



Southern Midlands Council Finds a Better Way to Tender

Southern Midlands Council may be one of Australia's smallest local authorities in population terms, but that doesn't stop it thinking big when it comes to business practices.

Andrew Benson, Deputy General Manager, strives to make his council easy to deal with and, to date, he's had plenty of success with the council's procurement activities.

Benson and around 50 staff operate with a Council budget of around \$12 million per year for the local government area, which has a population of around 6,000 people. Approximately 60% of Council spend is on infrastructure, especially maintaining and upgrading the area's 862 km of roads and 152 bridges.

Benson recalls the moment he knew there had to be a better way: when the council's procurement practices were severely tested by a major bridge tender coinciding with the quarterly rates cycle. This placed the small staff under immense pressure. "So, I drew a line under it and set out to find a better way," he says.

Reflecting on the "bad old days", Benson notes that the process was totally manual and not very

user-friendly. "We'd start with a comprehensive advertisement in the Hobart Mercury, which invited tenderers to register their interest with Council. When someone called, our staff had to take their details, put that in a spreadsheet and then send off the RFT, location plans and policy documents. It sounds simple but, unfortunately, when this tender was released, the rates had just gone out and it was a very, very busy time for the admin folk," he recalls, noting that some tenderers slipped through the net and other errors crept into the process.

Benson's search for a better way led him to TenderLink BDM, Dean Armstrong, who "came down and provided a show-and-tell to everyone in our organisation responsible for purchasing, together with a number of adjoining councils".

"I said 'Let's give it a try'. So, TenderLink built our e-Tendering website, which looks really professional and contains all key information, including our code of conduct."

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*Andrew Benson
Deputy General Manager
Southern Midlands Council*

Tangible outcomes

"We've been using the TenderLink system for four years and I continue to be impressed with the system and the team," says Benson. Southern Midlands Council uses the TenderLink system for its bigger projects and is now starting to use it for smaller ones, also. While the council still advertises its tenders in the local newspaper, it now places much smaller and cheaper ads, saving around \$200 each time.

Benson says that using the TenderLink system is easy, "taking about 10 minutes to load a tender, and then much of the rest of it happens automatically".

The tender-specific online forum has also delivered indirect savings, with Benson noting that contractors "tend to pad their bids whenever there is uncertainty". However, using the TenderLink forum functionality, bidders are encouraged to seek clarification about any aspects of any project and the responses are shared with everyone who has expressed an interest in submitting a bid. "This removes any uncertainty. And we take that a step further, with this information also included in the contractual documentation we put together," he adds.

Bringing the tender process online has also improved transparency and probity, helping to avoid procedural misunderstandings. Benson cites examples of bidders who technically missed the submission deadline because their documents had not fully loaded on time. Because the whole process is conducted online, the council was able to access TenderLink's activity logs and see that

the bidders had started the upload before deadline, with the key information within the Tender Form of the RFT being uploaded and accepted the bids. "The back-up team in TenderLink have been invaluable in providing timely and comprehensive information for me to report to Council's Audit & Risk Committee in the case of anomalies, such as the partial lodgements that have 'timed out', etc."

The move to online tendering has also uncovered additional suppliers who might not have been aware of Southern Midlands' needs. "Since using TenderLink, we've had bids from further afield, because TenderLink automatically emails our notices to all its suppliers in that space - they don't have to search for it. This has helped us build a wider catchment of potential contractors," says Benson.

Benson lists transparency and efficiency as the main benefits. "It takes less staff time to administer this process than previously. Not only did the old way take a lot of time, it was extremely frustrating."

Over time, Benson hopes to move more council purchasing activity into the TenderLink system, as he is convinced that the benefits should be spread to other areas of expenditure - even to the council's commodity purchases.

"I'm now working on bringing in other departments so they are comfortable using the system," he notes. "I've built a good solid history with the projects I manage to encourage the rest of the organisation to utilise the TenderLink system more."

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