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How to be a Successful Supplier to Major Projects Company Perspective

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Stage 2: Market Engagement

Develop Contract Strategy

Prepare the contract and procurement plan aligned to the project execution strategy.

Market Engagement

Identify all potential Tenderers

Prequalification

Ensure that companies are qualified to undertake the work or provide the materials equipment or services

Tender

Obtain technical proposals and prices

Evaluation and Award

- Assess the tenders and make a recommendation for award



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Stage 1: Develop Contract Strategy

Develop Sourcing Strategy

Prepare the contract and procurement plan/sourcing strategy.

Market Engagement

Identify all potential Tenderers

Prequalification

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Tender

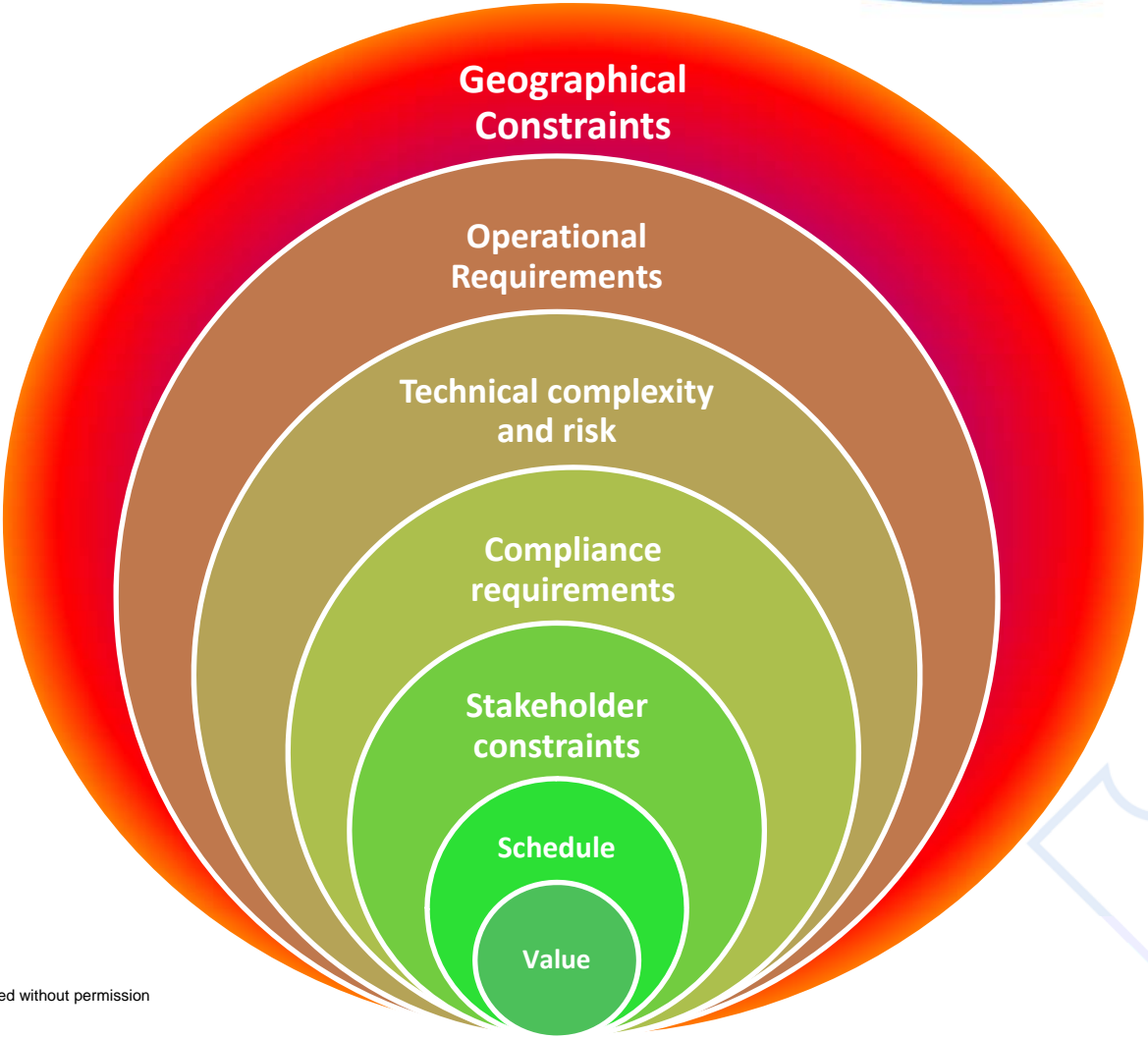
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Step 1: Develop Sourcing Strategy

