



TOWN OF PORT HEDLAND

REQUEST FOR QUOTE
SERVICES TO ASSIST IN PREPARATION OF BBRF
APPLICATION

OCTOBER 2018



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1 INTRODUCTION

This proposal has been prepared by **Pracsys** in response to a request for quote to provide consultancy services to assist the Town of Port Hedland (Town) in the application of the Building Better Regions Fund (BBRF) grant opportunity, as part of the Infrastructure Projects Stream. The proposed approach involves project selection and recommendation to the Council in Part A, and assistance with the BBRF application (incl. Cost Benefit Analysis¹) in Part B.

Pracsys offer a wealth of expertise in cost benefit analysis (including Building Better Regions Fund tailored), business case preparations, economic research, data analysis, economic overviews and social impact analysis. This experience will be augmented with specialist input and grant application development assistance provided by the former Executive Officer of Regional Development Australia (RDA) Wheatbelt, **Juliet Grist**.

We thank you for your kind consideration of our response. If you have any queries regarding our response, please contact:

Jeremy Hunt Practice Manager

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¹ A Cost Benefit Analysis (CBA) has been proposed as it is the **mandatory** support document for any project over \$1 million. **CBA contains evidence for the merit criteria 1 and 2.** The manner in which Pracsys develops CBAs is consistent with the general requirements of a Business Case in terms of the information provided.

2 BUILDING BETTER REGIONS FUND

2.1 BBRF Merit Criteria

The \$641.6 million Building Better Regions Fund (BBRF) aims to create jobs, drive economic growth and build stronger regional communities. The program is directed to support projects in regional Australia. For Round Three, \$200 million is available, with up to \$45 million of this funding earmarked to support tourism related infrastructure projects.

The Building Better Regions Fund is a highly competitive fund that requires four broad merit criteria to be addressed. These are:



Economic Benefit (**15 points**)



Social Benefit (**15 points**)



Project delivery (**5 points**)

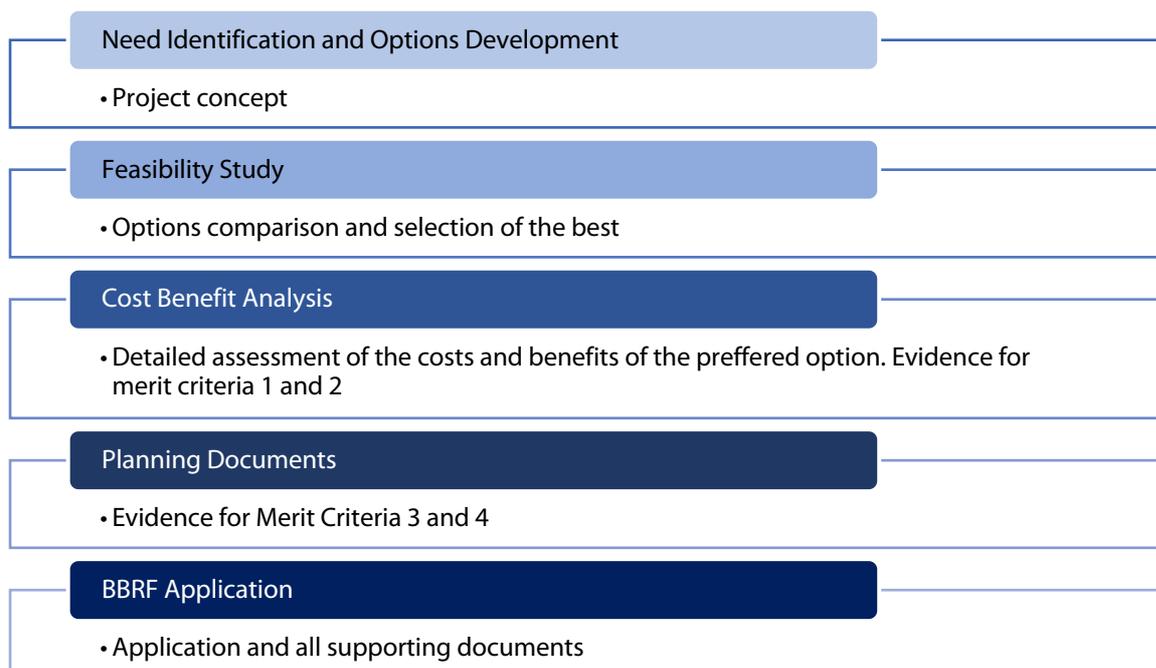


Impact of Grant Funding (**5 points**)

Each of the merit criteria must be addressed, and high scores are required in all categories to successfully secure funding.

2.2 BBRF Project Development Process

The preparation of the BBRF Application involves but is not limited to the processes detailed below.





