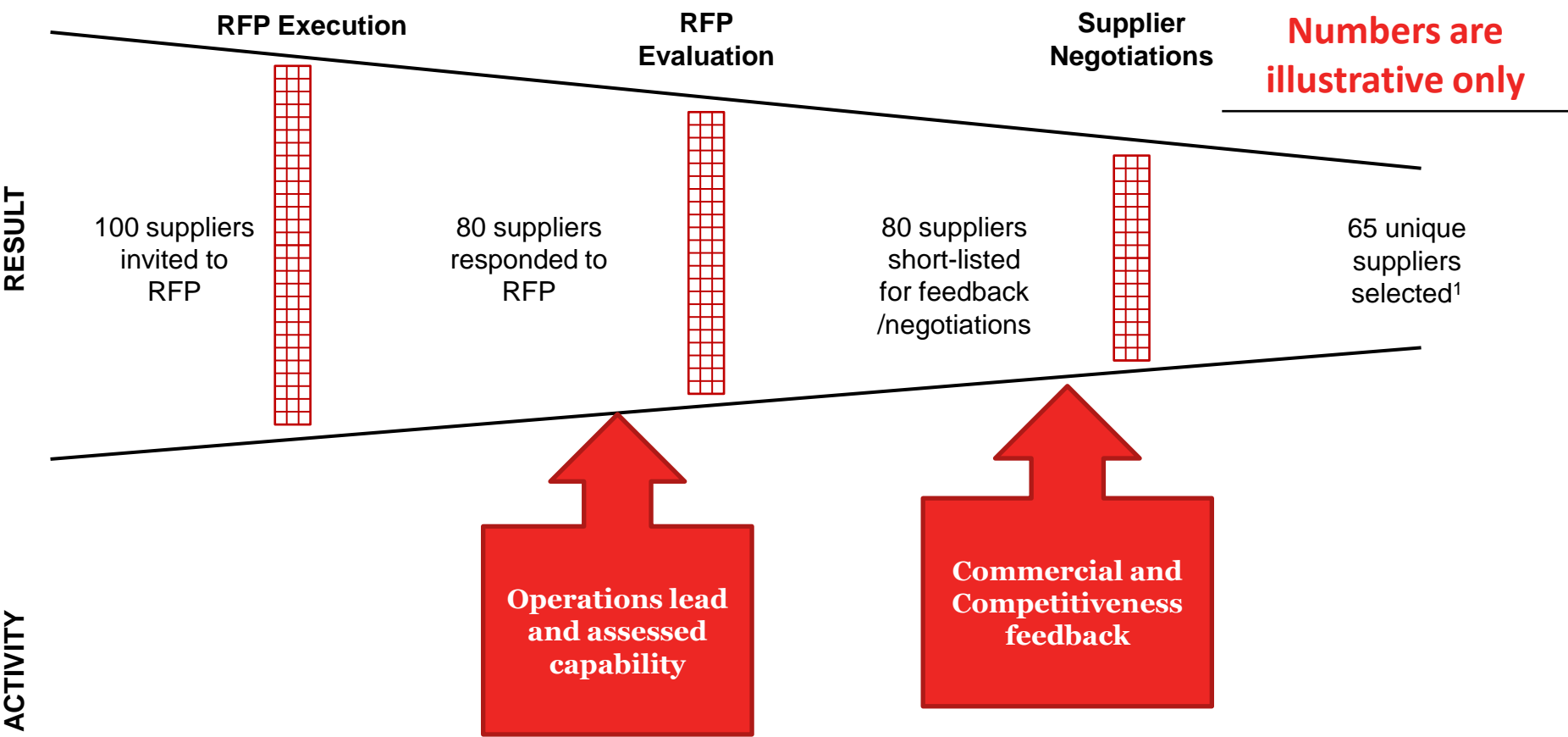


Panel strategy was to have multiple capable suppliers for each panel segment to drive competition, improve quality and provide choice