Factors Affecting Sourcing Strategy



Stage 1 : Develop Sourcing Strategy The Contract Matrix

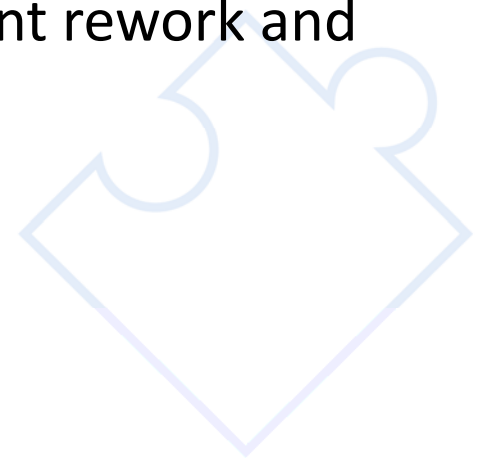


Package #	Package Title	Contract Form	Budget A\$ mill.	Sourcing Strategy	Man/Mob Lead Time	ROS/ Comm. Date	Tender Issue Date	Award Date
1	Engineering and Project Management	EPCM.	100	Comp	8 Months	Aug 2010	Jan 2010	July 2010
2	Offshore Pipelines Supply	PO.	300	Comp	12 Months	Aug 2012	Feb 2011	July 2011
3	Offshore Pipeline Installation	Const.	150	Comp	18 Months	Sept 2013	Jan 2012	July 2012
4	Jacket Fabrication	Fab.	90	Comp	12 Months	March 2013	March 2012	Sept 2012
5	Topsides Fabrication	Fab	180	Comp	18 Months	March 2014	March 2012	Sept 2012
6	Jacket and Topsides Installation	Const.	100	Comp	12 Months	Sept 2014	March 2013	Sept 2013
8	Subsea Structures Supply	PO.	125	Sole Source	36 Months	Sept 2014	March 2011	Sept 2011
9	Subsea Structures Installation and Commissioning	Construct	80	Comp	12 Months	Sept 2014	March 2013	Sept 2013



About Sourcing Strategies

- Engineering, design and project delivery are all considered when developing sourcing strategies, which are often very complex
- Once the Company has set a sourcing strategy it is generally difficult to bring about change without significant rework and expense for the owner





Objectives in setting sourcing strategy

- Divide the project into a reasonable number of manageable packages
- Ensure packages are delivered on time, within budget and to the required technical standards
- Meet objectives in terms of local content requirements



Stage 1 : Company Sourcing Strategy



Take Away Points:

- If you think you can offer services or products, get in early and talk to the people involved in setting strategy;
 - EPCM Contractors
 - Engineers
 - Architects
 - Project Managers
 - Company Supply Chain Teams
- Consider strategic partnerships, joint ventures as a way of participating in larger packages.
- Highlight differentiators e.g technical excellence, recent experience, local knowledge