3 RELEVANT EXPERIENCE

3.1 About Pracsys

Pracsys has an established 20-year track record of delivering quality outcomes in over 500 consulting projects to more than 100 clients - ranging from small businesses and community groups, large multi-national companies, and local and state government agencies throughout Australasia. Our reputation as a widely respected, highly flexible, and incisive firm stem from the capabilities, qualifications, and experience of our expert team. Our expertise is founded on specialist mathematical skills, economic and financial analysis, modelling, strategic analysis, and implementation planning.

Pracsys has extensive national experience in employment allocation modelling, economic development, services and infrastructure demand modelling, and the development of feasibility studies, cost benefit analyses and business cases.

This experience has allowed us to develop a proven approach to State and Federal grant applications that provides assessors with evidence-based analysis of economic and social benefits, and the value for money represented by a project.

Figure 1: Summary of Experience in Successful Grant Applications

Project	Description and Outcome
The City of Albany – Middleton Beach Building Better Regions Fund Application Review (2017)	Pracsys was engaged to review the City's BBRF application that had previously been unsuccessful. Specific instructions were provided where there was a lack of evidence to support social and economic benefit claims and made suggestions for additional impacts that could be included. Supporting material was provided to facilitate the application of review findings. The application was successful in BBRF round 2 (announced 2018) and the City secured \$4.5 million in funding.
Shire of Northam – Northam Swimming Pool Business Case (2017)	Pracsys was engaged to develop a business case for the development of a swimming pool in Northam, to secure funding through the federal <i>Building Better Regions Fund</i> (BBRF). This included analysis of the economic and social benefits and Cost Benefit Analysis (CBA) as required by the BBRF. The application was successful and the Shire received approximately \$3.2 million in Federal funding for the project.
City of Swan – Ellenbrook Bridge Business Case (2017)	Pracsys was engaged to undertake a cost benefit analysis and business case to support the Shire in an application for BBRF funding for a bridge over the Ellen Brook. The application was successful and the City received approximately \$3.0 million in Federal funding for the project.
City of South Perth – Connect South Business Case (2016)	After an unsuccessful application for Federal funding for the Connect South project in round two of the NSRF, the City of South Perth engaged Pracsys to review previous work on the project and develop a business case to support an application for funding under the third round of the NSRF. The application was successful and the City received approximately \$2.5 million in Federal funding for the project.



Project	Description and Outcome
City of Cockburn – Cockburn Recreation Club Cost Benefit Analysis (2015)	<p>The City of Cockburn engaged Pracsys to provide a Cost Benefit Analysis to be included in its business case and application for funding under the <i>National Stronger Regions Fund</i>.</p> <p>The application was successful and the City was awarded approximately \$4.6 million in Federal funding for the project.</p>
City of Karratha - Karratha Arts and Community Precinct Benefit Analysis (2015)	<p>The City of Karratha had been unsuccessful in an application for funding under the NSRF for its Arts and Community Precinct project.</p> <p>The City engaged Pracsys as part of a multi-disciplinary team for a second application. Pracsys was tasked with assessing the economic impacts of the project in terms of: economic benefit, addressing disadvantage and building partnerships in the region.</p> <p>Following this work, the City was successful and was awarded \$10 million in Federal funding for the project.</p>
Main Roads WA – NorthLink WA Business Case (2015)	<p>Pracsys was engaged by Main Roads WA as a part of a large multi-disciplinary team to develop a business case for the NorthLink project to attract Infrastructure Australia funding. Pracsys prepared the business case, working closely with other team members.</p> <p>The business case was successful and Main Roads was awarded \$900 million in Federal funding for the project.</p>
Peel Development Commission – Legacy Projects Business Cases (2015)	<p>Pracsys was engaged to develop three integrated business cases to support each component of a strategic agri-food and industrial lands project in the Peel Region. The business cases were developed to support a funding application to Royalties for Regions.</p> <p>The application was successful and the Peel Development Commission was awarded \$49.3 million in State funding.</p>
Peel Development Commission – Mandurah Traffic Bridge Cost Benefit Analysis (2015)	<p>Pracsys was commissioned by the Peel Development Commission (PDC) to estimate the economic benefits relating to the redevelopment of the Old Mandurah Traffic Bridge (MTB). The bridge acts as the primary linkage between the west and east foreshores. The analysis estimated the direct, indirect and induced economic impacts of investment in the traffic bridge. The analysis included consideration of: Jobs created by quantity and type (including construction and post-construction jobs); Investment in the local economy; Urbanisation benefits to the Mandurah Town Centre and Alignment to published economic objectives of the PDC and City of Mandurah.</p> <p>The analysis supplemented a Royalties for Regions business case prepared by the City of Mandurah in partnership with Main Roads.</p> <p>The application was successful and the Peel Development Commission was awarded approximately \$40 million in State funding.</p>

Pracsys understands the requirements of the BBRF and the need for both a compelling narrative, and evidence of project feasibility and benefits. Pracsys' approach will deliver an evidenced case for the project that positions the Town with the greatest chance of success.

