

Cost Reduction Program

Client: Coal Mining Operation

Location: Bowen Basin, near Middlemount

Scope: Opportunity Assessment, Tender Plan, and Tender Management

“Caliba was able to reduce the cost of operations by \$39m pa, which contributed to increase in profit for the mining operation.”

The mining client had a requirement to develop its goods and services forecast and review the status of its supply and services contracts.

The company had inherited various supply of goods and services contracts when the company acquired the mine. Many of the contracts were expiring shortly and required attention.. The site did not have a procurement team, so Caliba was engaged to assist.

Caliba worked closely with the maintenance, production, technical services and finance teams to develop the goods and services forecast .

A sourcing plan was then developed to cater for the site’s requirements over the next 3-years and was signed-off by the Executive team.

Caliba completed 32 tenders and supplier negotiations to ensure the site had all forecast requirements under contract at competitive rates. The overall operations costs where reduced by 39m per annum over the 3-year period.

Caliba was able to reduce the cost of operations to a level that was lower than when the site was acquired, which contributed to increase in profit for the mining operation.

\$490m

Value under Contract

32

Tenders & Negotiations

\$39m

Cost Reduction

