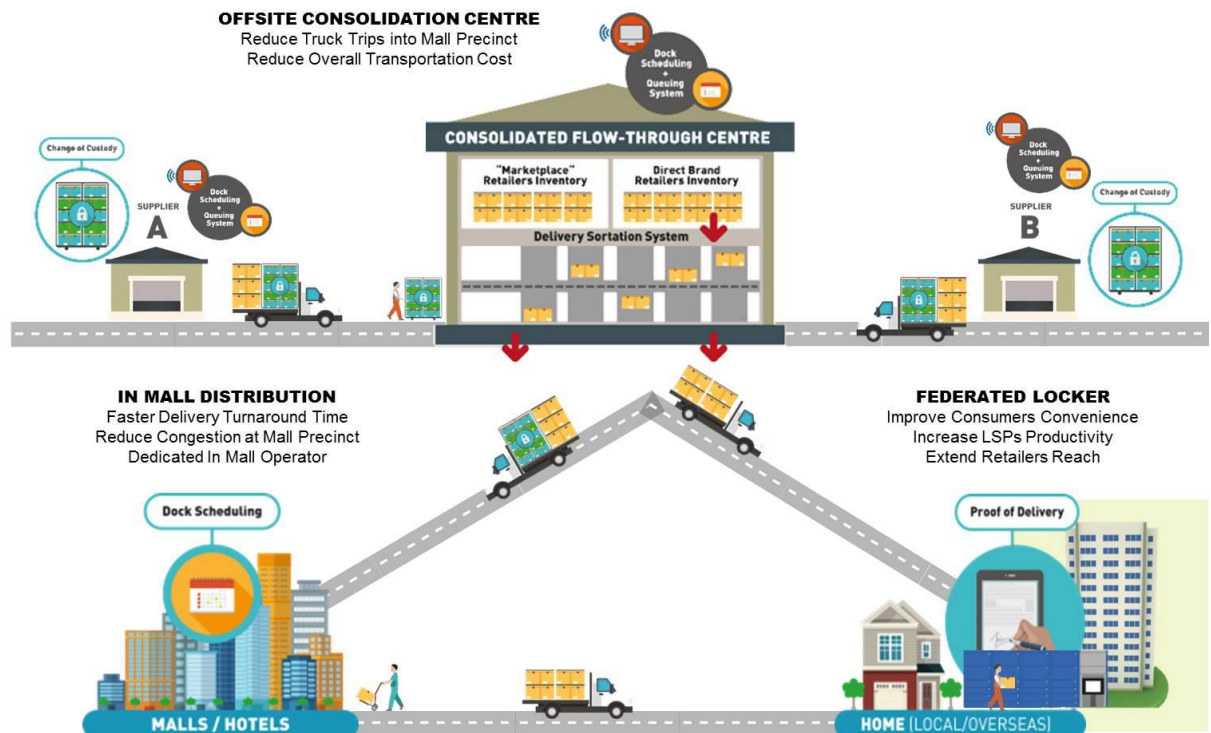


Urban Logistics Offsite Consolidation Centre (OCC) Pilot CALL FOR COLLABORATION

1. OBJECTIVE

- 1.1. As part of SPRING Singapore's efforts to improve productivity in the retail and food sectors (food services & food manufacturing), outsourcing of logistics services has been identified as a key initiative.
- 1.2. SPRING Singapore, in collaboration with the Infocomm Media Development Authority (IMDA), is conducting a Call-For-Collaboration (CFC) for operators to provide outsourced logistics services through an Offsite Consolidation Centre (OCC) to improve the efficiency of deliveries for retail and food companies.
- 1.3. An OCC should result in synergies by consolidating last mile deliveries from retailers and food companies going into the respective shopping malls or other delivery destinations.



