



PROVISION OF 4TH PARTY LOGISTICS SERVICES

I COMPANY DETAILS

Company Name: Toll Remote Logistics Pty Ltd (ABN 99 004 210 093)

Location: Level 7, 380 St Kilda Rd, Melbourne VIC 3004

Website: www.tollgroup.com

2 EXECUTIVE SUMMARY

The Defence Commodity Reform Program (CRP) will harness smart-buying principles to reduce expenditure, and simplify the procurement, delivery and management of Australian Defence Force (ADF) commodities.

The ADF's partnership with Toll to outsource, simplify and optimise management of the commodity supply chain will free up the ADF to focus on core operational activities.

The CRP also presents an opportunity for Toll to work with industry and the ADF to develop a global supply chain, create opportunities for small-to-medium enterprises (SMEs), and to transfer skills and technologies across the Australian supply chain.

The contract will be delivered by Toll's Global Logistics division, which has partnered with Infosys Portland and Infosys Ltd to provide specialist systems integration and data analytics capabilities that underpin our solution.

3 SCOPE OF WORK OPPORTUNITIES

Toll will implement a commodity purchasing and distribution capability via a 4th Party Logistics (4PL) management service founded on dedicated operations teams and a customised 4PL technology platform. This capability worth approximately \$86.5m (GST inclusive) will be delivered via the following Local Industry Activities:

- **Management Services** – The following services will be delivered by Toll Remote Logistics Pty Ltd, include:
 - Strategic development of the commodity supply chain
 - CRP contract management
 - Management of 4PL technology platform
 - Product and services purchasing
- **Freight Services Management** – The following services will be delivered by Toll Remote Logistics Pty Ltd, include:
 - Establish a panel of national, small, and medium freight carriers in metropolitan and strategic regional locations across each state and territory of Australia
 - Manage the freight service to optimise the performance and costs
- **Information Systems Integration** – The following services will be delivered by Infosys:
 - Innovative technology design and consultancy services
 - Service support teams and administration
 - Systems integration of multiple software components provide an end-to-end commodity purchasing and delivery platform

- **Strategic procurement services** – The following services will be delivered by Infosys Portland:
 - Spend analysis and procurement diagnostics
 - Supplier sourcing and negotiations
 - Category management
 - Management of procurement operations
- Additionally, there will be opportunities for Australian Industry to supply commodities and freight services. The value of Australian industry involvement in these areas will be reported annually in arrears.

4 FUTURE OPPORTUNITIES / INDUSTRY ENGAGEMENT

The development of a next generation supply chain system scalable for future growth, will provide future opportunities for freight service providers and product suppliers.

Opportunities will be created for industry in the following ways:

Growing product offering and buyer network

A local sourcing strategy focused on delivering value-for-money solutions will be employed for key strategic metro and regional locations. This will enable local SMEs to grow into other regions and create complementary product lines.

All suppliers engaged by Toll will have the opportunity to join the SAP Ariba network, a global marketplace currently four times bigger than eBay and Amazon.

Freight carrier opportunities

Freight carrier panels will be created for each strategic region, providing all freight carriers the opportunity to be vetted and selected to transport products for the ADF. As a Toll-approved subcontractor, carriers may have opportunities to provide freight services for other Toll contracts.

Exploiting new technologies

Under the contract, Toll will identify SMEs, including indigenous organisations, with the potential to supply and transport products for the ADF. We will work with these companies to identify and implement technology and capability improvements that will enable them to compete for opportunities.

5 TOLL CONTACT

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