Stage 2: Prequalification



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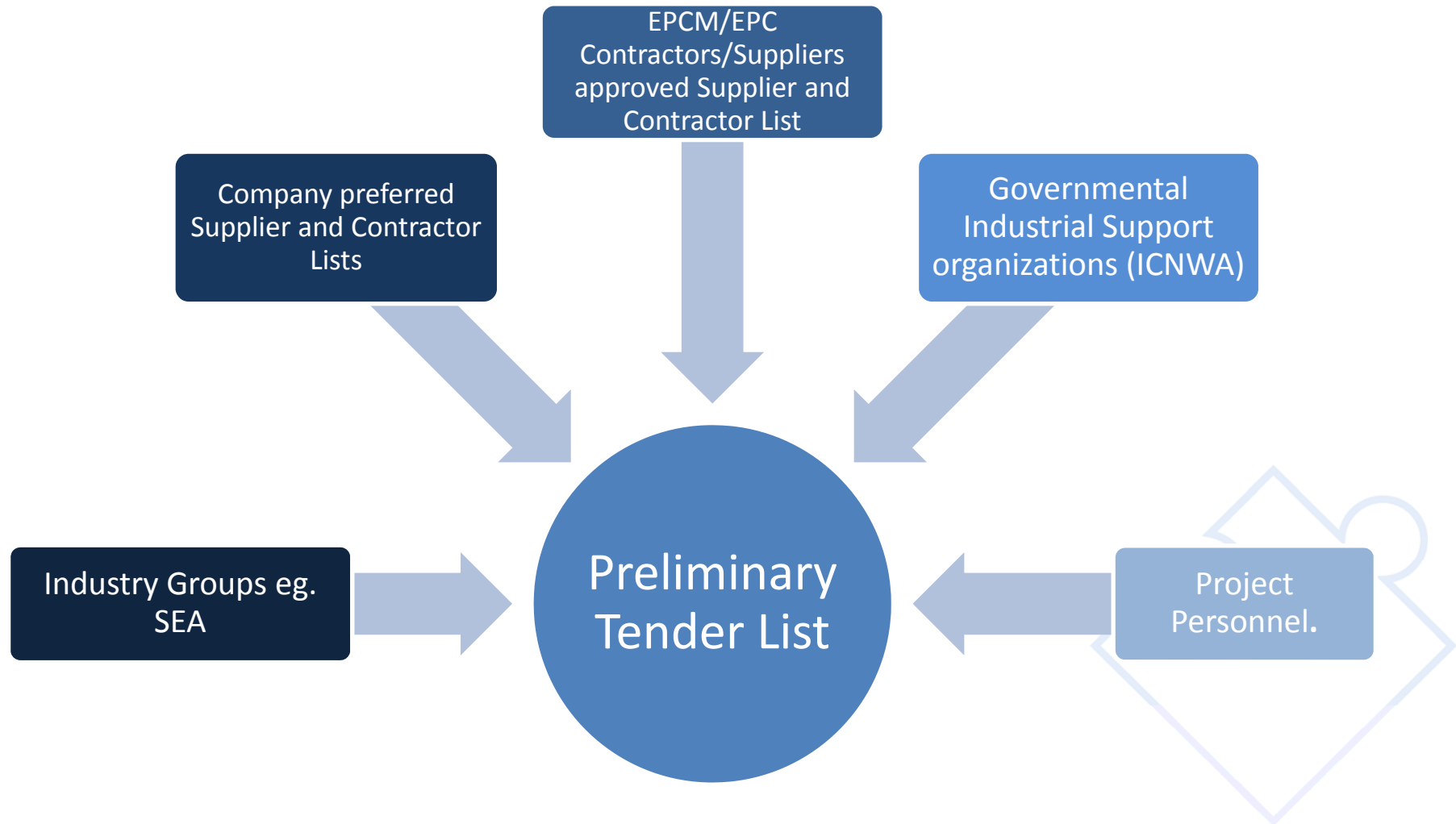
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Stage 2: Market Engagement

How does a Company Identify Potential Tenderers





What is an Expression of Interest?

- Used by companies to determine the capability in the market and interest in tendering
- Enquiry from company to identify whether a supplier is capable and interested in bidding
- May include a request for a preliminary capability statement
- It creates the first impression and it is the suppliers first opportunity to really impress and demonstrate keenness to be involved
- Critical gate in the procurement processes on many major projects



Take Away Points;

- Responses must be;
 - Well presented
 - Concise
 - Include all information presented
 - Timely
- If you don't get issued an expression of interest you may be already be too late to bid.





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Stage 2: Prequalification

Develop Contract Strategy

Prepare the contract and procurement plan aligned to the project execution strategy.

