



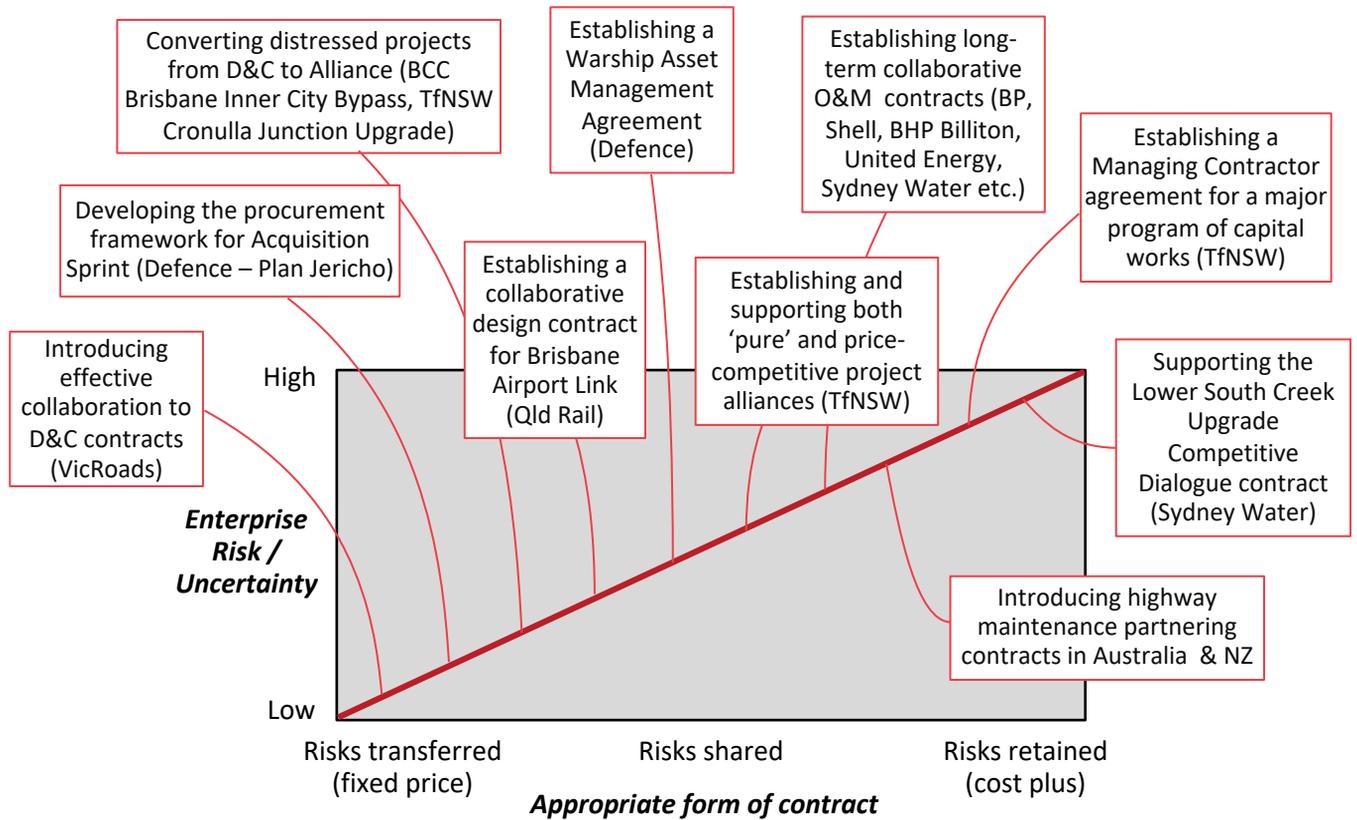
CAPABILITY & CASE STUDIES

All forms of infrastructure, all types of contract

PCI helps establish or improve all types of complex contract

Improving outcomes from mission-critical contracts

PCI helps owners, proponents, and multi-party teams to establish the commercial and psychological conditions that enable them to deliver excellent outcomes from complex contracts. Our work spans the full spectrum of contract styles from fixed price to cost-plus, using contract models tailored to the extent of risk.



