



PROCUREMENT SERVICES



CASE STUDY

SOLAR SYSTEMS

Strategic Sourcing Review

PROJECT SNAPSHOT

CLIENT INDUSTRY

Automotive



LOCATION

Qld/NSW/Vic



SOLUTION

Strategic sourcing review



OUTCOME

\$237k annual savings
with 3.9yr ROI





• BACKGROUND

The client had 11 sites across 3 states & over the last few years had experienced extreme volatility in electricity rates with major cost increases. Having developed a sound sourcing strategy for electricity supply, they recognised that the next logical step to reduce electricity costs was to install solar systems into suitable locations. Given the complex range of variables to consider including technical requirements, supplier capability & selection, financing & cost analysis, the client engaged the energy procurement experts at Spend Solutions to conduct a thorough review of available options.

• PROJECT OVERVIEW

Spend Solutions was engaged by the client to conduct a sourcing review to install solar systems onto client sites. Initially, an evaluation assessment was conducted on numerous supplier options to determine capability to support the client across multiple sites & states.

A tender was then conducted to obtain proposals from suitable supply options, which allowed for a thorough commercial, financial & capability evaluation. The commercial evaluation needed to consider the various rebates available, financing options & potential investment returns of each supply option based on various scenarios.

The review also considered & assessed supplier capability to support the client in areas such as technical & project management requirements. All the information was presented in an easy-to-read report to allow consideration of the various options.

• PROJECT OUTCOMES

The sourcing review was comprehensive so that the client understood the available investment returns based on each option & which supplier offered the greatest returns & capabilities.

The review identified nearly \$240k of annual savings with a payback period on investment of less than 4 years, using a supplier with strong capabilities to support the client & project requirements.

The review identified differing levels of capability between suppliers, as well as a wide disparity between commercial offers of over 10%, which greatly effected the overall cost, projected benefits & ROI. This disparity highlighted the importance of conducting a thorough sourcing review to identify the best available supply option that can optimise delivery & commercial outcomes.

CONTACT DETAILS