

Purchasing Index

5th National University
Finance & Procurement
Conference

July 2005

Benchmarking Workshop



www.pricetrak.com

Purchasing Index

- Member of International PI Group operating in UK, South Africa and Australia
- Specializing in Procurement Performance Measurement and Improvement
- Benchmarking procurement of goods and services



Benchmarking Aims

- Identify and adopt best practice
- Make procurement performance transparent
- Achieve and maintain competitive purchasing cost position



Benchmarking Pilot

- AUPC Initiative
- Office Supplies
- Laboratory Supplies
- Five initial participants

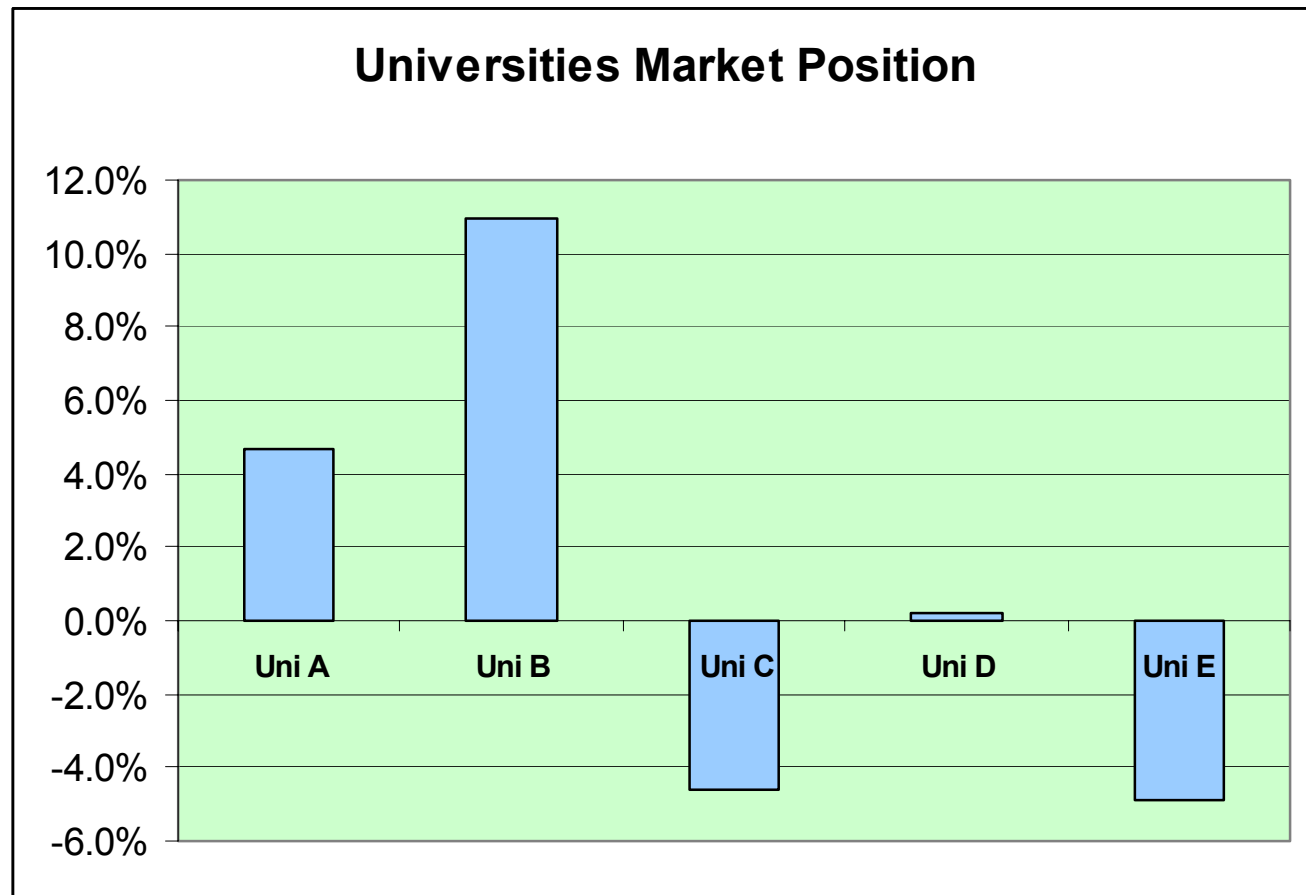


Benchmarking Pilot - Office Supplies

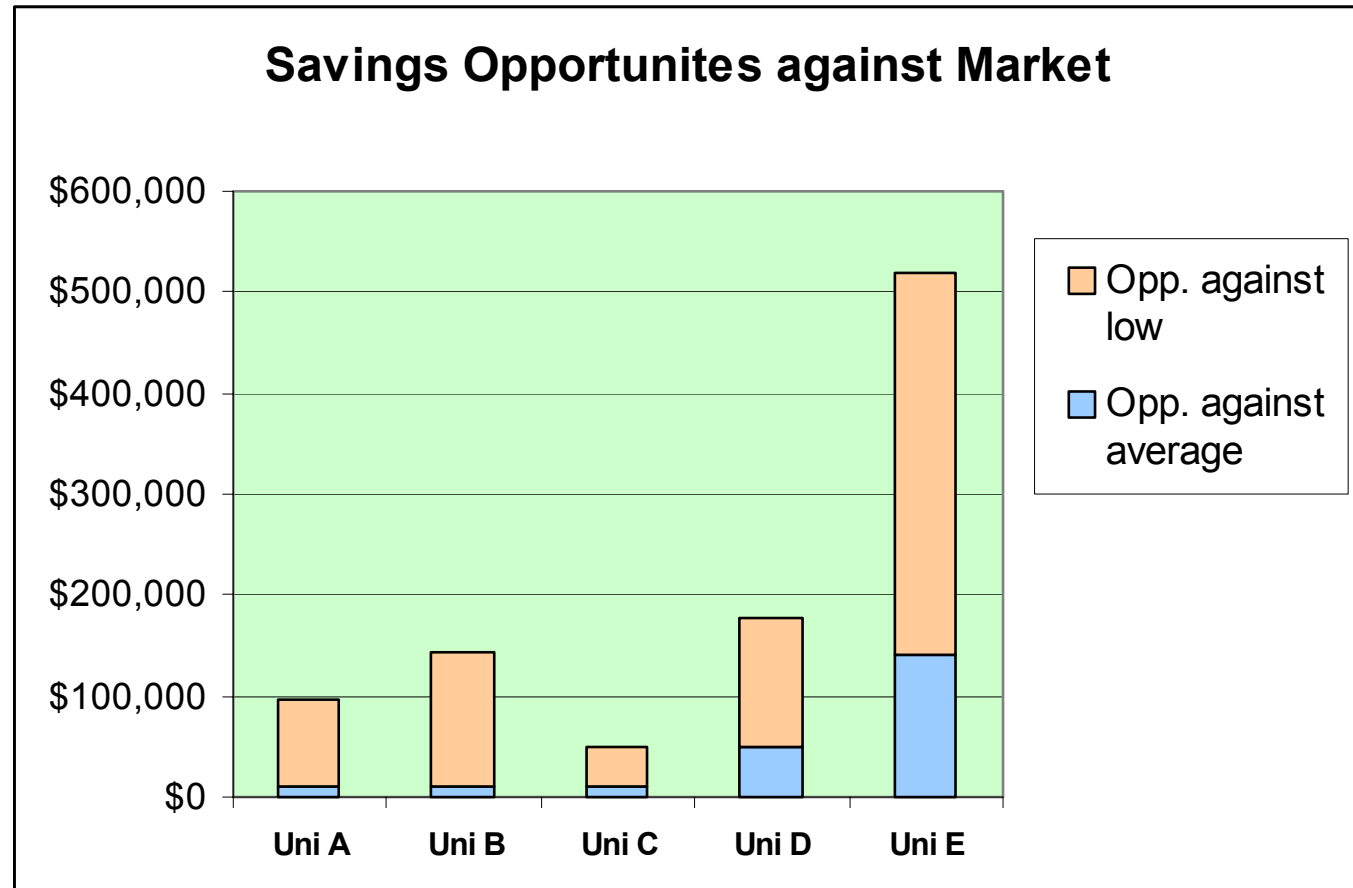
- Suppliers' transaction data
- PI database, item descriptions, codes, categories
- Code of Practice
- Confidentiality
- Benchmark against market
- Benchmark among universities



