



# Increased use of panels delivers real value for NSW councils

## Background

LGP is a business arm of Local Government NSW, the membership association for all Councils in the state. Its focus is on creating procurement efficiencies and building expertise, saving Councils time and money. LGP is well known for its establishment of preferred supplier panels.

Historically, once a panel was put in place, Council staff were given supplier details in a spreadsheet and left to run the process. As sub-tender purchasing is often handled by non-procurement staff this exposed Councils to risk and was inefficient for buyers. The lack of transparency meant there was no easy way to ensure preferred suppliers were being used, or to generate accurate reports.

To address these challenges, LGP partnered with VendorPanel in 2010.

## Early results

In the 12 months after the introduction of VendorPanel, Councils saw a 160% increase in the use of LGP panels, and an estimated cost saving of \$640,000.

Since then, use of the platform has grown to include all Councils in NSW. Luke Kenny, CEO of LGP attributes this to VendorPanel knowing their customers and developing solutions that work. “I see, importantly, that VendorPanel listen,” he says. “They share, teach and learn from Councils, and that is why we have such great adoption.”



Local Government Procurement has improved governance and is delivering millions in savings to NSW Councils each year through its nine year partnership with VendorPanel.

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*Luke Kenny  
CEO*

*Local Government Procurement*



## Expanding beyond panels

After seeing the efficiency and compliance benefits of using LGP panels on VendorPanel, over 30 NSW councils now manage all decentralised procurement on the platform, including internal, external and shared lists, tenders and open market sourcing. And, as Luke Kenny notes, it remains accessible to Councils, “large or small, metro or regional, VendorPanel has functionality that suits their needs and, importantly, it’s affordable.”

Sutherland Shire were one of the first to extend their use, establishing an internal Fleet panel in 2013. The Council now has 60 panels that are used to get competitive quotes by hundreds of buyers. Bruce Renneberg leads the Legal and Procurement teams: “We’ve grown with VendorPanel. As they’ve developed functionality we’ve been quick to adopt it, and now all of Sutherland Shire Council procurement is managed on one system.”

## Future growth

Visibility of panel activity allows for better conversations with both buyers and suppliers. “The data in the back end is really powerful for us as an organisation,” says Kenny. “Being able to view each contract, we can see supplier responses and help them improve but, equally, it enables us to better manage our relationship with Councils.”

LGP and VendorPanel plan to continue their innovative partnership to deliver value, not just to Councils, but to NSW businesses and regional economies.

Luke Kenny again: “LGP panels are our core business. If we didn’t have VendorPanel, we wouldn’t be where we are in terms of the volume, savings and value we deliver to councils in NSW. We’re very fortunate to have the partnership - I think the success of LGP can be linked to what the platform delivers.”

» *Council staff can save on average 2.5 hours per quote and are protected with compliant processes.*

» *Governance has improved and risks have been reduced, with transparency of end to end sourcing.*

» *LGP can access real time data and powerful analytics tools that help inform decision*