



BESPOKE COMMERCIAL MECHANISMS TO MEET SENIOR EXECUTIVE GOALS AND ADDRESS TENDERER'S CONCERNS

SUNSHINE COAST AIRPORT – TERMINAL EXPANSION PROJECT

The Terminal Expansion Project (TXP), governed by Sunshine Coast Airport Pty Ltd (SCA), is a critical part of the infrastructure solution designed to boost the capacity of the airport and improve passenger and visitor experience.

The Challenge

SCA is one of the fastest growing airports in Australia and it was ranked in March 2022 the 10th busiest airport in passenger numbers in Australia. This project aims to provide airport capacity to 2035.

The TXP incorporates the design and construction of approximately 14,000m² of new build expansion and existing building refurbishment of the Airport's passenger terminal and surrounding areas.

The challenge was restructuring the procurement process and tailoring the commercial terms and scope of works during the tender process to obtain a value-for-money proposal capable of acceptance within the tight project constraints.

Key Achievements



Strategic advice to obtain value-for-money proposals

Challenge:
To obtain conforming and value-for-money proposals capable of acceptance.

- Solution:**
- Provided careful review and specialist advice on key contractual elements such as the scope of works, technical specifications, and commercial terms and their alignment with each other and the project objectives.
 - Interrogated the tenderer's submissions and assumptions to identify opportunities.
 - Re-engaged with the tenderer through targeted and well-informed discussions to improve its proposal.
 - Listened to tenderer's feedback and leveraged contemporary market knowledge to tailor commercial terms.

KEY SERVICES DELIVERED




Delta's Approach

Undertook a detailed analysis of the project documentation and a series of interactive workshops with the SCA's project team, the SCA board, and the tenderers. This provided a deep understanding of each party's main drivers and concerns.

Collaborated with internal and external advisors and key project stakeholders to:

- understand the unique challenges of the project and develop strategies to address them.
- capitalise on existing arrangements and documentation.
- refine the commercial terms and introduce contractual measures to achieve senior executive goals.

Key Elements

 100M - 200M
Approx. project value

 QUEENSLAND
Sunshine Coast

 2023
Approx. 6 months

 MANAGING CONT.
WITH GMP



Commercial mechanisms to suit unique project circumstances

Challenge:
To lock in the Principal's maximum cost and risk exposure and yet retain the flexibility to capture future savings and allow for optimum risk allocation and valuation.

Solution:
Delta examined the main project constraints and leveraged recent project experiences to develop a series of bespoke commercial mechanisms that addressed the tenderer's concerns and aligned with senior executive goals.

This resulted in a more collaborative Two stage Design and Construct, Managing Contractor Contract with Guaranteed Maximum Price (GMP) which included:

- Shared Risk and Opportunity pool.
- Limited relief on specific events that were unquantifiable and not within the Contractor's control.