Clients include:





CASE STUDY

Warship Asset Management Agreement

PCI established first full-scope asset sustainment alliance for Navy

Context

The Australian Commonwealth Department of Defence wanted to establish its first long-term full scope total asset management contract for the ANZAC Frigates where, amongst other things, the Commonwealth's 'decider' functions can be outsourced to industry providers. This was a negotiated process with incumbent providers, who were delivering under different forms of agreements, which added complexity to ensuring that the Commonwealth achieved a value for money proposition that was sustainable over time and unlock collaboration potentials in the fully formed enterprise.

Scope

PCI's work included the following:

- Helping the Owner make fully informed choices about the procurement strategy and the scope and features of the eventual alliance model.
- Designing and facilitating the contract establishment process;
- Coaching the Governance and Leadership Board and working groups through the establishment process to develop the right behaviours and mindsets that ensures alliance success.
- Supporting in operationalising and mobilising the new alliance contract.

Outcomes

The alliance was established on a sound footing with the incumbent industry partners embracing the alliance framework, ethos, and behaviours. The Commonwealth was very satisfied with the eventual commercial outcome but more importantly, in seeing the early culture change that became evident even before the contract was executed.



Testimonial

"I have no doubt that we are at the beginning on a very long journey and thanks to you, we have the fundamentals in place to make the journey a fruitful one for all Alliance Participants. I'm encouraged by the early culture change and... pleased to say that there are already positive outcomes being realised for our new Alliance."

Commodore Steve Tiffen

Director General, Major Surface Ship
Branch, ANZAC SPO



CASE STUDY

AUCKLAND CITY RAIL LINK

PCI established twin-TOC super alliance for CRL

Context

The Auckland City Rail Link (CRL) is New Zealand's largest transport infrastructure project ever. CRL is a 3.45km twin tunnel-underground rail link up to 42m below the Auckland city centre. CRL will transform the downtown Britomart Transport Centre better connects the city's rail network and at least double its capacity. CRL originally planned nine construction packages, with the two most complex packages – C3 Stations and Tunnels and C7 Rail Systems – delivered via competitive-TOC alliances. As the project proceeded, CRL soon realised that risks would be significantly reduced if a single package addressed the core works – so combined C3 and C7 packages and re-allocated other works into a super-alliance.

Outcomes

The alliance was established through a carefully designed process that included a robust commercial alignment process both for contract terms and detailed target adjustment (variation) guidelines that was critical to achieving a strong collaborative mindset. This enabled CRL to select on the basis of a strong priced proposal and a team that displayed significant commitment to the alliance and brought forth efficient construction methodologies and innovative engineering ideas.

Scope

The recently appointed CRL CEO asked for PCI's help in establishing the super-alliance as he had experienced poor practices in price-competitive alliancing and knew that PCI would help to establish a truly collaborative environment whilst still enabling genuine price-competition.

The scope of PCI's work included:

- Development of the alliance procurement and establishment plan
- Support development of RFP and other market facing document
- Facilitate the proponent selection process, including behavioural assessments and commercial alignment
- Provide coaching to the Owner's team to prepare them for effective and collaborative market engagement.





CASE STUDY

Establishing contracts through Competitive Dialogue

PCI has pioneered and been involved in many aspects of the CD process

Competitive Dialogue (CD)

In the early 2000s European governments began introducing a procurement practice known as Competitive Dialogue in highly complex projects. Key features of the CD approach include:

- Focus on specifying desired outcomes rather than procuring a pre-selected solution (at lowest confirming price)
- Open discussions with suppliers, recognising that maximum value is likely to be obtained when a wider range of solutions is considered
- Progressing relatively divergent offerings (both technical and commercial) including structured negotiations with different suppliers before selecting the best proposal.

To be successful, CD procurement requires a good grasp of the 'psychology' of contracting, clear probity protocols, and a strong commercial foundation. Willingness to contemplate a range of contract forms – from hard money to shared risk – can stretch the buyer's skills significantly.