Consulting Discipline	Generating Type		
	Geothermal	Open/Closed-Cycle Gas Turbine	Hydro
Asset Management	Supplier A, supplier B, supplier C	Supplier A, supplier B, supplier C	Supplier A, supplier B, supplier C
Civil	Supplier A, supplier B, supplier C	Supplier A, supplier B, supplier C	Supplier A, supplier B, supplier C
Control and Instrumentation	Supplier A, supplier B, supplier C	Supplier A, supplier B, supplier C	Supplier A, supplier B, supplier C
Design	Supplier A, supplier B, supplier C	Supplier A, supplier B, supplier C	Supplier A, supplier B, supplier C
Drafting Services	Supplier A, supplier B, supplier C	Supplier A, supplier B, supplier C	Supplier A, supplier B, supplier C
Electrical	Supplier A, supplier B, supplier C	Supplier A, supplier B, supplier C	Supplier A, supplier B, supplier C
Environmental	Supplier A, supplier B, supplier C	Supplier A, supplier B, supplier C	Supplier A, supplier B, supplier C
Geology	Supplier A, supplier B, supplier C	Supplier A, supplier B, supplier C	Supplier A, supplier B, supplier C
Geotechnical	Supplier A, supplier B, supplier C	Supplier A, supplier B, supplier C	Supplier A, supplier B, supplier C
Hydrology	Supplier A, supplier B, supplier C	Supplier A, supplier B, supplier C	Supplier A, supplier B, supplier C
Mechanical	Supplier A, supplier B, supplier C	Supplier A, supplier B, supplier C	Supplier A, supplier B, supplier C
Process	Supplier A, supplier B, supplier C	Supplier A, supplier B, supplier C	Supplier A, supplier B, supplier C
Project Management	Supplier A, supplier B, supplier C	Supplier A, supplier B, supplier C	Supplier A, supplier B, supplier C
Structural	Supplier A, supplier B, supplier C	Supplier A, supplier B, supplier C	Supplier A, supplier B, supplier C
Surveying	Supplier A, supplier B, supplier C	Supplier A, supplier B, supplier C	Supplier A, supplier B, supplier C
Technical Assessment	Supplier A, supplier B, supplier C	Supplier A, supplier B, supplier C	Supplier A, supplier B, supplier C



A thorough and structured sourcing process was undertaken in order to evaluate suppliers and develop panels across the five in-scope categories



Commercial feedback – 360 degree view

The good, the bad, so have another go....

