

Country or region:

Western Australia

Industry:

State Government

Customer Profile:

The Western Australian Department of Treasury and Finance (DTF) provides quality economic and financial management for the State Government.

Business Situation:

DTF seeks bottom line cost savings in contract sourcing by centralising and streamlining the procurement process and reducing running costs.

Solution:

Open Windows contracts-ENTERPRISE software, integral in centralising DTF's procurement and contract management processes. Open Windows Contracts provides an integrated contract lifecycle management system that is used across multiple departments consolidating systems.

Benefits:

- Bottom line cost savings
- Increased efficiency
- Consistent processes
- Accountability
- Auditability
- Instant Reporting

The Western Australian Government, Department of Treasury and Finance implements Open Windows Contracts to lower contract sourcing costs

“Open Windows had an off-the-shelf product that we felt was the richest in functionality we were looking for”

John Tondut, Executive Director, Government Procurement, Western Australian Government Department of Treasury and Finance

In 2006 the Western Australian Government, Department of Treasury and Finance (DTF) implemented Open Windows Contracts-ENTERPRISE in an effort to streamline their contract management and procurement processes. With 250 procurement staff managing \$3 Billion of expenditure, DTF went to tender to secure a solution that would centralise their processes across general procurement agencies in line with their highly successful Procurement Reform Program. The reform program, which has been in effect since 2004, has saved the Western Australian government around \$440 million to date.

With the implementation of the Open Windows Contracts software within DTF, all procurement events from the inception of a contract through to its eventual completion are documented within the system, giving contract and procurement managers the tools they need to make informed decisions on spending and governance. Coupled with the ability to upload agency-specific contracts and share Common Use Arrangements has given DTF synchronicity to its various agencies.

“Vendors told us they found it quite difficult to trade with government because departments had different contract documents. Bidders had to study every single one because the terms and conditions might differ.”

John Tondut, Executive Director,
Government Procurement, Western
Australian Government Department
of Treasury and Finance

Situation

Western Australian Government, Department of Treasury and Finance (DTF) is responsible for collecting state revenue and administering associated revenue laws. DTF undertakes a central contracting and tendering function, developing and administering the government’s corporate shared services centre and corporate services. With an annual expenditure of \$3 billion, the need for transparency within the organisation is imperative for seamless contract management.

Implementation of the Procurement Reform Program commenced in early 2004 after State Cabinet endorsed a comprehensive Business Solution and Implementation Plan in December 2003. The document outlined some 60 individual reform projects to be implemented over a 4 year period with one of the most crucial for cost reduction being a new centralised contract development and management system (CDMS).

Open Windows Contracts enterprise solution provided this system. The Open Windows Contracts system not only provided the tools to administer contracts but allowed them to deliver standard contract agreements across agencies. John Tondut, Executive Director of Government Procurement says “Vendors told us they found it quite difficult to trade with government because departments had different contract documents. Bidders had to study every single one because the terms and conditions might differ.” This led to the creation of 48 Common Use Contracting Arrangements, now available in the Open windows Contracts system.

Steve Nalty, the CDMS Implementation Manger, says the two broad categories migrated to Open Windows Contracts were agency-specific contracts and Common Use Arrangements, where DTF buys products and services required by a range of agencies. He says the new system assists staff in the development stage of a contract as well as developing tender documents, advertising opportunities, evaluating responses and awarding the contracts.

Open Windows Case Study

Solution

Once the Procurement Reform Program was established, DTF went to the market to evaluate their options. "Ten years ago there weren't any systems considered suitable, so individual agencies developed their own" Tondut says. "These were stand alone systems, and could not be linked to deliver a common approach. The Office was pleasantly surprised when it went back to the market."

Through an extensive tendering process DTF found Open Windows Contracts. "A few systems were offered, but Open Windows had an off-the-shelf product that we felt was the richest in (the) functionality we were looking for," Tondut continues. "Its design is closely aligned with the public sector way of managing contracts and we also found it to be user friendly."