Further information is available from <http://www.pcigroup.com.au/publications>

PCI's CD experience

PCI is actively involved in CD processes, including the following recent examples:

- Sydney Water's Lower South Creek Treatment Program is part of a \$2.2B upgrade of NSW's water infrastructure. A CD process allowed the full spectrum of potential solutions to be explored for this complex water treatment project. PCI facilitated the CD interactions to identify the best combination of technical, behavioural and commercial solutions.



- PCI supported the winning consortium of Laing O'Rourke, CH2M Hill and Parsons Brinkerhoff through the CD process used to establish the \$5.5b Pacific Highway Delivery Partner contract – NSW's largest ever road project – to upgrade 155 km of highway from Woolgoolga to Ballina
- PCI is working with the Department of Defence to design and facilitate the Acquisition Sprint process to radically reduce time and cost for complex projects by using a collaborative CD-based procurement process.



CASE STUDY

Acquisition Sprint – Game changer in Defence Procurement

PCI developed the collaborative procurement framework to support Acquisition Sprint

Context

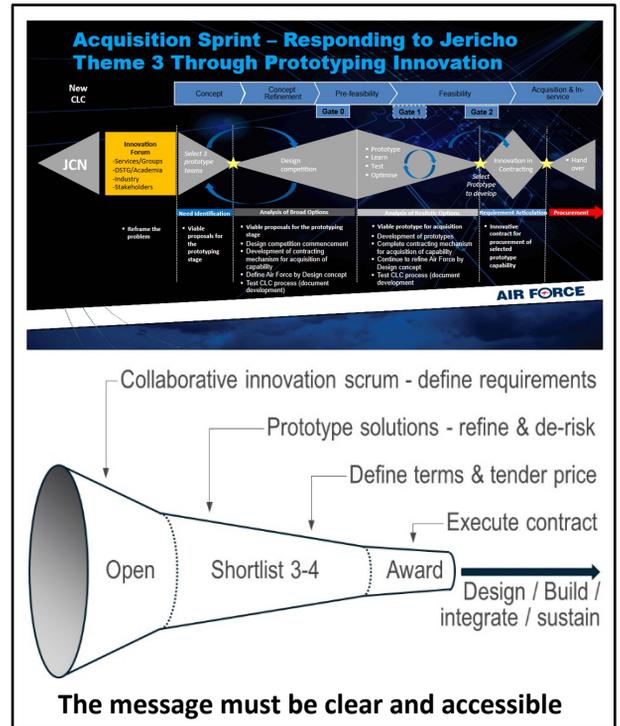
Plan Jericho is part of the Australian Air Force Strategy for becoming a fifth-generation force which is agile and fully immersed in the information age. A key them is transformation in acquisition to reduce cycle times and capture innovation.

The Jericho Team approached PCI to help develop the procurement framework that would preserve the Design Thinking principles and create a genuinely collaborative culture to maximise potential for success.

Scope

The scope of PCI’s work included:

- Working with the Jericho team to understand the desired outcomes at each stage of Acquisition Sprint
- Developing a clear procurement process including staging, timing and evaluation criteria covering technical, commercial and behavioural aspects that establishes a collaborative culture among the players and maximises the potential to include new suppliers, including small to medium enterprises (SME)
- Facilitating workshops with Jericho team and its key suppliers/partners to create a high performance team culture



Outcomes

The Jericho team has demonstrated that an Acquisition Sprint process combining Design Thinking with collaborative procurement has reduced cycle times, capture innovation, and opened up the market to new suppliers that potentially bring fresh ideas and ways of working.

The Jericho team is now refining and propagating that process and PCI collaborated with the team to develop and disseminate materials describing the Acquisition Sprint approach and benefits so that it can be faithfully applied and intelligently built upon.



CASE STUDY

P3 Accord - Creating a high performance framework

PCI identified key cultural and commercial levers to unlock high performance

Context

The P3 Accord is a fully formed program alliance to sustain the Orion P3 aircraft fleet. After 5 years the accord was experiencing cultural and commercial challenges, relationships were strained, and performance was acknowledged as sub-optimal.

