

CONTRACTING STRATEGY DEVELOPMENT

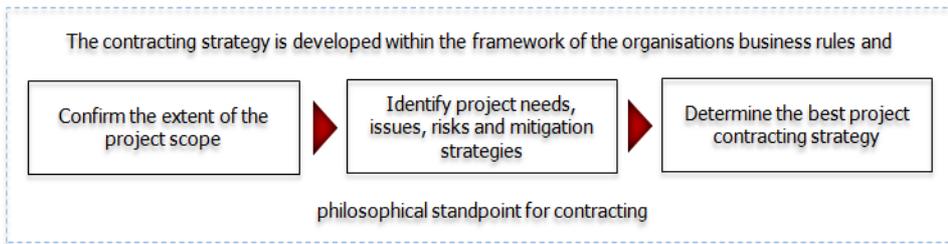
CATEGORIES

Mercor Consulting specialises in developing contracting strategies with the key objective of structuring a procurement arrangement for the provision of engineering, procurement, construction, and management services to deliver the project in a way that deals effectively with the entire range of project issues, stakeholder requirements, project objectives and risks. Contracting strategy development may be applied to an entire project, or to individual or groups of sub-projects within a project. Contracting strategy development comprises of two key elements:

- The Required Services (A delivery vehicle); and
- Commercial and legal framework (Packaging).

We employ our proprietary project contracting strategy process to assist clients in developing optimal contracting strategies. They are developed within the framework of the client organisations' business rules and philosophical standpoint. Typically, this involves allocating risk to the party best able to manage it and identifying how the stakeholder requirements, project issues and objectives can be best managed through the contracting strategy.

- Construct Mapping
- Group Facilitation
- Multi Criteria Analysis
- Problem Framing
- Stakeholder Management
- Structured Analytical
- Problem Solving
- Workshop Reporting



5 STEP PROCESS

The contracting strategy process comprises five broad steps:

1. Undertake meetings and/or workshops with client to communicate and clarify scope of project;
2. Workshop facilitation to clearly define project needs, issues, risks, and mitigation strategies;
3. Develop optimal contracting strategies using Multi Criteria Analysis for delivery vehicle and packaging options;
4. Introduce Mercor Risk-Reward framework / regime where appropriate; and
5. Deliver contracting strategy proposal to client.

VARIETY, CREATIVITY AND INNOVATION

There is huge opportunity for creativity and innovation in contracting strategies and the Mercor process enables organisations to fully explore the possibilities. Mercor has significant experience in a wide variety of contracting strategies from traditional lump sum construct only arrangements through to arrangements based on early contractor involvement, alliances and public private partnerships. Mercor has been a leading innovator in Australia and is credited with being the architect of many of the leading innovations that have become industry norms for contracting strategies. Contracting strategies can be made quite unique to suit very specific project issues and risks. Our approach maximises the possibility of developing a contracting strategy that is optimal for any given set of objectives, issues and risks.

EPC Contracting Arrangements †	PMC Contracting Arrangements *	EPCM Contracting Arrangements ‡	Construct Only Contracting Arrangements
EPC Lump Sum EPC Schedule of Rates EPC Bill of Quantities EPC Cost Plus EPC Performance Incentive EPC Risk Reward EPC Net Present Value EPC Alliance	PMC Lump Sum PMC Schedule of Rates PMC Cost Plus PMC Performance Incentive PMC Risk Reward PMC Net Present Value	EPCM Lump Sum EPCM Schedule of Rates EPCM Bill of Quantities EPCM Cost Plus EPCM Performance Incentive EPCM Risk Reward EPCM Net Present Value EPCM Alliance	Construct Only Lump Sum Construct Only Schedule of Rates Construct Only Bill of Quantities Construct Only Cost Plus Construct Only Performance Incentive Construct Only Risk Reward



MERCOR
CONSULTING

P.O. Box Z5522 St. Georges Terrace
Perth, WA, 6831

fax +61 8 9221 6663

email info@mercorgroup.com.au

www.mercorconsulting.com.au

