

Case Study: Cinergy Services and Cinergy Investments Save Through Single Event

Cinergy Services and Cinergy Investments had similar needs for power transformers. The companies joined forces to leverage their combined budgets and get more for less. As a result, they experienced significant savings and developed new supplier relationships.



Opportunity

Cinergy Services approached Pantellos to evaluate the most efficient procurement method for power transformers from 100MVA 138KV to 448MVA 345KV. While reviewing Cinergy Services' situation, Cinergy Investments approached Pantellos with a similar need for power transformers with specifications of 130MVA 138KV to 440MVA to 138KV. Both companies had the same delivery dates as well as 98% of specifications and terms and conditions completed for the same manufacturing base.

Solution

Pantellos recommended the companies combine their requirements in a single reverse auction event that would deliver cost savings by leveraging the combined budgets. After discussions with the manufacturer, Cinergy Services and Cinergy Investments optimized their requirements and sent an RFQ to ten prequalified suppliers. The bid price range included the equipment, the value of electrical losses and total cost of ownership. Pantellos and Cinergy worked together to evaluate each of the nine submitted proposals. The reverse auction was held with several of those suppliers in a competitive price range for the 12 lots of specified power transformers.

Results

Cinergy strengthened relationships with existing suppliers in addition to establishing new relationships that will be beneficial in future projects. The auction also gave Cinergy and Pantellos the opportunity to evaluate recent quality and delivery performance for similar procurement activities. Once again, Pantellos Dynamic Solutions produced significant savings. Cinergy Services and Cinergy Investments saved a combined 15%.

"We are finding that it is smarter to use Pantellos' Dynamic Solutions, not only for the time and cost savings, but also because it allows us to develop relationships with suppliers who may be beneficial in future projects."

Donald E. Faris
Manager, Strategic Sourcing
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