Pracsys has a close working relationship with the former Executive Officer of Regional Development Australia (RDA) Wheatbelt **Juliet Grist** which was developed through previous funding applications. This relationship will be used to the advantage of this project through sub-consultancy support.



3.2 About Juliet Grist

JULIET GRIST

Principal
Rural & Regional Economic Solutions

EDUCATION

- Bachelor of Economics (UWA)
- Diploma of Community Service (TAFE SA)
- Diploma of Community Welfare Work (TAFE SA)

EXPERIENCE

- Senior Management roles in Banking and Finance at National Australia Bank Limited (Retail, Corporate and Institutional Banking) and Macquarie Bank Limited including assessment of all aspects of credit/investment proposals of value up to \$2 billion.
- Various consultancy roles. Regional Development.
 - Particular experience with **Federal Grant applications** with success across Department of Infrastructure and Regional Development, Department of Education and Department of Social Services, including “first in State” consortium applications initiated, proposed and written by Juliet. Across these Departments Juliet has been intimately involved either as principal or as a contributor to the wording of the grant application and associated documents for just over 40 proposals in just under 3 years of which 27 have been awarded.
 - The National Stronger Regions Fund and Building Better Regions Fund success rate, maintained over three rounds, was advised by Federal Member Melissa Price as the **“best in the Country”**.

Juliet Grist will be involved as a peer reviewer during the Part A and will provide additional comments based on her professional opinion regarding a project’s eligibility and competitiveness and will provide a short report on shortlisted project as support for the October Council Report.

During Part B Juliet Grist will assist the Town to understand the BBRF requirement and guide the collection of the required documents. She will develop the grant application based upon documents provided (incl. Cost Benefit Analysis prepared by Pracsys).

Note: Juliet’s engagement includes the commitment to travel to Port Headland 30th October to 2nd November to work alongside Council staff to complete the documents.

3.3 Sample of Relevant Project

Details of selected relevant projects are provided below.

Project: Northam Aquatic Facility Cost Benefit Analysis

Client:

Shire of Northam

Project Completed:

2017

Pracsys team:

Michael Chappell
(Project Director)

Dawson Demassiet-
Huning (Project
Manager)

Lucy Heales (Analyst)



Description: The Northam Swimming Pool complex was originally constructed in 1958. It has recently had a condition assessment that found the 60-year old facility has come to the end of its functional life. The construction of a new sustainable swimming facility that meets modern user requirements for people of all abilities and ages is a vital next step for the community and Shire of Northam.

The Shire has identified the Building Better Region's Fund (BBRF) as a potential source of funding to contribute to the facility upgrade. Pracsys has been appointed to provide a cost benefit analysis in support of the BBRF application.

Approach: The cost benefit analysis identifies both social and economic benefits associated with the development. Benefits were qualified and projected over a 20-year period to evaluate the potential long-term impacts of the project. Through a present value analysis both the Benefit Cost Ratio (BCR) and Net Present Value (NPV) were calculated to identify the value for money.

Analysis was carried out to identify and quantify the social benefits of the project both during and beyond the construction phase.

Outcomes: The cost-benefit analysis quantifies the likely economic and social impacts of developing a new aquatic facility to be co-located with the Northam Recreation Centre, creating a multi-purpose sporting and recreation facility.

The analysis formed a key component of BBRF (round 1) submission that successfully secured \$3.2 million in grant funding.



Project: Ellenbrook Bridge and Road Construction Business Case

Client:

City of Swan

Project Completed:

2017

Pracsys team:

Michael Chappell
(Project Manager)

Dawson Demassiet-
Huning (Analyst)

Lucy Heales (Analyst)

Description: The City of Swan appointed Pracsys to prepare a business case for the proposed Ellenbrook Bridge and adjoining road construction of Railway Parade. The proposed development will connect Ellenbrook to South Bullsbrook, improving employment potential and social opportunities for residents of the area. In addition, the connection is expected to also improve the safety of residents - improving emergency services response times and providing residents with an escape route in a high bushfire risk region.

Approach: Pracsys performed an economic assessment of the project and prepared a business case that provided the City of Swan with an overview of the cost-benefit of the Ellenbrook Bridge and road construction for stakeholders and surrounding local economies. This was particularly relevant to the rapidly growing settlements of Ellenbrook and South Bullsbrook, where employment and social opportunities are imperative to the continued prosperity of the development.