Market Engagement

Identify all potential Tenderers

Prequalification

Ensures that companies are qualified to provide materials or services

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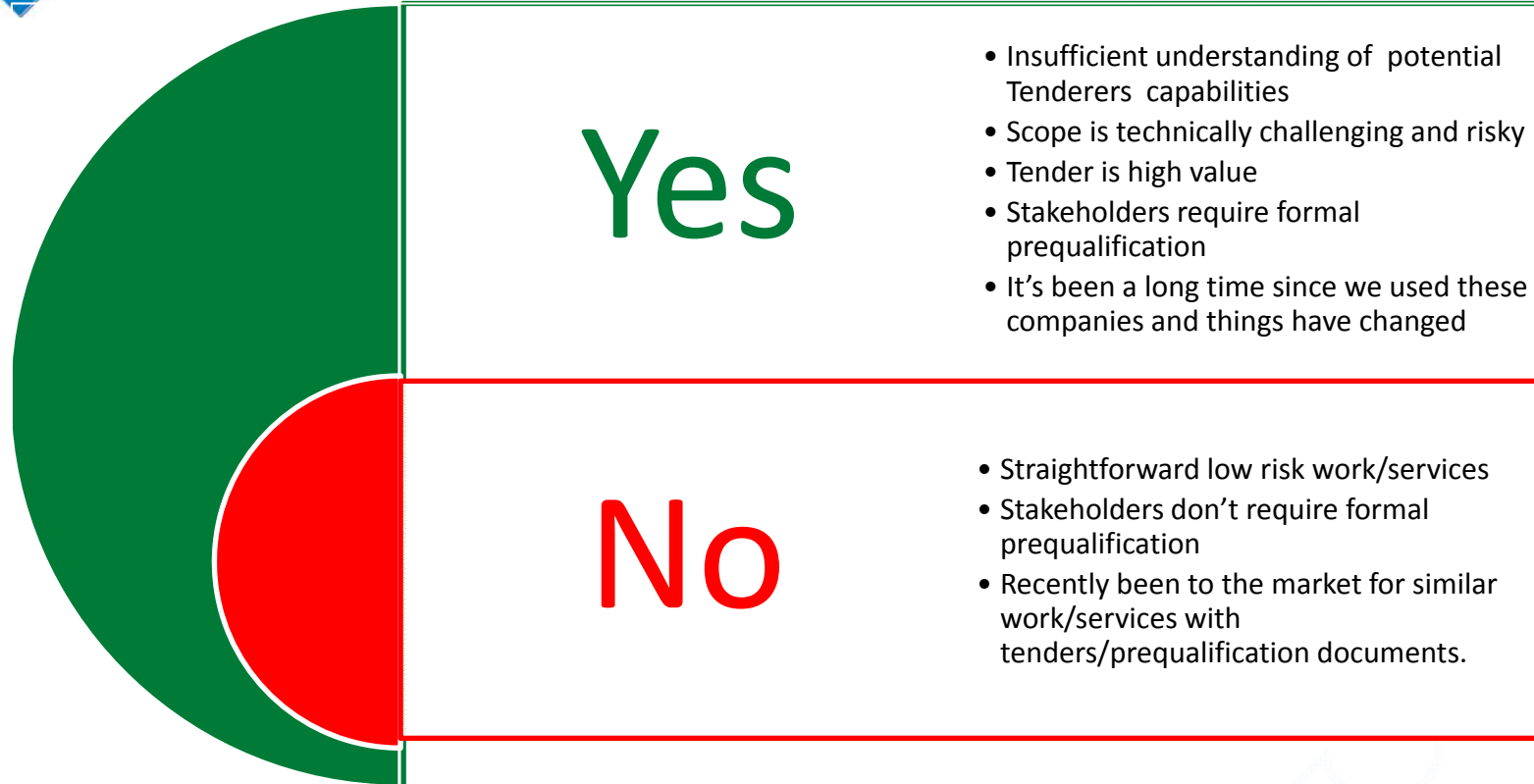
What is a Prequalification?

- Request for a supplier to demonstrate that it is capable of providing the good or services required.
- Prequalification may be for an individual project or for a fixed term to cover a number of different opportunities
- It is the suppliers chance to persuade the company that is capable is competent and enthusiastic.
- It is a second critical gate in the procurement processes on most major projects and is used for the development of short lists.



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Stage 3: Prequalification Is Prequalification Required ?



Note:

