

Company overview

INDUSTRY: LOCAL GOVERNMENT

LOCATION: GOLD COAST, AUSTRALIA

NO. OF EMPLOYEES: 3,500

Local Government providing services, activities and facilities to its residents and visitors. As the second largest council in Australia, it has 3500 staff and a strong contingent workforce.

- Annual hires: 800 average annual hires
- Roles hired: Blue collar – includes construction, heavy vehicle operators, labourers, horticulturists, cleaners, trades. White collar – including project managers, engineers, transport planners, contact centre consultants, payroll, procurement, IT, HR, administrators and support staff.
- Technology: 3SS as the VMS

The challenge

The City needed to improve their entire contingent labour process. With over 100 suppliers engaged on an ad-hoc basis there were no controls over cost, quality, and supply, additionally the lack of visibility on the contingent workforce was a concern, especially in the blue-collar high-risk space.

With a strong union involvement and funds derived from taxpayers, it was critical for The City to have better controls over the engagement and usage of contingent labour and to manage its' costs. Additionally, in the lead up to the Commonwealth Games in 2018 The City needed support from a provider that could manage high volumes of recruitment under strict governance.

The outcome

The MSP is a successful program and has met the clients' original requirements. Reduced rates with suppliers mean significant cost savings have been achieved across the life of the program (48% cost savings) mostly achieved via the Master Vendor arrangement achieving a direct sourcing rate of 98% on average. The model has resulted in greater commitment from the suppliers due to their increased access to roles. This increased exposure has led to better understanding of the business resulting in reduced time to fill and well-matched candidates.

The MSP achieves 98% satisfaction scores from candidates and clients, and average time to fill of eight days, furthermore with the MSP team ensuring correct usage of contingent labour through thorough governance and compliance in the usage of labour hire along with providing education to hiring managers.

The solution

We implemented an MSP with a master vendor structure committed to process improvement, better controls, and cost reduction. The supplier base was rationalised to eight, with preferred rates agreed. The rate card was streamlined to reduce complexity and better cost management. A system integration allowed for better governance to minimise the misuse of labour hire.

Implementation of our VMS meant reporting on the contingent labour workforce was easily accessible and all in one place and critically that mandatory requirements were now able to be accessed and recruited against, addressing a much-needed WHS issue. The MSP has also been able to support City compliance in relation to the issuing and reporting on mandatory inductions such as Code of Conduct and blue-collar Construction Site Inductions.

FAST FACTS

Direct Sourcing at 95% with average of 7 days Time to Hire

Reduced supplier panel to 8. Previously 100+ suppliers engaged on ad-hoc basis

High Candidate & Hiring leader satisfaction at 98%

Realised significant cost savings of 48% across life of solution

Improved governance, compliance and cost controls through implementation of VMS (3SS)

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