The business case outlined the need for investment in the proposed development and articulated the economic and social opportunities associated with the completion of the project according to the preferred scenario. It also defined the projected financial performance of the project including NPVs and ROI calculations and the costs and benefits expected to flow from the development. Together with the City of Swan’s project management plan and strong connections with community stakeholders in the region, these measures were used to demonstrate the project’s suitability for a federal government Building Better Regions Fund grant.

Outcome: Following the preparation of the economic assessment, the business case was accepted and used in support of the City of Swan’s Building Better Regions Fund grant application. The outcome of the grant application is to be advised in mid-2017.



Project: Connect South Business Case

Client:

City of South Perth

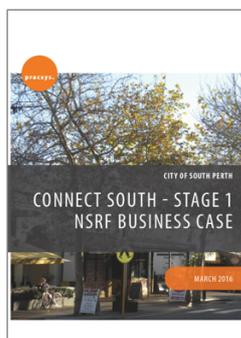
Project Completed:

March 2016

Pracsys team:

Michael Chappell
(Project Manager)

Dawson Demassiet-
Huning (Analyst)



Description: The City of South Perth is experiencing a phase of rapid growth and development in response to changes in zoning laws. This high-density will service the growing population of the area which has begun demanding high-density residential living that is close to strategic centres.

This sharp increase in population is expected to create a situation of conflicting use between the local population, workers, and the broader catchment that visits the area for recreation. Given this, the City of South Perth devised Connect South to provide the amenity and access needed to absorb the increased population and employment while maintaining the local environment and increasing commercial activity.

The City of South Perth (the City) approached Pracsys for support in a funding application to the National Stronger Regions Fund (NSRF) for the proposed Connect South – Stage 1 (the Project). The City was seeking a review of their previous application and the development of a business case designed specifically to demonstrate how the Project met NSRF criteria, in particular:

- NSRF Criteria 1 – Demonstrating the extent to which the project creates economic growth
- NSRF Criteria 2 – Demonstrating how the project addresses disadvantage

The approach involved:

- Socio-economic profiling and a comprehensive literature review to identify key areas of disadvantage in the region and identify ways in which the Project would support efforts to address regional disadvantage
- Assessment of the economic impact of the project (including job creation, gross value add, etc.), analysis of cost savings due to reduced travel time, analysis of other cost savings including reduced welfare expenditure by government through reductions in unemployment and retail analysis to estimated increased expenditure in the local economy.

Outcome:

Pracsys prepared a business case that incorporated the following key components:

- Strategic Justification: demonstrating the strategic context of the Project, highlighting the links between it and State, regional and local economic and social development policies and strategies.
- Problem Identification and Opportunity Analysis: using evidence to demonstrate the specific regional disadvantages the Project will address as well as regionally significant economic growth opportunities that can be realised through the project.
- Options Analysis: development of Multi-Criteria-Analysis tool guided by NSRF criteria to demonstrate a preferred option and the way in which it satisfies the criteria.



Project: Connect South Business Case

- Benefit Forecast: quantification of economic and social benefits including assessment of flow on impacts at a regional level, Net Present Value (NPV) analysis and benefit cost analysis to produce a project Benefit Cost Ratio (BCR).

The socio-economic analysis identified key areas of disadvantage and ways in which the project would improve access to employment and respond to transport disadvantage. The significant positive social and economic benefit of the project were identified and quantified. Both problems and opportunities were directly linked to the NSRF criteria accompanied by compelling arguments to justify funding under NSRF.

The City's application was successful and the City received approximately \$2.5 million in NSRF funding for the project.

Document Extracts:

5 REGIONAL JUSTIFICATION

5.1 STRATEGIC COMMITMENT PLAN (2020-2025)

The Strategic Commitment Plan (2020-2025) is a key document for the City of South Hedland, outlining the City's strategic vision and priorities for the next five years.

- Provide planning for a world class regional freight hub.
- Improve connectivity to the port and hinterland.
- Improve safety and security and ensure a world class port experience.

Connect South will be an important component of the strategic commitment plan. It will support the City's vision of becoming a world class regional freight hub and a world class port experience.

5.2 2014 STRATEGIC PLAN (2014-2018)

The Strategic Plan (2014-2018) was the City's first strategic plan, outlining the City's vision and priorities for the next four years.

- Improve connectivity to the port and hinterland.
- Improve safety and security and ensure a world class port experience.

Connect South - Stage 1 BBRF Business Case

5.3 THE CENTRAL AREA TRANSPORT PLAN (2015)

The Central Area Transport Plan (2015) is a key document for the City of South Hedland, outlining the City's strategic vision and priorities for the next five years.

The plan is a key document for the City of South Hedland, outlining the City's strategic vision and priorities for the next five years.



