

CHPP & TLO Operate and Maintain Tender

Client: Coal Mining Operation

Location: Bowen Basin, near Middlemount

Scope: Market Assessment and Tender Management Services

“The outcome of the tender process was a commercial model that incentivised the Contractor to increase throughput of the plant and reduce maintenance costs.”

The site had a requirement to tender the operate and maintain services for its coal handling preparation plan (CHPP), and train load-out (TLO) facilities.

The site outsources the operation and maintenance of its CHPP and TLO under a major services contract. The Contract was due to expire in 8-months, so Caliba was engaged to manage the tender process.

A Request for Information was issued to potential Contractors to determine interest in the opportunity, to assess Contractor capability, and to assess various contracting models to deliver the lowest total cost based on forecast throughput of the plant.

A tender was then released to a pre-qualified list of Contractors with a nominated contracting model, which had a fixed and variable fee component.

The outcome of the tender process was a contract with a clear scope of work and accountabilities of both parties, and a commercial model that incentivised the Contractor to increase throughput of the plant and reduce maintenance costs.

A lower operating cost was achieved by allocating the right level of risk to the Contractor, including the inclusion of minor maintenance items in the variable processing fee, and the removal of major maintenance items from the Contractor's account.

\$45m

Value of Contract

Incentivised Operating Model

5.0%

Cost Reduction