PCI was engaged to conduct a health check and make recommendations to improve outcomes.



Scope

- PCI reviewed the Master Agreement to identify commercial 'rub points' inhibiting performance and assisted in making key changes, including simplifying an over-complex risk regime.
- Supported re-design of the Accord organisational structure to enable more robust governance and a genuine integrated project team.
- PCI implemented a High Performance Team program involving all parties and an Alliance 101 training program for all employees to embed the right culture and alliance behaviours.

Outcomes

Our work resulted in a 35% uplift in the Accord's overall performance within the first 12 months and the Accord has become one of the best performing contracts within Department of Defence.

PCI continued to provide ad-hoc support, advice, coaching and training to the Accord for the following 7 years to ensure that the high performance culture was maintained.

Testimonial

"PCI's experience was invaluable. PCI worked closely with the Alliance Board and Steering Group and facilitated a robust approach to identify issues that were holding the P3 Accord back from reaching its performance objectives. PCI facilitated a robust plan for recovery.

There is no doubt that the involvement PCI was crucial to our success. Performance of the P3 Accord was recovered to a level that the Accord Board and participants were not only comfortable with but openly praised."

Greg Young, Director, P3-Accord



CASE STUDY

Mining Industry – Collaborative Maintenance Agreements

PCI designed and facilitated the setup of two long-term maintenance contracts

Context

One of Australia's largest copper and uranium mines was experiencing consistent difficulty with quality of labour and outcomes from shutdown maintenance services. With an opportunity cost of several million dollar per day and the ability to improve or degrade plant reliability, shutdowns are a major determinant of overall business performance.

This client saw the results of another alliance-style maintenance contract developed by PCI so engaged PCI to establish a new generation of shutdown contracts that would improve safety, quality, and maintenance outcomes.

Outcomes

The new contracts were established through a capability-based selection process and quickly led to improvements in shutdown performance and maintenance outcomes for this remote site. Separating cost from profit in an open-book framework enabled the parties to govern shutdown activities on a best-for-client basis without any bias toward under- or over-servicing.



Scope

The scope of PCI's work included:

- Working with site-based and head office procurement staff to design the new collaborative contract model – including an incentive framework to link supplier profit to desired outcomes;
- Facilitating the supplier selection process and establishing a collaborative governance processes to set the new arrangements on a sound footing.



CASE STUDY

Utilities Industry Collaborative O&M Contracts

PCI designed and facilitated four long-term maintenance and capex contracts

Context

United Energy and Multinet Gas is a privately-owned business which owns and operates pipes and wires distributing electricity and gas to over 1M customers. Most asset-related spend is performed via contracts so these contracts are mission-critical.

UE and MG approached PCI to help improve its key long-running asset contracts. PCI quickly realised that an entirely new business model and contract framework was required.

Scope and Outcomes

- PCI worked UE and MG to design the new contract model from scratch, based on an open-book cost-reimbursable framework which links contractor profit to achievement of overall client objectives (safety, asset performance, customer satisfaction).
- Over a three year period PCI helped implement four new 5+year contracts each worth \$50-100M p.a. to enable both stable supplier relationships and continuous competition.
- Outcomes included a dramatic improvement in client control of cashflow and business risks, a complete turnaround in client satisfaction, and significant improvements in value-for-money.

Testimonial

“PCI helped us re-shape our business significantly by introducing open-book incentivised contracts that align our contractors’ key objectives, whilst retaining the benefits of competitive pressure. Most of our day-to-day activity involves third party contracts, and getting these right with a strong client-side capability has helped United Energy become one of the most efficient utilities in Australia.

The PCI team brings a rare combination of strategic design skills and ability to implement in detail.”

Hugh Gleeson

CEO, United Energy and Multinet Gas



UNITED ENERGY



Multinet



CASE STUDY

Main Roads WA Integrated Services Agreements

PCI coached joint venture partners through a long running bid process

Context

When Main Roads WA retendered maintenance for their road network, PCI successfully facilitated joint venture partners Downer EDI Works and UK-based Mouchel through three successive bids.

