



# Swan Hill leverages procurement technology to reduce risk and meet new regulatory requirements

## Going Digital

The Council had been using a basic tenders platform that didn't have evaluation functionality, forcing buyers to exit the system to a manual process to compare quotes and proposals before selecting a supplier. Julie identified the opportunity to increase efficiency and reduce risk to the organisation by deploying a more robust tenders system.

While she was researching solutions she discovered VendorPanel and arranged a demo of the platform. Julie recalls the demonstration saying, "It just made so much sense to have one solution for staff to manage both tenders and quotations under the threshold, where you have all your prequalified suppliers and a Marketplace of local suppliers. Buyers send a request through the platform, the suppliers respond and you have compliance - it's simple."

Historically, the complexity of public procurement has often led to the implementation of multiple processes and systems at an organisation. At Swan Hill, disjointed systems and complicated processes limited buyers' use of internal and external contracts and posed a threat to compliance, particularly in sub-tender procurement. Given this, there was little resistance to the proposal to implement a digital solution to manage all Council procurement.



### *An alternative perspective in public procurement.*

Julie Wiggins was appointed Procurement and Properties Coordinator at Swan Hill Rural City Council in 2018. A few years prior, Julie had emigrated to Australia from Cape Town, South Africa where she headed up a national debt collection agency that relied heavily on technology to automate processes and provide data and analytics for informed decision making.

The role at Swan Hill was Julie's first foray into procurement. However, with a long career in risk management she was well prepared to tackle the challenges of public procurement.



## A single platform for all procurement

Once the decision was made, Swan Hill got started by loading Procurement Australia contracts and their own preferred supplier lists into VendorPanel. Shared LGA lists from the Municipal Association of Victoria were already available on the platform. For goods or services that fall outside of these panel arrangements, buyers have access to a local supplier Marketplace. Julie adds:

“Now we have a sophisticated evaluation module for tenders, and the ability to monitor supplier performance against the contract, which had been a compliance gap for us previously.”

Introducing VendorPanel also allowed Swan Hill to strengthen its approach to supplier compliance. The Council uses Rapid Contractor Management, which now integrates with VendorPanel so that buyers can view suppliers' compliance status in the sourcing tool, prior to engaging them. “This simplifies the process even further for our staff”, says Julie.

## A Changing Regulatory Landscape

Timing played a role when it came to making a case to digitise procurement at Swan Hill. A 2018 audit of Council procurement had found compliance gaps that VendorPanel could address. Julie says, “From the audit we knew where the gaps were and found VendorPanel dovetailed nicely to close those gaps.”

And updates to the Victorian Local Government Act 2020 have raised expectations of Councils in several areas of procurement. Firstly, they are now more accountable for adherence to their own procurement policies.

Secondly, the Act attempts to reduce duplication in the state's Local Government contracts by encouraging collaboration using shared panels. It holds CEOs responsible for ensuring that recommended procurement arrangements include information on opportunities to cooperate with other Councils and public bodies.

## A centralised platform for regional procurement

Swan Hill is part of a Regional Procurement Excellence Network (RPEN) that includes eight neighbouring local government authorities identifying opportunities to collaborate is high on their agenda. While all Councils in Victoria can access MAV contracts via the platform, those that have upgraded to a full license, including Swan Hill neighbours City of Greater Bendigo, are able to securely share their own panel arrangements with other organisations.

With a unique platform configuration that facilitates it, VendorPanel has been a pioneer in sector-wide and cross-regional collaboration. Data has shown that having a centralised platform for regional contracts drives their use and increases value from the arrangements. In addition, continual process improvement, risk reduction and value creation are supported by transparency across regional procurement activity and by data-driven insights into buyer behaviour and supplier engagement.

While extending the value of the solution to the RPEN is on the cards, Julie is currently focused on building awareness and use of the platform at Swan Hill. “Compliance is the big focus in Local Government procurement, especially with IBAC recently highlighting examples on non-compliance. Once we have staff using the tool, we can worry less and we'll have the data we need to drive the next phase in our evolution.