



**Education  
Queensland**

# A+ Big Win for Queensland Schools

## Case Study

### At A Glance

#### Category

70,000 Secondary school laptops

#### Location

Queensland,  
Australia

#### Suppliers 8

#### Saving

11% off originally  
offered price

#### Industry

Education

### About The Client

Queensland Education is responsible for the education of more than 490,000 school-aged children across 1237 schools. It is ranked second in spend across the state.



### A Complex Challenge

When Queensland Education were tasked with purchasing and distributing 70,000 laptops for all year 10 students statewide, selecting a supplier who met a whole host of vital criteria seemed a daunting task. Price was only one component of a host of technical and logistical options the department needed to assess.

Typically, negotiations with suppliers would involve many meetings and reams of correspondence but the sheer scale of this contract meant this traditional approach would be hugely time-consuming and cumbersome.

*“Some suppliers had indicated that the price proposed in their offer could not be further reduced but during the e-Negotiation all suppliers did reduce the price”*

**Andrew Bennett**  
Director, ICT Category

The procurement team at Queensland Education needed a solution that reduced the negotiation cycle time and provided a probity compliant environment for a competitive bidding process. Obtaining “value for money” was paramount, so they searched for a process that could introduce the additional competitive tension and achieve the key objectives.

### A Clear and Easy Solution

For Queensland Education, the time and money saved by an online e-Negotiation made perfect sense for this project. The procurement team set about creating multiple evaluation matrices, and then broke the elements of the bid down into components that could be bid on clearly and separately and then constructed an e-Negotiation strategy.

It turned out to be a great decision. Whilst some suppliers indicated they couldn't reduce their tender price, during the e-Negotiation all suppliers reduced their overall cost.

And whilst price was only one aspect of the assessment criteria, the successful vendor saved Queensland Education a significant 11% when compared to the originally tendered price.



## Queensland Education's Favourite Feature

"The ability to drill down into particular elements, track the price variation over time and ability to observe the bidding process in real time afforded an excellent opportunity for staff not directly involved in the tender to see the negotiation process at work"

- Andrew Bennett, Director ICT Category, Corporate Procurement Branch

## Trade Interchange

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## Reassurance and Familiarity

For sourcing teams, eNegotiation provides a transparent solution to the often time-intensive manual negotiations. Stakeholders save money and have the probity and transparency that results in strong governance.

Even the suppliers respond well. "Despite some initial reluctance to participate, the use of an independent third-party helped reassure them that the bidding would be a genuinely competitive process and that none of the involved parties would have an untoward advantage" said Andrew Bennett, Director ICT Category, Corporate Procurement Branch. "Suppliers also felt more comfortable engaging in the process once they had access to the practice site, and could understand the process in a live scenario."

## Supplier Engagement

Queensland Education experienced first hand the main difference that a consultancy-driven, support-focused provider can make. Kevin Burke, Director of Trade Interchange shared, "we sometimes have suppliers that are reluctant or simply refuse to participate.

*"Having access to the practice site was essential for suppliers to gain familiarity with the process and to understand how it would work in a live-scenario."*

**Andrew Bennett**  
Director, ICT Category

Mostly their concerns around a reverse auction are that it will just descend into a bidding war, decided solely on price. Whilst this was true of the early reverse auctions, an e-Negotiation now incorporates post-event award, qualitative criteria and differential weightings. Price is just one component of the e-Negotiation process."

Kevin adds "we can also create flexibility for suppliers by providing alternative channels for them to negotiate for instant rebates."

Understanding suppliers' specific situations, and speaking to them directly to allay and overcome their concerns is critical to a successful e-Negotiation. Supplier management during the engagement is a key differentiator of the Trade Interchange approach, relieving the buying organisation of the time-consuming and difficult conversations with vendors, and educating the market to achieve a win-win for all involved.