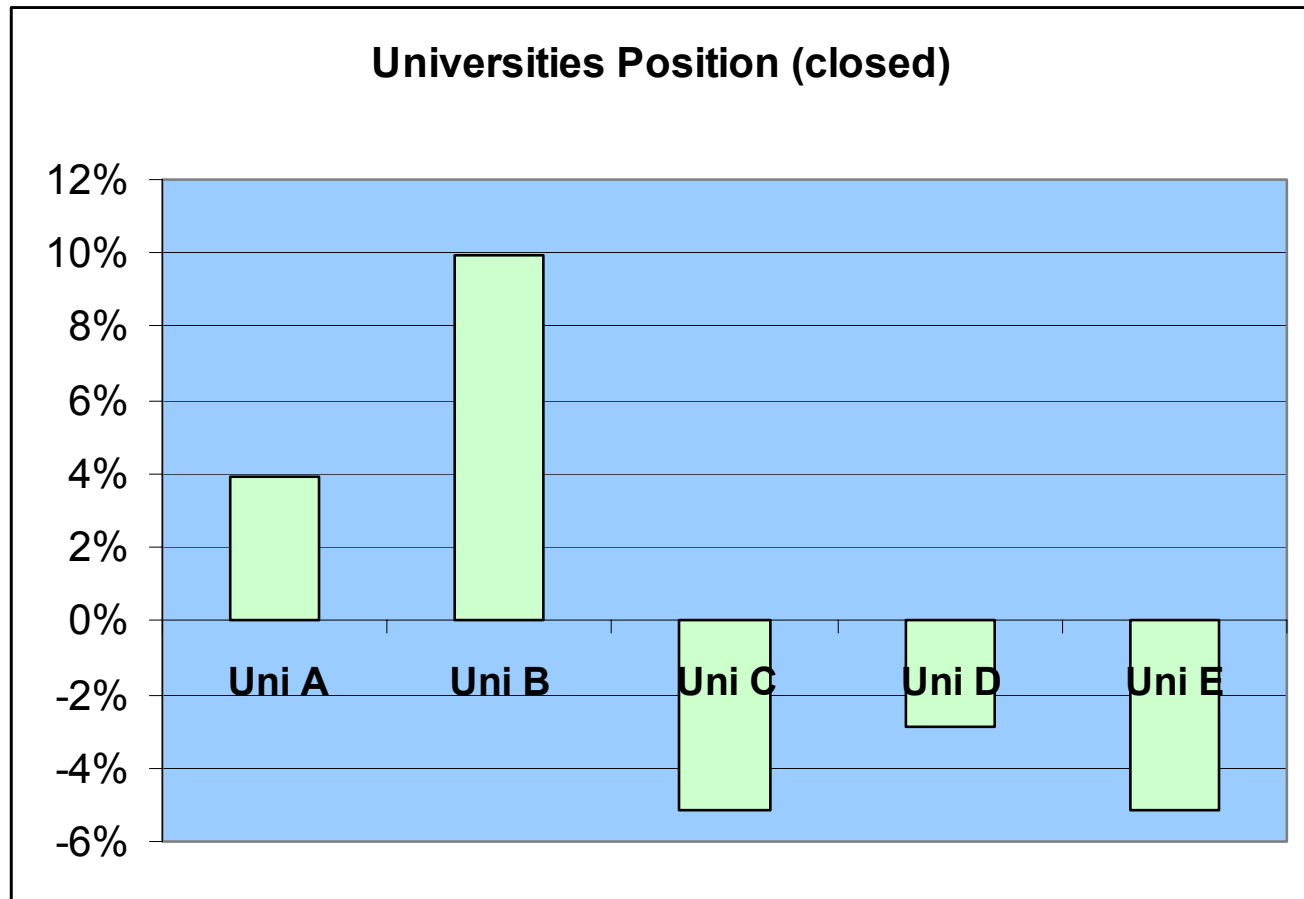
Results - Performance Summary against Market



Results - Saving Opportunities against Market



Results - Performance Summary against Universities



Results - Savings Opportunities against Universities (closed)

Group Savings Opportunities

Higher Education

01 JUN 2005



Product Group / Reporting Point	Annual Savings Opportunities - Higher Education				Annual Cost Advantage -	
	vs Low (%)	vs Low (A\$)	vs Ave (%)	vs Ave (A\$)	vs Ave (%)	vs Ave (A\$)
Uni C	-26.34%	-38,718	-8.29%	-12,195	3.12%	4,589
Uni A	-18.71%	-73,879	-3.00%	-11,847	6.89%	27,239
Uni E	-22.27%	-411,484	-5.59%	-103,371	0.45%	8,459
Uni D	-20.46%	-138,597	-7.82%	-52,962	4.92%	33,360
Uni B	-8.23%	-88,437	-0.56%	-6,070	10.50%	112,795
Total	-18.14%	-751,115	-4.50%	-186,445	4.50%	186,442

Acting on Benchmarking Results - Mid Term

- Tender timing and bid evaluation
- Price reviews during contract period
- Selecting and maintaining performance target over time
- Using market intelligence



Acting on Benchmarking Results - Quick wins

Best Buy

- Paper, Laser/Copier, A4, 80gsm, White Ream. Price was 12.51% below ALL Average

If this client achieved the lowest price in the market, savings achieved would be \$11K +.

Worst Buy

- Paper, Laser/Copier, A4, Recycled 80gsm, White Ream. Price was 2.15% above the ALL Average.

If this client achieved the lowest price in the market, savings achieved would be \$3K +.

Benchmarking Benefits

- Baselining current performance
- Independent performance evaluation against market over time
- Validates purchasing decisions
- Identifies real saving opportunities and tracks achievements

Benchmarking Next Step

- Consider benefits of joining Benchmarking
- Best practice in contract terms and practices
- Secure web reports, liaison group, web chat room
- Products & services