Figure 5: Area of Influence

7 PROBLEM & OPPORTUNITIES

7.1 PROBLEM STATEMENT

For all areas based on the level of disadvantage.

The level of disadvantage is a key factor in determining the level of funding for the project.

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The level of disadvantage is a key factor in determining the level of funding for the project.

Connect South - Stage 1 BBRF Business Case

7.2 OPPORTUNITIES

The project offers a range of opportunities for the City of South Hedland, including:

- Improved connectivity to the port and hinterland.
- Improved safety and security and ensured a world class port experience.



Figure 6: Opportunities

4 PART A: PROJECT IDENTIFICATION AND BUSINESS CASE

4.1 Part A Approach

The approach recommended by **Pracsys** is to conduct an initial assessment (see below: Project Identification) of the potential projects through a review of existing documentation and telephone interviews with key project development personnel. The potential projects will be assessed against two main streams of criteria:

- Project readiness *and*
- Project impact.

Juliet Grist will be engaged at this stage to conduct a peer review of the Pracsys assessment and provide additional comments based on her professional opinion regarding the probability of the project to be competitive in BBRF Round Three. Once the most suitable project is selected, **Pracsys** will develop a supporting briefing note (see below: Selected Project Briefing Note) and **Juliet Grist** will provide a short report as a support for the October council meeting.

Project Identification

A key consideration of the application process is to ensure that the project is sufficiently planned and can be shown to be 'shovel-ready'. The BBRF is designed for projects that have proceeded through the appropriate planning stages of design, costing, and approvals - and can commence the initial stages of project delivery within twelve (12) weeks of executing the grant agreement. Pracsys will therefore assist in reviewing project readiness.



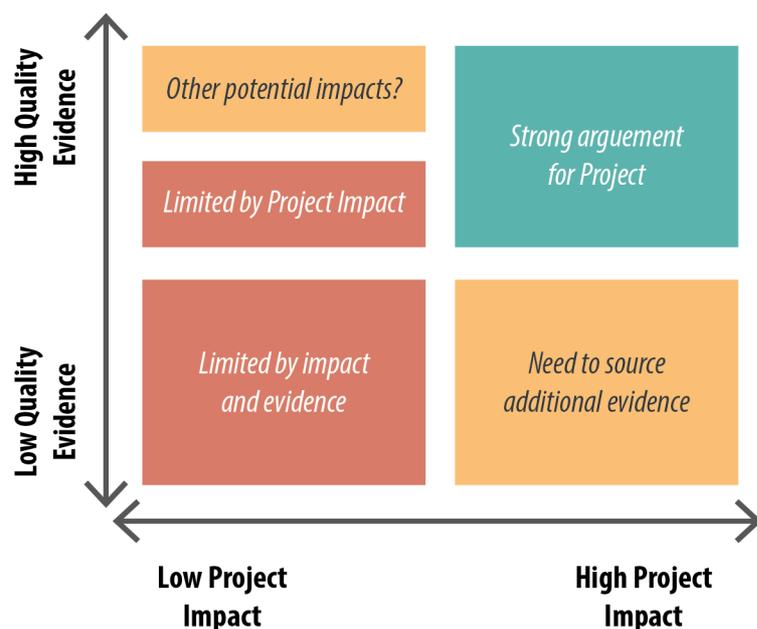
Project Readiness Criteria

- 1 Project is eligible for funding under the program
- 2 Mandatory cash contribution is confirmed (or identified and will be confirmed before the deadline)
- 3 Project has strong community support (cash or in-kind contributions to the project, partnership and support from local groups)
- 4 Regulatory and development approvals are identified
- 5 Project is well planned (evidence of robust planning). Demonstrated via:
 - Project Concept Plan (Design Document)
 - Project Costing (or potential to build on opinion of probable cost)
 - Demand Analysis / Needs Assessment (good to have)
 - Feasibility Study (good to have)
 - Project Management Plan
- 6 Potential to bring significant economic benefits
- 7 Potential to bring significant social benefits



The application must have strong claims against each of the four merit criteria and these claims must be quantified and supported with evidence. The assessment will be used to allocate scores to each of the merit criteria and identify key gaps, forming focus areas for further investigation. Gaps may be present either: in a lack of evidence supporting the intended outcomes, or in a lack of impact when compared to the project cost (see Figure 2).

Figure 2: Merit criteria scoring framework



Project with a highest score in both project readiness and project impact and endorsed by Juliet Grist will be recommended for the BBRF application.

Selected Project Briefing Note

Pracsys will prepare a short briefing note summarising the details of the selected project, its readiness for the application and its potential impact. The briefing note will be designed to aid the Council to make an informed decision regarding the BBRF opportunity. Particular accent will be awarded to the discussion of the potential of the project to meet merit criteria and be competitive, but due to the time constraint no benefits will be quantified at this stage.

