

EARLY SUPPLIER INVOLVEMENT – PROCUREMENT MODEL

■ Background

Customised GRC planters are made to order and accordingly they require adequate time for designing, testing, creating detailed shop drawings, manufacturing, and transporting to site. Without providing this time in the project planning, project managers may be forced to: -

- Reduce the opportunity to negotiate the best pricing.
- Compromise on the design of the planters.
- Jeopardise delivery timing.
- Select an unproven supplier.

Satu Bumi's Early Supplier Involvement (ESI) procurement model provides a way for construction companies to remove many of the late delivery, high cost and poor-quality risks associated with project teams making late decisions regarding the procurement of customised GRC planters for commercial construction projects.

This ESI procurement model is primarily focused on addressing the issues that will enable the decisions relating to the procurement of customised GRC products to be made much earlier in a project's detailed planning.

■ How Satu Bumi's Early Supplier Involvement Works

After a construction company has been awarded a project that requires customised GRC planters: -

- Satu Bumi provides the construction company with a preliminary costing for the customised planters – if it has not already done so prior to the project being awarded.
- The construction company pays Satu Bumi 5% of the agreed preliminary costing for the planters, capped at \$5,000.
- Satu Bumi engages with the construction company to develop the final custom planter designs, their detailed shop drawings, and a final cost estimate for their supply.

- The construction company uses these final designs and shop drawings to request competitive quotes for the procurement of the customised planters from third party suppliers. This ensures that all competitive quotes are based on the same specification and will enable suppliers to provide fixed pricing.
- The construction company selects the supplier they want to use.
- If Satu Bumi is selected as the supplier, the cost of the designs and drawings will be credited against its quote for the project.
- If an alternative supplier is chosen, Satu Bumi will supply all the design and shop drawings and any other relevant information to the construction company to provide to the chosen supplier to complete the procurement of the planters.

■ The Benefits to a Construction Company

Improved Cost Control

The early availability of precise shop drawings for use in quotation requests to GRC suppliers enables more control over the supplier selection process based on realistic fixed pricing.

Improved Project Planning Control

Early involvement provides more controlled delivery timing.

Improved Risk Control

More reliable delivery timing and early approval of detailed shop drawings reduces project risk.

Improved Quality Control

Early involvement will avoid time-pressured decision making in the procurement process that can result in the selection of a supplier with a lesser grade of product or an unreliable delivery service.

sales@satubumi.com.au
+61 (03) 5292 1001
satubumi.com.au

Last edited: 2nd of May, 2023