At the OCC, delivery trucks from retailers and food companies with less-than-full loads can drop off their cargo. The OCC operator will sort and consolidate the merchandise before

delivering to malls and precincts. In this arrangement, goods can be delivered to their intended destinations in full truckloads within the stipulated delivery period. This reduces the number of trucks going to the same destination and improves truck load utilisation. An OCC operator should endeavour to derive delivery synergies (trips saved) across its users, on-boarding new users with deliveries going to the same destination to improve its drop point efficiency. An example of this is illustrated in [Annex A](#).

2. PROJECT DELIVERABLES

2.1. The appointed OCC operator shall provide the following:

- Identify suitable retail and/or food companies to adopt OCC services to streamline their logistics processes;
- Provide an offsite facility that allows retail and/or food companies to drop off their cargo for consolidation and then provide delivery to the respective malls/shops/ precincts;
- Collate data pertaining to OCC usage by retail and / or food companies. These results will go towards a monthly progress update and final report detailing the volume data, user participation and operational details of the OCC; and
- Adopt the use of In-Mall Distribution (IMD) services (if available) at the destination malls.

2.2. The appointed OCC operator will need to achieve the following milestones according to the following timeline:

Timeline	Milestones	Customer profile criteria
Closing date of CFC	<ul style="list-style-type: none"> Acquire <u>at least three</u> customers, illustrated through letter of intent for engagement Demonstrate potential synergy/ trips saved of at least 10% (as illustrated in <u>Annex A</u>) 	<ul style="list-style-type: none"> At least one new customer¹ At least two local SMEs²
Official appointment of OCC operator	<ul style="list-style-type: none"> Confirm <u>at least three</u> customers through formal signed agreements or contracts 	<ul style="list-style-type: none"> At least one new customer At least two local SMEs
Mid-term review (9-month mark)	<ul style="list-style-type: none"> Confirm <u>at least six customers</u> through formal signed agreements or contracts Demonstrate synergy/ trips saved of at least 15% (as illustrated in Annex A) 	<ul style="list-style-type: none"> At least two new customers At least three local SMEs
Final review and assessment (18-month mark)	<ul style="list-style-type: none"> Confirm <u>at least ten customers</u> through formal signed agreements or contracts Demonstrate synergy/ trips saved of at least 30% (as illustrated in Annex A) 	<ul style="list-style-type: none"> At least three new customers At least six local SMEs

2.3. All participating companies must not be using the appointed OCC operator's Distribution Centre services for last mile delivery arrangements to malls and precincts prior to this exercise.

2.4. During the pilot, retail or food companies that use the OCC service will be funded **up to** 70% of the transaction fees for only **last mile deliveries** from the OCC to the final destination. Grant support will be provided for **up to** six months. The

¹ New customers are defined as customers who do not have any existing business relationships with the operator.

² The SME criteria is as follows:

- Registered and operating in Singapore
- Having minimum 30% local (Singaporean/ PR) shareholding; AND
- Company' Group annual sale turnover not more than \$100 million; OR
- Company's Group employment size not more than 200 workers

minimum engagement period for each retail or food companies shall be twelve months.

- 2.5. Prevailing regulations for handling of goods (including food handling) shall be strictly adhered to.

3. TARGET USERS

- 3.1. The target users for the programmes will include the following businesses:
 - a. Retail
 - b. Food Services
 - c. Food Manufacturing
 - d. Other services trades operating within a commercial mall for e.g. cinema, hair salons.
- 3.2. The user must be in a healthy financial state (e.g. positive cash flow)

4. PRE-QUALIFICATION CRITERIA FOR OCC OPERATOR

- 4.1. The OCC operator shall provide track records of good knowledge of delivery requirements in the retail and/or food sectors and their operational needs. This include experience in delivery fulfilment for retail and/or food services companies, and current customer profiles.
- 4.2. The OCC operator shall possess minimally three years of continuous business operations in providing logistics solutions and a track record of operating a Distribution Centre. The OCC operator shall show that adequate resources will be put in place to manage the project in terms of administration (business development), related hardware and software upgrades, and provide support to the users. To promote efficiency and productivity at the OCC, the OCC operator will be mandated to use a dock scheduling system and a cross dock system.
- 4.3. The Singapore University of Technology and Design (SUTD) has been commissioned by IMDA to quantify the economic and social value of OCC and IMD. The OCC Operator shall provide the necessary assistance and information to SUTD to enable successful completion of the study.

