

STRATEGIC SOURCING ENGINEERING CONTRACTORS (INDUSTRIAL)

Portland's strategic sourcing and panel management approach to engineering contractors secured supply of skilled services whilst delivering >10% savings annually for a leading manufacturer

Business Challenge

- Large Australia & New Zealand based manufacturing company spent more than \$150m on engineering and maintenance contractors across 2 countries and 43 sites
- A range of plant types and sizes spread geographically across both countries with often 'lumpy' demand for a wide range of technical contractor services
- With a declining pool of skilled labour in both countries and no formal sourcing strategies in place, the client was seeking to secure the quality and availability of skilled technical resources whilst reducing total ownership costs of their assets

Our Solution

- Portland applied their proven strategic sourcing approach to establish requirements, understand the supply market and develop and implement strategies to secure future supply of quality technical services whilst maximising value return to the business
- Established a new contractor panel management framework, and selected service partners, in high spend regions for core engineering and maintenance services (mechanical and electrical)
- Implemented a new management system to streamline services procurement transactions and enable performance measurement and reporting (incl. improved job briefing and tendering systems)
- Applied an 'outcomes' based approach to specify and competitively tender maintenance requirements for specific assets (e.g. refrigeration)
- Implemented skills sustainability requirements into selection and qualification of panel selection (incl. minimum training requirements)

Outcomes

- Portland worked with a cross-divisional client team to develop and implement a new contractor panel selection and management model delivering savings in excess of 10% per annum with improved accessibility and reliability of skilled labour