

Abstract Title	Key Success Factors in selection of commercial model for mega-project delivery
Presentation Type	Powerpoint/ In person
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Organisation	Bechtel

Introduction

Successful mega-projects are founded on strong relationships between the customer, contractors and consultants. The contractual model is critical to deliver mutually beneficial outcomes. This presentation provides a high-level summary of key factors to consider when deciding the most appropriate delivery structure, including complexity and size of scope, maturity of contracting market, capability of the customer to manage and time-to-market considerations.

Abstract

The delivery of very large projects of over \$1 billion capital expenditure (mega-projects) safely whilst meeting the desired sustainability, quality, cost and schedule outcomes for all parties represents a significant challenge for the engineering and construction industry.

Developing strong relationships with all delivery partners – the customer, contractors, consultants – and aligning around desired outcomes is critical in delivering successfully.

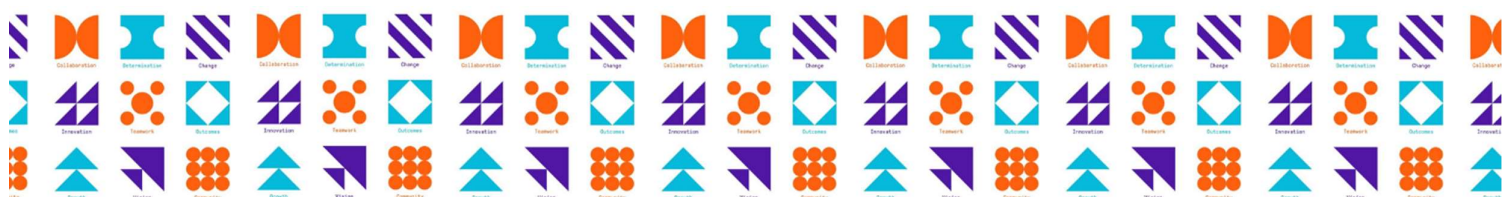
Importantly the commercial model selected should incentivise the right behaviour and results by all parties to deliver against competing priorities – quality, cost, risk and schedule. This presentation will outline the most commonly used commercial models and the circumstances where they would be most applicable. This would include:

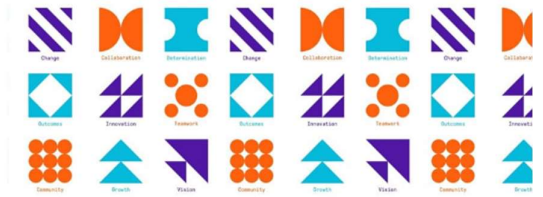
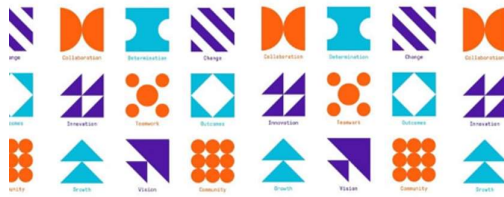
- Engineering, Procurement & Construction (EPC)
- Engineering, Procurement & Construction Management (EPCM)
- Project Management Contractor (PMC) with Design & Construct (D&C) Package

Factors considered include the competency of the contracting market and capacity that exists, customer project management capability and capacity, the delivery schedule impact on the business case (i.e. schedule to meet market need) as well as scope size and complexity aspects (i.e. first of kind technology or delivery techniques). The risk appetite of the customer and contractors plays a significant role in the definition of the appropriate model.

Speaker Profile(s)

Lucy Martin is the Chief Financial Officer (CFO) for Bechtel’s Mining and Metals business. Lucy has over 20 years of international experience working on five continents, including 19 years at Bechtel in mining, energy, and infrastructure sectors. She has served in various roles in strategy development and general management.





She holds a Bachelor of Engineering (Hons) degree in chemical process engineering from the University of Sheffield, UK and is a chartered engineer and fellow of Engineers Australia.

Acknowledgements

Reference links

→ www.bechtel.com