DownerMouchel approached PCI as the best choice for coaching their team during an extensive tendering process. The team needed to sustain energy and momentum, working through the three bids with clarity and purpose

Scope

- PCI worked with DownerMouchel to help them prepare bid offerings and to equip the team with the kinds of skills, behaviours and mindsets that make great alliance partners.
- After educating the team about alliance principles, we helped them to prepare their value offering and to evolve into a high performing team, committed to success.

Outcomes

DownerMouchel won all three bids with high value offerings supported by strong, authentic, focused and energised teams, who were committed to achieving the ISA objectives in a collaborative framework.

PCI's work in the proponent coaching stage helped the team operate better in the eventual alliance; they were able to mobilise and engage quickly, addressing issues with confidence.

Testimonial

"Downer and DownerMouchel are delighted with the contribution which PCI made to our successful bidding of road maintenance alliances, and to the development of our people's skills and teamwork. Our 100% success rate where we work with PCI is testimony to their knowledge and proven processes, and the passion that the PCI professionals display in what they do. Our people learned a lot about themselves and what they could achieve, and had a lot of fun along the way."

Malcolm Frost, GM Strategy and
Business Development
Downer Australia



CAPABILITY

All forms of infrastructure All types of contracts

About PCI

PCI is acknowledged in Australia and overseas as a leading advisor, facilitator & coach for the establishment & delivery of alliances & other forms of collaborative contracts for complex projects & programs. We integrate rigorous commercial models & business processes with transformational human development to drive peak performance.

Clients



"PCI helped us re-shape our business significantly... which has helped United Energy become one of the most efficient utilities in Australia. The PCI team bring a rare combination of strategic design skills and ability to implement in detail.."

Hugh Gleeson,
CEO, United Energy and Multinet Gas

Services

Owner contract establishment

Helping owners to make fully informed choices based on deep understanding of commercial & cultural issues common to complex projects & service arrangements.

Proponent coaching & bid development

Assisting proponent teams to secure selection on major alliances & other forms of relationship contracts.

Complex contract coaching

Coach and trusted advisor on some of Australia largest and most complex projects coaching project teams to achieve high performance.

Business optimisation & risk management

Offering decision support optimisation methodologies that give clients visibility of the consequences of decisions, & confidence in their capex/opex choices.

Organisational change & development

Helping our clients generate organisational and cultural change through genuine engagement, collaboration, inspiration & creativity.

Leadership and Team Development

Designing and developing leading-edge leadership and team development programs that help to nurture and grow individuals and teams who can think strategically and navigate the unknown effectively and have the skills to anticipate, challenge, interpret, decide, align and learn, imperative for continued business success in this fast-changing new world.



CAPABILITY

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Our Leadership Group

Our team of diversely skilled facilitators, consultants, advisors, and coaches are committed to partnering with our clients to deliver exceptional outcomes on every engagement.



Jim Dingwall

Jim is a mechanical engineer with over 25 years professional experience and a broad base in management of capital-intensive and infrastructure businesses. Jim has consulted to most of Australia's infrastructure operators in utilities, transport, and communications sectors. Jim specialises in establishing performance-based contracts using commercial mechanisms to align the parties' interests. He is also a skilled facilitator and team coach.



Holly Dinh

Holly has over 15 years' experience as a business executive, educator, and change management consultant. Her experience spans contract establishment, proponent development, and coaching in relationship-based contracts. Holly brings a strong background in leadership development and organisational change and her highly collaborative and innovative approach has proven effective in engaging and inspiring people at all levels to achieve breakthrough insights and positive outcomes.



Jim Ross

Jim is a civil engineer with over 30 years professional experience in engineering and construction in various countries and with over 20 years hands-on senior management and leadership experience in major project delivery in Australia. Jim has been at the forefront of the development of relationship contracting in Australia and is acknowledged throughout Australia and globally as a leading thinker, adviser and facilitator in alliancing and collaborative contracting.