

Utilising Principle Infrastructure Knowledge to Win Tenders

Sectors:	Engineering, Energy, Mining, Oil & Gas and Infrastructure
Client:	Clough
Location:	Western Australia
Project values:	\$300 million
Services provided:	Tendering Assistance

Background

Clough is a WA-based company involved principally in engineering, construction, operations and maintenance for a broad range of industry sectors both in Australia and abroad. Clough has secured a number of high-profile contracts over the last hundred years but found itself in need of augmentation. That augmentation was required to pursue opportunities in some areas of the market they hadn't been involved in for a number of years – namely in water infrastructure. Clough recognised continuing on without a professional tender assistance service would have potentially cost them valuable contracts in this sector, including one in particular that brought them to us at McGarry Associates (MGA). Clough were looking to tender for a project with the Water Corporation of Western Australia, and so they reached out to us in October 2016 on a personal reference from a past client. Our two companies established a great rapport, the production of the tender submission by sending resources to Clough, which supplemented their in-house capabilities.

What we did

Our solution for tender assistance was to second staff as required in SMP and civil estimating. This arrangement allowed us to embed one staff member in the client's office for over two years. During that time we also allocated as many as four staff members to various tenders over the entire three-year period. The nature of our arrangement with Clough meant their tenders were written in-house, while we provided a physical cost estimate and evaluated the dollar value of what the tender would be. We were able to liaise with the Estimating Manager and the Estimating Lead at Clough to discuss resource levels required on a weekly or monthly basis, and we also had help from the Clough procurement team to supply a cost for all equipment and materials.

Our solution worked well - MGA has consistently addressed all requirements in the tenders and facilitated an understanding of both company's needs. We integrated our standard first principle estimating knowledge to what the client had at the time, which ended up being rather challenging as they had just moved over to a new estimating system and the majority of their historical information did not transfer over. To rectify this, MGA has helped the client build their database back up and developed a new standard rates library in conjunction with Clough. We also reviewed the client's tender assistance guidelines in order to streamline their process.

Due to the nature and timing of tender submissions we often went above and beyond the call of duty by working extended hours to meet client deadlines. This often meant working 70+ hour weeks, over weekends and past midnight to get valuable submissions over the line – but we knew we needed to devote our time to ensure the tendering process was optimal and the chances of success were high.

“ **Our clients really like how reactive we are, and how we do go above and beyond by devoting some of our senior management team to make sure these projects run smoothly. [...] Myself being an Associate Director, I'm still working at the 'coal face' in the estimating and so forth, which they really like.** ”

– Garry Wilson, Associate Director at McGarry Associates

How it turned out

Our first principle estimating knowledge in water infrastructure helped Clough win the original \$105 million-dollar Water Corporation tender. After that combined success, we've continued to provide tender assistance to Clough across all industry sectors (including mining, energy and infrastructure). Our success rate has been high in terms of winning contracts, and we haven't missed a single project management target. The client continues to benefit from increased revenue to the tune of over \$300 million dollars' worth of work contracts secured in mining, infrastructure and energy.

McGarry Associates intends to keep a staff member embedded in Clough as long as they require tendering assistance. The advantage here is that our embedded staff have full-scale structural mechanical piping estimator knowledge. This niche specification is rare in the industry, which means that we continue to provide a highly valuable service to our client. We also work with Clough on an ad hoc basis where needed (for example, when tendering assessment is required) – and we are their sole source provider. The experience illustrates how two companies that 'click' can benefit each other across a broad network of industries and applications.

“ **We've found that with McGarry Associates, nothing is ever too hard and they're always happy to help. McGarry has helped us re-establish ourselves in the mining space at a time when we needed to re-gain experience in the mining field, and we've actually won jobs thanks to their help. Our contacts at McGarry always deal well in front of management which is a plus. Both of them are able to run with anything we throw at them with no fuss. It's been really helpful having them on board for the last three years.** ”

– Demetry Azzam, Estimating Lead at Clough Group



One embedded
staff member



High contract-winning
success rate



\$300 million worth of
work awarded