Whilst the implementation of Open Windows Contracts now extends far beyond DTF, the software was initially deployed to one area of DTF to establish user testing and acceptance, once approved it was then rolled out across the department.

In 2007 the Western Australian Government set up a new arm, the Centre for Excellence and Innovation in Infrastructure Delivery (CEIID), in place of the Works Centre of Excellence. CEIID aims to establish practices that promote formal collaboration between works agencies on infrastructure related issues. CEIID has also implemented Open Windows Contracts and as a result has access to a common system, based on agreed workflow processes and a standard set of documents.

With over 200 users across multiple WA State Government agencies all using Open Windows Contracts, it has become the glue that holds their sourcing processes and contract management together. "Having a one stop shop database is a great step forward. It will definitely make contract management quicker and easier," Tondut goes on, "we'll have a knowledge warehouse because all of the contracts will be available for searching through one point."

Open Windows Contracts-ENTERPRISE has a risk analysis function built in to the software,

to help identify and assess factors that may jeopardise the success of any project. Coupled with the extensive reporting available, the system has become an essential and integral tool in strategic decision making for DTF. "So when I log on, I have available to me a number of customised reports that are updated regularly by the system," says Tondut.

"Obviously there are some savings associated with agencies not running duplicate systems," Tondut reports, and Open Windows Contracts allows DTF to go further. The system sends time sensitive email alerts to its managers, including contract milestones, deliverables, contract expiries, insurances, and other commercially critical trigger points. Tondut notes, "Contracts often have an option to extend, so before the expiry date you need to decide whether to roll it over for another term, or go back to the market. Having advance notice means we'll be able to talk to the users and do a performance review in order to make a decision on a sound basis."

Benefits

Intuitive Workflow:

DTF have aligned the fully configurable business process workflow to the agreed standard process for each type of procurement. Open Windows Contracts covers all recent procurement reforms, which have established best practice for many different types of buying processes. For a contract manager developing a new contract, the workflow is standardised, making the system intuitive and easy to use.

Consistency:

DTF has over 250 procurement practitioners working across 26 different agencies. Open Windows contracts-ENTERPRISE has brought together the knowledge base of those agencies, creating a more cohesive and structured procurement process. With the centralised data bank, managers now have more visibility over current contracts and are able to track the performance of any contract effectively. The introduction of standard business practices reduces confusion for both DTF staff and vendors alike.

Standard and Customised Reporting:

The Reporting function provides a set of standard reports that managers can produce using the information stored within Open Windows Contracts. "Typically the lead time for generating reports was a matter of weeks under our old system. Now, reports and data are available upon request instantly. All the information is already in the database," says Nalty. Whilst the standard reports within the Enterprise system are extensive, there is also the option to create ad-hoc customised reports. These reports can be saved to a standard list and also be used as an executive dashboard view of contract risk and commitment.

Online Access:

As a browser based application, Open Windows Contracts-ENTERPRISE can be accessed anywhere, anytime. With staff working from multiple locations, the data can be centrally viewed and updated through the user friendly web-based Microsoft interface.

Education:

Contract Managers working within general procurement agencies are given specialised

training in Open Windows Contracts. DTF uses the application for all their goods and services tenders, as well as the ongoing management of all existing contracts. Tondut notes, "Procurement practitioners will now use the same contract management system no matter where they work in the Government. They will only have to learn one system."

About Open Windows:

With 15 years experience delivering quality contract lifecycle management solutions for organisations large and small, Open Windows ticks all the contract management boxes for functionality, flexibility, reliability, and service. Open Windows Contracts provides visibility into contract commitments and automates the contract lifecycle, reducing risk, increasing compliance, delivering value in agreements, and making real cost savings for our customers.

More Information:

For more information on the Open Windows contracts-ENTERPRISE Solution please call 1300 73 90 73 or visit www.openwindowscontracts.com. For calls outside of Australia please call +61 3 9819 5088