Key Strengths

Large multi-disciplined engineering services provider

Fairly comprehensive offering across all generation types and disciplines

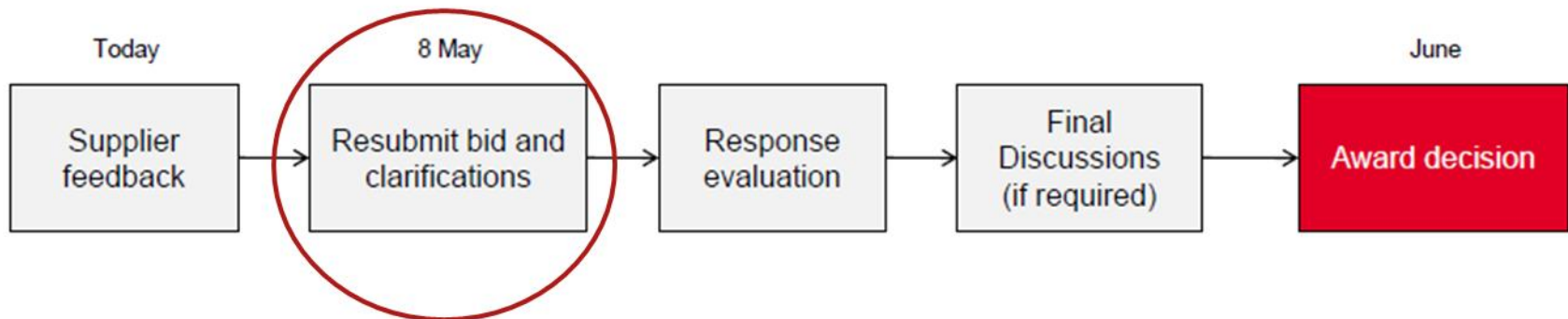
Compliance to most commercial terms

Strong presence in main NZ centres

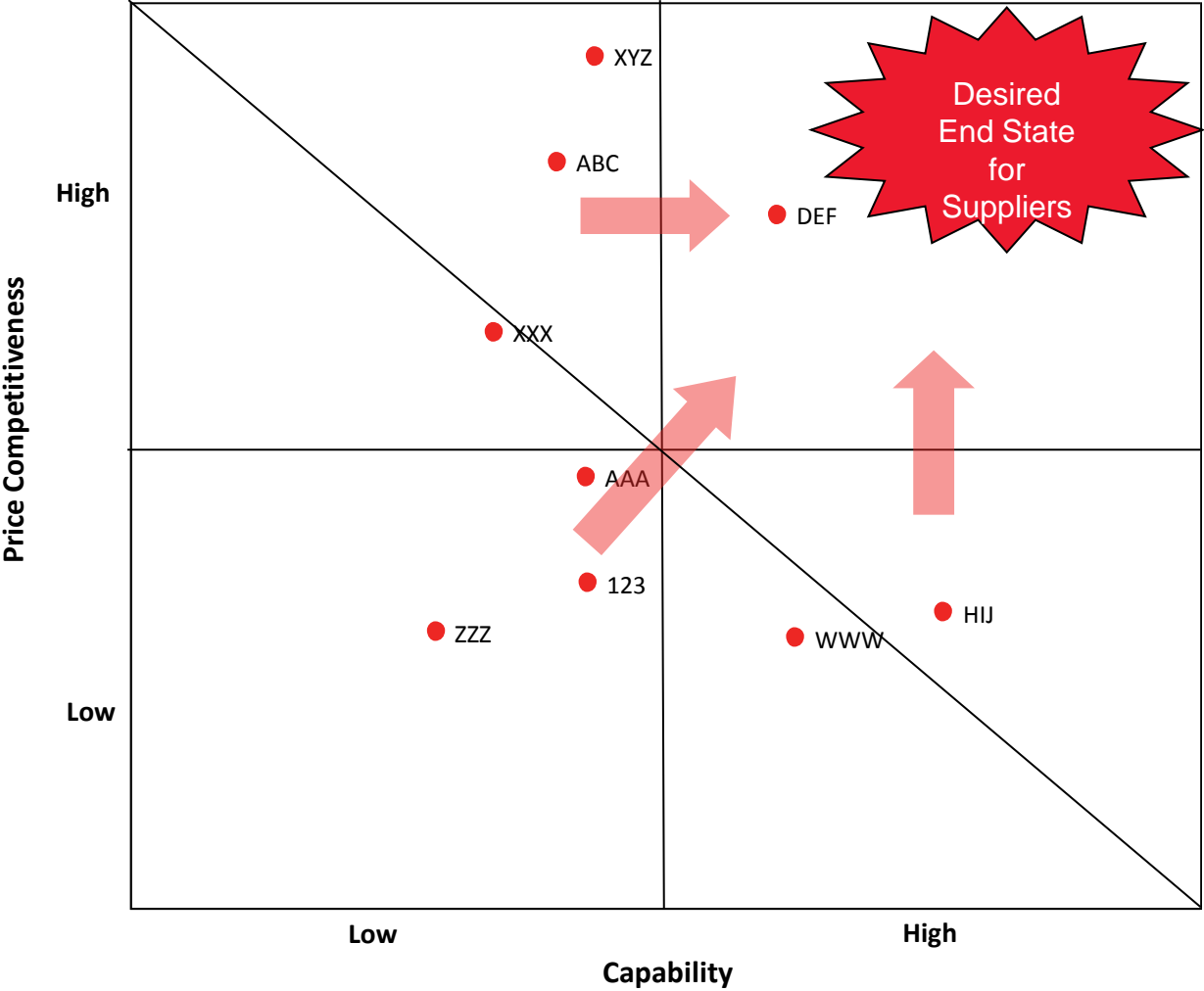


Have another go!

Open, refreshing, quite unexpected



The goal of supplier feedback sessions was to enable the suppliers to improve their offers, either through reduced pricing or by clarifying existing capability gaps



Key Actions

- Clarify capability, experience and capacity gaps
- Negotiate improved commercial terms
- Shortlist suppliers for contract award – there should be a reduction from the 23 who have provided a response

Illustrative Only

Where we ended up – many suppliers , 72 sub-panels across five Engineering Services categories...and a new way of engaging with the market

Category	No. of Suppliers	No. of sub-panels
Mechanical and Electrical	XX	6 site panels
Engineering Consulting	XX	48 =17 disciplines x 3 gen. Types
Site Services	XX	6 site panels
Testing and Inspection	XX	6 site panels
Scaffolding	XX	6 site panels
Total	XX	72

Looking forward to working together

New Engineering
Services Panel
Approach



*Contact*TM