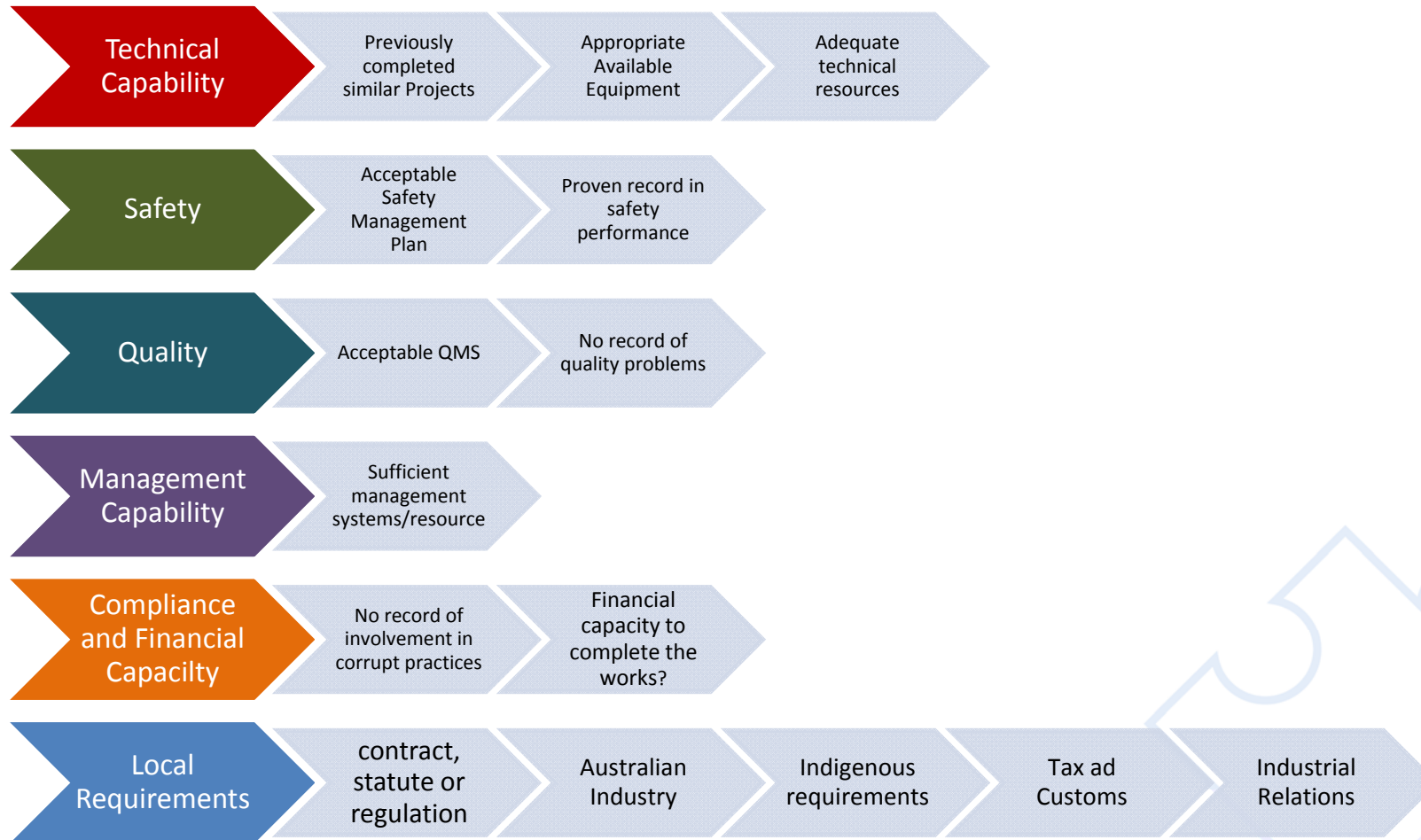
Operators: Prequalification is an expensive exercise for tenderers.

Suppliers/Contractors : If you're asked to prequalify and you don't properly complete the documentation you have little chance of progressing to tender stage.

Stage 2: Market Engagement Factors considered in Prequalification



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Stage 3: Prequalification



Take Away Points:

- Carefully understand the prequalification process
- Respond in the format requested
- Answer specific questions succinctly
- Don't just include piles of generic material
- Spend time understanding the scope of work
- Make sure you respond in time
- Discuss with clients where you are requested to submit similar information multiple times

