



Glasgow City Council Save 7% on Fleet Vehicles With eSourcing

- Challenge:**
- A buying organisation with no prior knowledge or experience of eSourcing
 - Potential Buyer side scepticism about the eAuction process
 - A supply base with little or no experience of eAuctions
 - Bringing units of GCC together to work on this project with different needs and different levels of project data in order to execute one common sourcing project suitable for both

Situation

As with all public sector procurement organisations, it is of the utmost importance that Glasgow City Council (GCC) achieve best value for money when purchasing commodities and services. In 2004, BT and e-Three convinced a panel of GCC representatives that they were the right partner with the depth of hands-on experience to work with in order to implement successful strategic sourcing. eSourcing was determined to be the most effective way of achieving rapid and effective results, and would enable the organisation to maximise total value outcome by conducting an eAuction when it makes sense to do so. The first project was to be fleet vehicles, with an overall value of approximately £8.5 million. The council needed to purchase 9 types of vehicle from various dealers including: vans, precinct sweepers, minibuses and executive cars. GCC wanted to easily manage the supply base via an online platform and was keen to make a final decision based not only on price, but also on specific quality criteria.

Process

On receipt of expressions of interest from over 50 suppliers, Pre-Qualification Questionnaires were dispatched to determine the quality and capability of each candidate. 33 of these suppliers received Invitation to Tender documents which reflected the requirements of both units of GCC. After a post-ITT evaluation, 15 suppliers were considered

suitable to be invited to eAuction. A lotting strategy was developed based on vehicle type and linked to a potential award scenario. One-to-one telephone based training was conducted ensuring each supplier was comfortable with the process and continued supplier hand-holding was paramount for project success. The eAuction itself was conducted as a rank only auction enabling suppliers to view only their position on a Lot by Lot basis.



Results

The eAuction was an overall success, with excellent supplier participation and professional and comprehensive relationship management. Following the eAuction event, extensive assessment ensured GCC awarded the business to the right suppliers. GCC were able to achieve 7% savings on an extremely tight market sector, and have now implemented a coordinated and disciplined procurement team with some experience in eSourcing.

To find out how e-Three can improve your competitiveness call us on +44 (0)20 7384 1234, or email info@e-Three.com