Juliet Grist will provide support in the development of the October Council Report, summarising the BBRF opportunity identified.



4.2 Part A Methodology

The tasks below outline a step-by-step approach to delivering the key components of the Part A.

Task 1: Potential Projects Assessment

- Start-up meeting (phone call) with client to discuss the details of the project
- All relevant information handover
- Project assessment against readiness and impact criteria (detailed in Section 4.1 Part A Approach)
- **Juliet Grist** peer review
- Selected project recommendation

Outcome: One to two-page summary of project assessment and project selection

Task 2: Selected Project Briefing Note

- Prepare a short briefing note (under five pages) detailing:
 - The selected project readiness and
 - The selected project potential impact (qualified) against four merit criteria:
 - Economic Benefits
 - Social Benefits
 - Project Delivery
 - Impact of the Grant Funding
- Based on the briefing note, **Juliet Grist** will provide support to the Town in preparation of the Council Report discussing the BBRF opportunity.

Outcome: Short briefing note and support for the Council Report

5 PART B: BBRF FUNDING APPLICATION

5.1 Part B Approach

Commencement of Part B is subject to Council endorsement of the selected project at the October Council Meeting.

For the application to be competitive the applicant needs to address all merit criteria and provide high quality evidence to support the claims made. The application form asks questions that relate to the merit criteria. The amount of detail and supporting evidence the applicant should provide is relative to the project size, complexity and grant amount requested.

Figure 3: Minimum supporting documentation

Claims	Required Document / Evidence
Quantified Economic Benefit (15 points)	Cost Benefit Analysis (CBA)
Quantified and Qualified Social Benefit (15 points)	
Project Delivery (5 points)	Project Management Plan
	Project Costing
	Project Design
	Benefit Management Plan
Impact of Grant Funding (5 points)	Letters of support evidencing cash or in-kind contributions and partnerships

Pracsys will prepare a Cost Benefit Analysis (**required**) based on the documents and evidence provided by the Town. Cost Benefit Analysis (CBA) will provide an in-depth assessment of qualitative and quantitative benefits and link them directly to **BBRF criteria 1 and 2**. The total benefits and costs will be compared to calculate the Benefit-Cost Ratio (BCR) and the Net Present Value (NPV). The executive summary will contain the direct responses to the merit criteria 1 and 2 that can be pasted directly in the application form.

Juliet Grist will assist with the preparation of other supporting documents including the guidance on compliance with standards. Juliet will assist with the development of the grant application form including all merit criteria, based upon documents provided (Cost Benefit Analysis, Project Plan, Risk Management Plan including capital and operational funding plan).

5.2 Part B Methodology

The tasks below outline a step-by-step approach to delivering the key components of the Part B.

Cost Benefit Analysis

Task 1: Identify and Quantify Economic Benefits

- Collect data to quantify economic benefits (direct and indirect) including but not limited to:
 - Overall construction costs (provided by Client)
 - Operational/Maintenance Costs (provided by Client or based on operating assumptions provided by Client)
- Use ABS Input – Output tables to estimate employment impact of construction phase based on the construction costs provided by the Client
- Use ABS Input – Output tables to estimate economic impact of construction and operations phase
- Research and quantify potential long-term economic benefits associated with the project, including but not limited to:
 - Operational employment associated with the development (incl. Aboriginal Employment)
 - Stimulation of growth in existing sectors
 - Support of local industries through the use of local suppliers

Outcome: Evidence based economic benefits which demonstrate the economic benefit your project will deliver to the region during and beyond the construction phase.

Task 2: Identify and Quantify Relevant Social Benefits

- Review of relevant literature on social impacts of the project elements (e.g. swimming pool, community centre)
- Consult with client and undertake secondary research to develop list of potential outcomes. The outcomes may include, but are not limited to:
 - Health outcomes through the higher sport participation
 - Sense of place and wellbeing and local amenity
 - Higher rates of volunteering associated with stronger community
- Use Pracsys dataset of financial proxies and secondary research to identify outcomes that can be quantified
- Estimate the affected population
- Quantify social benefits

Outcome: An understanding of the project's potential social outcomes and the sources of information available to quantify social benefits to demonstrate your project will deliver to the region.