Stage 4: Tendering



Develop Contract Strategy

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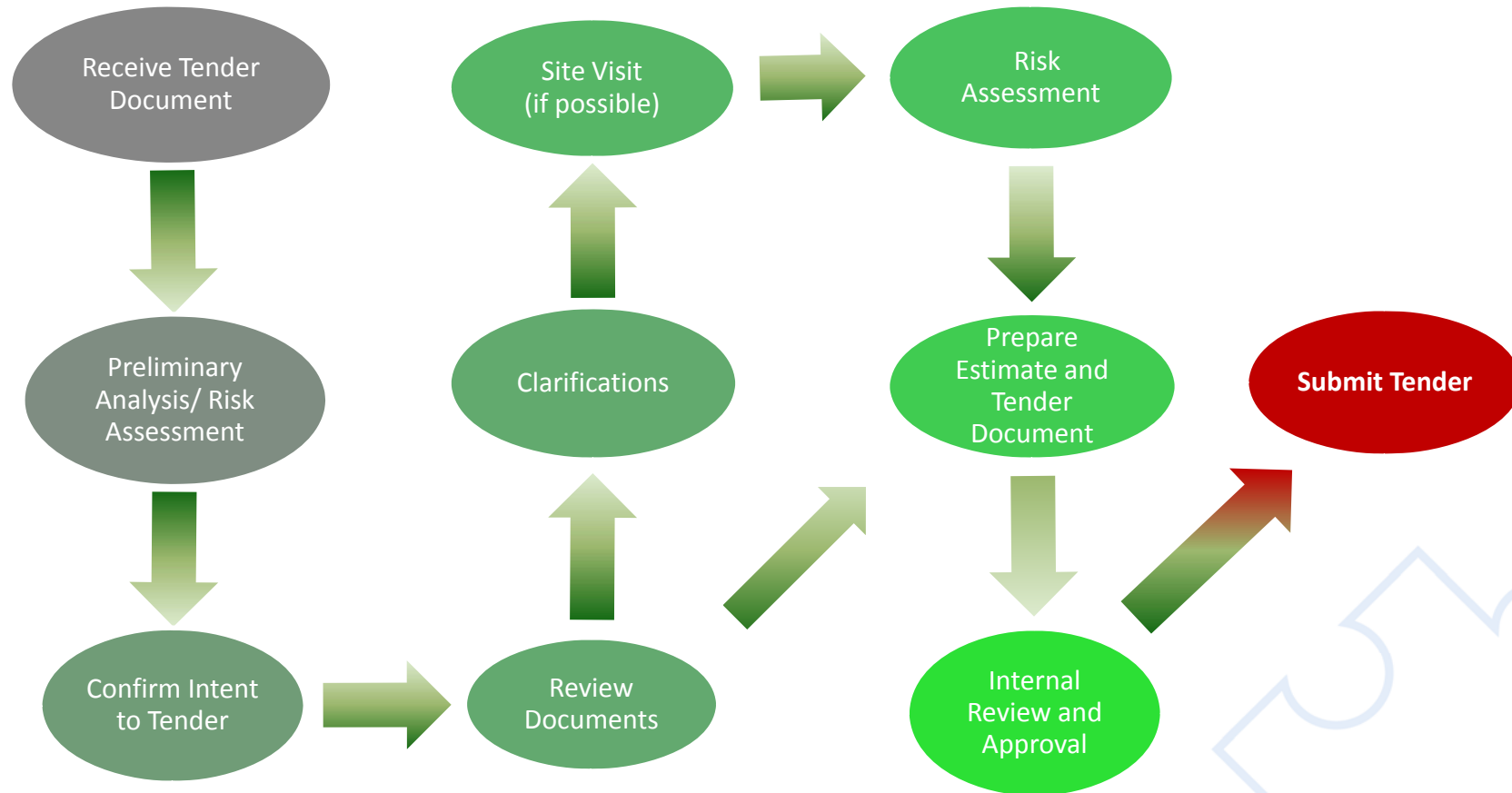
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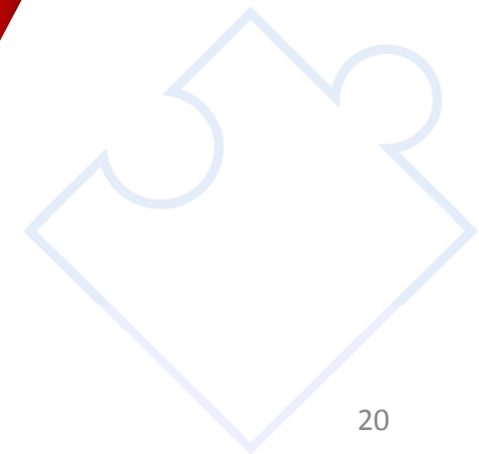
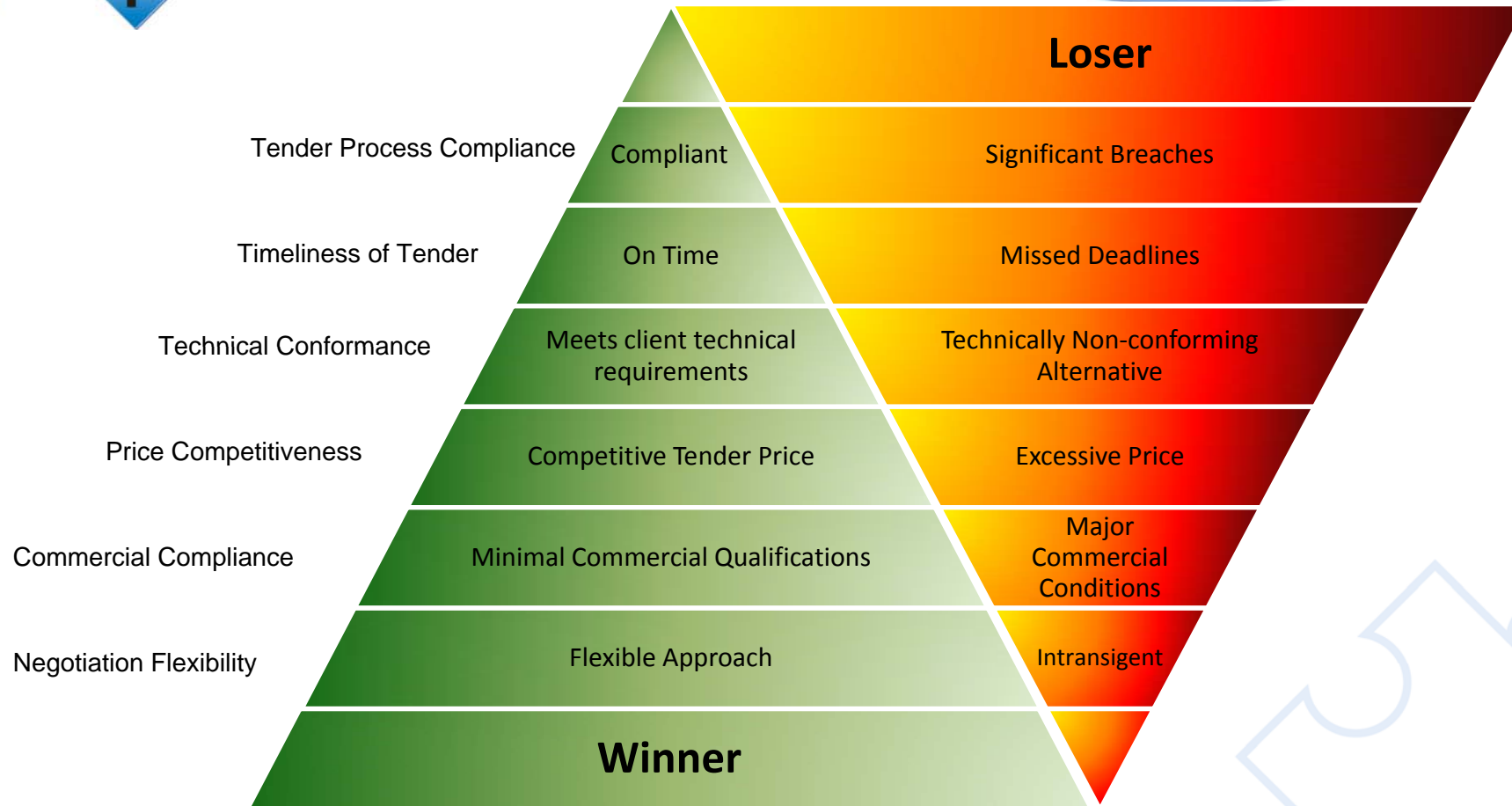
Stage 4: Tendering Preparing Tenders





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Stage 4: Tendering Common Mistakes





Take Away Points:

- Spend time understanding scope of work and risk
- Respond in the format requested
- Make sure you provide a compliant tender
- Make sure you respond in time
- Emphasise differentiators





Summary:

- Companies spend a lot of time and money developing their sourcing strategies. They are unlikely to change them to suit a single supplier
- Get into projects early to make sure that you are considered.
- Identify opportunities for joint venturing or second tier contracting so that you can be involved in larger packages
- Documents need to be professionally presented and in the format requested