

Opportunity Assessment and Cost Reduction

Client: National Refrigerated Transport Company

Location: East Coast, Australia

Scope: Opportunity Assessment and Cost Reduction Program including Tenders

“There was a complete change in how the company purchased, stored and distributed fuel to its transport fleet, which significantly reduce fuel costs.”

The Client had not tendered their maintenance and operating requirements in many years, and had requirement to determine whether their supply contracts were competitive.

The company was confident they had competitive pricing with their long-term suppliers, however the CFO wanted to be sure this was the case.

Caliba completed an opportunity assessment to benchmark the company's operating costs with the industry. This process identified cost reduction opportunities in fuel, lubricants, tyres, parts and components.

The Caliba team worked with the Operations and Maintenance Managers, and other stakeholders to deliver cost reduction projects, including formal tenders.

Included in the projects was a complete change in how the company purchased, stored and distributed fuel to its transport fleet. The business moved to a wholesale fuel purchasing model and strategically located its own fuel storage near high volume transport routes, which significantly reduce fuel costs.

The projects reduced operating costs by \$3.72m per annum.

\$225m

Value of Contract

3

Strategic Tenders

\$18m

Cost Reduction