Task 3: Cost Benefit Analysis Model

- Use Pracsys cost benefit model to estimate the annual economic and social benefits
- Forecast benefits and costs over 20-year period for the project
- Estimate the Net Present Value of the project as a whole, including social and economic benefits
- Calculate the Benefit Cost Ratio of the project

Outcome: Estimated economic and social returns on investment, project NPV and project BCR

Task 4: Reporting

- Discuss the need for the facility in context of the Town of Port Hedland
- Report qualitative and quantitative benefits and link to BBRF Merit Criteria 1 and 2 – economic and social benefit
- Report present value analysis and link value statements (BCR and NPV) to BBRF criteria 3 – value for money
- Clearly list assumptions and develop a master list for all references with screen-shots that identify the document and page where the reference is found

Outcome: A CBA Report outlining the method, key assumptions and results of the Cost-Benefit Analysis matched to BBRF merit criteria 1 and 2 (maximum 2 rounds of feedback allowed)



BBRF Application Support (Juliet Grist)

Task 1. Supporting Documents Assistance

- Assisting town officers to understand the requirements for supporting documentation to the BBRF application, such as Risk Management Plan, project plans, budgets and cash flows including required co-funding levels to ensure best level point scores so that these documents can be completed by Council staff.
- Continuous review of documents whilst under preparation to guide compliance with the required standard. Costing of projects will be the responsibility of Council staff, given the location specific nature of costings for infrastructure construction, however assistance provided on eligible/ineligible expenditure.

Outcome: Support with required documents identification and collection

Task 2: Grant Application Development

Development of the grant application form including all merit criteria, based upon documents provided (Cost Benefit Analysis, Project Plan, Risk Management Plan including capital and operational funding plan).

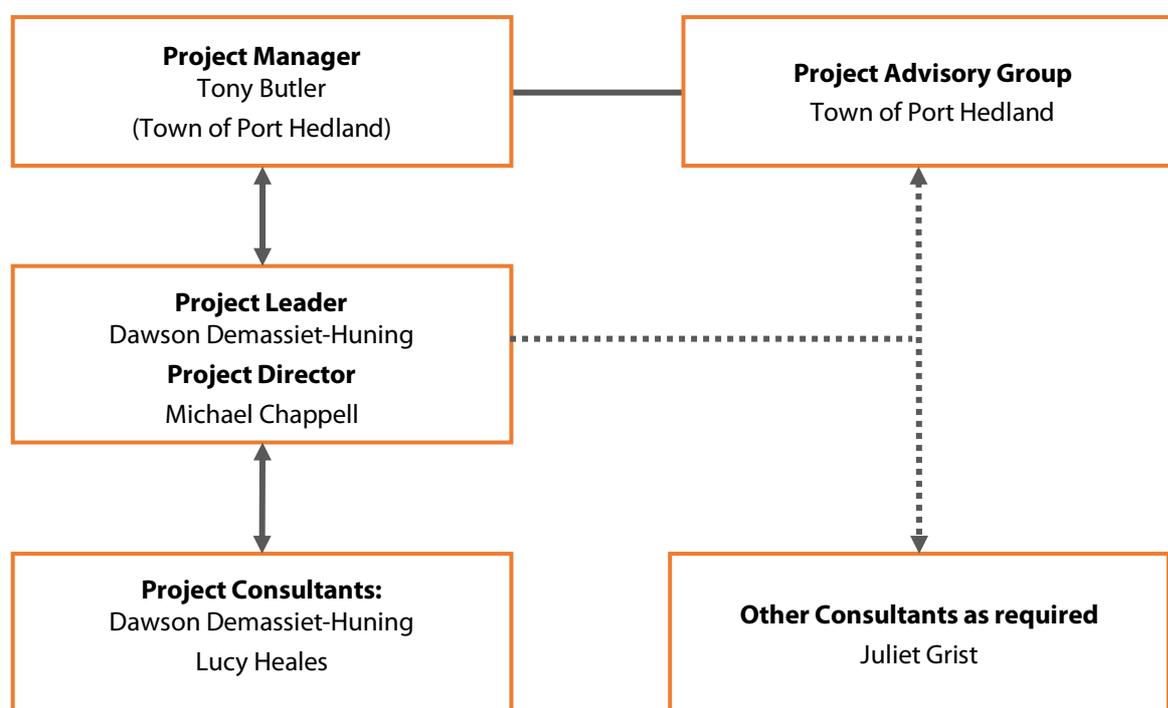
Outcome: BBRF grant application

Juliet's engagement includes the commitment to travel to Port Hedland 30th October to 2nd November to work alongside Council staff to complete the documents.

6 RESPONDENT'S RESOURCES

6.1 Project Management Structure

The following graphic represents the management framework to be used by Pracsys for this project. The nominated Project Manager from the Town of Port Hedland and the Project Leader work together to execute the project as specified, with guidance (if required) from a Project Steering Committee supported by the resources provided by Pracsys (Project Consultants) and any other external consultants (at the discretion of Council). Dawson Demassiet-Huning of Pracsys will lead this project.



