

Case Study

Government of Nauru Procurement Process Review and Support

The Government of Nauru engaged Charles Kendall (CK) as its international procurement agent in 2013 to aid in improving its supply chain and goods provision services over the course of five years.

Since undertaking these duties, CK has transformed the government's procurement standards, saving around \$4 million (12% of total spend) annually and significantly increasing reliability, mitigating risk and improving probity across the entire organisation.

The Challenge

- Improve efficiencies and reduce costs while addressing complexities including remote location and immaturity of existing management and processes.
- Collaborate with 21 government departments and state-owned enterprises, from medical and IT to engineering, port facilities and freight forwarding.
- Mitigate risk and deliver savings within both standard procurement activities and emergency/urgent scenarios.

Our Approach

CK established a Brisbane buying office to provide end-to-end strategic procurement support, with responsibilities including:

- creating a procurement plan to formalise efficient purchasing and sourcing;
- minimising risk of disruptions via a free-market approach and strengthen vendor relationships; and
- adding value through market insight and foster transparency and reporting through record management improvements, plus spend data capture and analysis.

Outcomes

- Successful delivery of \$4 million in annual savings (12% of spend), with the project continuing until at least 2018.
- Improved reliability through efficient supply chain management, including introduction of high-use item storage and standardised IT equipment.
- Unique improvements to emergency and urgent-scenario procurement capabilities, including emergency fuel and medical supply delivery.
- Additional assistance in providing critical repairs to Port Authority and national utilities company.

