

Tasmanian Industry Participation Plan Executive Summary

Procurement details

Procurement Reference No.	CMU P450-2014
Procurement title	Petroleum Products Contract P450
Name of Responsible Agency/Entity	Department of Treasury and Finance

Supplier details

Name of supplier	Caltex Australia Petroleum Pty. Ltd.
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Local SME industry impact

Caltex's strategic decision to partner with two locally based fuel suppliers extends benefits to the local Tasmanian business community. Caltex values the importance of having Caltas and Bennetts Petroleum as its two key business partners located in the northern and southern regions of Tasmania supplying and servicing Tasmanian Government customers. Both Caltas and Bennetts are connected into the local business community.

Caltas currently employs 61 personnel and 14 commission agents who in turn employ an additional 56 retail personnel. Caltas have a corporate head office, a lube distribution centre and bulk fleet operations located in Devonport. Caltas also operates a second office and lubricants distribution centre in Launceston. It is anticipated an additional 1-2 drivers will be employed to service the Tasmanian Government business.

With outlets in cities, towns, rural and coastal regions, Bennetts pride themselves on the support offered to these local communities both large and small. Bennetts is currently in the process of evaluating the expansion of its operations and with a successful tender outcome would fast track proposed developments. The projects would include; Mood Food, Caltex Huonville, Caltex Snug, Caltex New Norfolk and the lease of a site in Kingston adjacent to Channel Court. With these projects in mind, the company would require additional 2-3 employees for the administrative/executive roles as well employing up-to 15 employees at retail sites.

For many years, Bennetts Petroleum has sponsored schools, athletics, family fundraisers, rural shows and the arts as a demonstration of their support towards the communities in which they have a presence.

Goods and services to be utilised in the contract

Identified goods or services	Total estimated value	Name of supplier anticipated to be used (if already determined through existing supply chain arrangements)	Location of supplier (where already determined through existing supply chain arrangements)	If supplier not yet determined, is there a local SME market for same? (Yes/No)
Northern distribution of petroleum and lubricants to all Caltex branded sites Provision of 19 Caltex branded retail sites and 20 Caltas branded Driveway Card Acceptor sites	\$675,000 p/a	Caltas	Throughout Northern Tasmania	
Above ground tanks	\$8,000	Liverpool Engineering	North Hobart	
Fuel Tanker	\$800,000	Webster Trucks	Derwent Park	
Coffee Beans	\$100,000	Zimmah Coffee	Hobart	
Various Drinks	\$200,000	Juicy Isle	Cambridge	
Milk	\$10,000	2Cow Milk	Huon Valley	
Confectionary	\$50,000	Robbie Confectionary	Rokeby	
Packaging	\$50,000	Franklin Direct	Moonah	
Pies	\$20,000	National Pies	Hobart	
Sandwiches	\$20,000	4Lunch	Mornington	
Juice	\$5,000	Lucaston Juice	Lucaston	
Food	\$50,000	PFD	Devonport	
Signage	\$15,000	Eye Spy Signs	Cambridge	
Electrician	\$50,000	Manning Electrical	Richmond	
Builder	\$500,000	D Williams Builders	North Hobart	
Truck Maintenance	\$50,000	Midland Truck & Bus	Bridgewater	
Retail Displays	\$3,000	Display Industries	Moonah	

Opportunity for local SME involvement

Both Caltas and Bennetts are locally owned and based Caltex distributors who will be providing fuel and lubricants distribution on behalf of Caltex to all retail sites and bulk distribution facilities throughout Tasmania. Caltas also has a direct relationship with a number of franchise and third party sites who are also Tasmanian owned and operated.

Some of the locally based suppliers utilised to source products and services to fulfil the contract include;

<i>D Williams Builders</i>	<i>David Charlton</i>
<i>Michael Belstead Plumber</i>	<i>Michael Belstead</i>
<i>Manning Electrical</i>	<i>Todd Manning</i>
<i>Eye Spy Signs</i>	<i>John Howard</i>

Caltex enjoys a strong business relationship with its two key business partners in Tasmania. Where an opportunity exists to source a locally based supplier to provide a fuel related product or service, the local business networking ties will be drawn upon. For instance, Caltex has proposed the sourcing of above ground bunded fuel tanks to safely store fuel as opposed to drum fuel. Caltex will engage a local supplier to supply bulk fuel tank storage.

Caltex currently engages two locally based SME's to support the supply of fuel to the Tasmanian Government – Caltas and Bennetts Petroleum. In turn these two locally based businesses turn to locally based suppliers for the supply of goods and services for their business to function. Where necessary a tender process may be undertaken to seek supply of goods and services from local suppliers.

Broader economic opportunities

Caltex is in a solid position to safely and consistently supply fuel to Tasmania thanks to its strong working relationship it has with its leading independently owned locally based distributors, Caltas and Bennetts. Both of these companies are owned and operated by Tasmanians and been established for over 30 years. Caltas participates actively in the local community. For instance, over the past nine years, Caltas has been involved in the Cancer Council Relay for Life raising over \$50,000 where the company has matched employee generated contribution on a dollar for dollar basis. Caltas has also been involved in a number of relief efforts during the time of disaster e.g. Southern Tasmania bushfires as well as supporting local sporting clubs and charities throughout northern Tasmania.

Caltas and Bennetts have been investing millions of dollars in recent years and intend to continue to do so into the future by way of capital investment into service stations, upgrading of delivery fleet, improving technologies in retail and trucking assets.

In the event Caltex was successful in its bid as the principle supplier of card and bulk fuels, both locally based businesses Caltas and Bennetts would experience beneficial flow on effects that will filter through the business. For instance independently owned third party sites accepting StarCard will benefit from the additional business. As noted earlier, additional human resources will be employed to service the Tasmanian Government fuel contract.