- 4.4. The OCC operator shall propose its approach to on-board retail and/or food services companies for the OCC services. It will need to provide detailed information on its existing delivery fulfilments to malls on a weekly basis and demonstrate synergies enjoyed through on-boarding new clients.
- 4.5. The OCC operator will be required to submit a commercial model to illustrate the profitability and sustainability of its proposed OCC operations. This will include a breakdown of the OCC operating cost, volume projection, published prices, profit & loss calculation and the expected timeline to breakeven as illustrated in Annex B.
- 4.6. The OCC operator has to gather at least three participating companies to kick-start the OCC pilot. Existing customers of the OCC operator who are currently utilising the services of the provider as an OCC, that is, similar OCC last mile delivery arrangements to malls and precincts, will be excluded. The OCC operator must demonstrate that the starting group of three participating companies would have a minimum of 10% synergy/trips saved (as illustrated in Annex A).
- 4.7. The OCC operator participating in the CFC must be a legitimate entity registered in Singapore with the Accounting & Corporate Regulatory Authority (ACRA) and in a healthy financial position (e.g. positive working capital).
- 4.8. All of the above information shall be submitted via the business proposal form, attached as Annex C.

5. EVALUATION PROCESS

- 5.1. Only completed proposals will be considered and evaluated.
- 5.2. OCC operators with shortlisted proposals may be required to make a presentation of their proposals (at own cost and expense) to the evaluation panel.
- 5.3. Proposals shall be evaluated based on the following:
 - a. Track record, knowledge and experience handling logistics deliveries for retail and/or food services companies;

- b. Comprehensiveness of proposed on-boarding strategies and establishment of synergies with its current delivery arrangements;
- c. Track record of operating a distribution centre as well as systems and resources to be put in place for OCC operations;
- d. Cost effectiveness and competitiveness of its published pricing; and
- e. Ability to gather at least three companies as OCC clients at the start of the project and achieve a synergy/trips saved of at least 10%.

6. SUBMISSION PROCESS

- 6.1. The proposal submitted shall be in accordance with the items found in the attached Annexes and shall include as many details as possible. All assumptions used shall be clearly stated in the proposal.
- 6.2. All applicants are to submit both hard and softcopies of complete proposals, and any other supplementary documents, together with a copy of the company's ACRA (not more than six months old from date of application) and latest audited financial statements.
- 6.3. All documents should reach SPRING Singapore before the submission deadline of **15 May 2017**.

Both hard and soft copies are to be submitted to:

SPRING Singapore

1 Fusionopolis Walk, #01-02 South Tower, Solaris

Singapore 138628

Attention to: Ms Jamie Goh, Manager, Lifestyle Division

Email: jamie_goh@spring.gov.sg

- 6.4. All proposals received after the submission deadline will not be accepted.
- 6.5. In the event of an overwhelming response from potential OCC operators, SPRING Singapore reserves the right to close the CFC on an earlier date.
- 6.6. Enquiries regarding this CFC should be addressed to:
Name: Ms Cindy Ngiam
Designation: Head, Lifestyle Division
Email: cindy_ngiam@spring.gov.sg

7. CFC BRIEFING

- 7.1. SPRING Singapore will conduct one CFC briefing session with interested applicants to present the requirements and answer any queries.
- 7.2. The CFC briefing session details are as follows:
 - Date: 23 March 2017, Thursday
 - Time: 10am (registration starts at 9.30am)
 - Venue: 2 Fusionopolis Way, Innovis, Level 1, Multi-Purpose Hall, Singapore 138634
- 7.3. Interested parties should register your attendance for the CFC briefing with Ms Serene Chua (serene_chua@spring.gov.sg) by 21 March 2017 with the following information:
 - Company Name/ Name of representative/ Designation/ Email