The standard methodology used by Pracsys requires a start-up meeting (phone call) and regular project meetings (teleconferences), which will be reviewed as time progresses towards the agreed goals of the project.

Any variations to this proposed structure will be discussed with the Project Manager and Project Advisory Group and implemented by mutual consent.

6.2 Resource Availability

The Project Team is confident it has the necessary resources in place to meet the requirements of this scope of work.

The commitment schedule outlines the nominated team members, their current working capacity and their capacity for this project.



Commitment Schedule

Name	Role	Available capacity for this project %
Michael Chappell	Project Director	25%
Dawson Demassiet-Huning	Project Leader	65%
Lucy Heales	Consultant	50%
Juliet Grist	External Consultant	50%

In the event that contact with the Project Leader is not possible, the following backup personnel will be available to liaise with the nominated Customer representative:

1. Lucy Heales (Consultant)
2. Michael Chappell (Project Director)

Pracsys also has additional skilled personnel that can assist with the project should a team member be unable to fulfil their commitment.

6.3 Project Timeline

The project timelines for Part A and Part B are presented below. Pracsys and Juliet Grist will work according to the specified timeline to meet critical project milestones as identified by the Town.

Figure 4: Part A Timeline

Part A Tasks	Dates				
	16-Oct	17-Oct	18-Oct	19-Oct	22-Oct
Start Up					
1. Potential Projects Assessment					
2. Selected Project Briefing Note					Council Report

Figure 5: Part B Timeline

Part B Tasks	Dates												
	25-Oct	26-Oct	29-Oct	30-Oct	31-Oct	1-Nov	2-Nov	5-Nov	6-Nov	7-Nov	8-Nov	9-Nov	12-Nov
Cost Benefit Analysis													
1. Economic Benefits													
2. Social Benefits													
3. CBA Model													
4. Reporting													
BBRF Application Support (Juliet Grist)													
1. Supporting Documents Assistance													
2. Grant Application Development													Town Approval

7 KEY PERSONNEL



MICHAEL CHAPPELL
Managing Director

Qualifications:

Bachelor of Economics (Honours)

Affiliations:

CMC, MIMC

Michael is the Managing Director and founder of Pracsys Economics. A Chartered Management Consultant with a B.Econ (Hons) from UWA, Michael spent five years working in market and property research before beginning a career in Management Consulting in 1991. Michael has over 20 years of strategy consulting experience, augmented with formal training in Corporate Strategy Development through Stanford University. With his professional background in quantitative economics and development planning, Michael has a strong record in the preparation of economic development strategies, economic impact statements, multiplier analysis, commercial development feasibilities and cost-benefit analyses. These skills have been applied to assignments in metropolitan and regional environments, for a wide range of private sector and government clients.

Michael is skilled in managing multi-disciplinary consulting teams, researching, writing and compilation of complex reports and tender proposals.

Key Skills:

Urban Policy

- Metropolitan development policy
- Strategic industry mapping
- Activity centre policy development and performance assessment

Business Strategy

- Market research
- Strategic planning methods
- Innovation strategy
- New business development processes
- Management of strategy implementation
- Business performance measurement

Impact Assessment

- Multiplier effects of individual development projects
- Detailed dynamic spreadsheet models to assist in planning scenarios

Feasibility

- Detailed feasibility analysis and complex financial and statistical modelling
- Capital funding requirements and capital funding strategies
- Trading projections and operational plans for new facilities

Recent Project Experience:

Ellenbrook Bridge and Road Construction Business Case (2017)

Client: City of Swan

As Project Director, Michael was responsible for overseeing the project team, client management and providing expert input into development of the Business Case.

NorthLink WA (2015)

Client: Main Roads WA

As Commercial and Business Development Manager, Michael provided technical support to the project team and directed the Senior and Business Analysts. Identified potential funding mechanisms for future economic development, prepared Business Cases to support submissions for State and Commonwealth funding.

Light Rail Economic Impact Assessment (2014)

Client: Curtin University

Project Director responsible for providing leadership and guidance to the project team. Lead stakeholder workshops and presentations to the reference group (Curtin University, Department of Planning, Department of Transport and the Town of Victoria Park), and oversaw development of the Business Case framework.

Orrong Road Land Use and Transport Planning (2013)

Client: Main Roads WA

Michael provided expert input into this project, overseeing and guiding the Economic Consultant and Analyst and guiding the delivery of a comprehensive economic impact study based on the transport and land use impacts of four project delivery options.



DAWSON DEMASSIET-HUNING

Senior Consultant

Qualifications:

Bachelor of Commerce (Marketing, Applied Statistics, Business Law)

Diploma of Arts (Modern European Languages)

Dawson joined Pracsys in 2015 as a Data Analyst. He studied at the University of Western Australia graduating with a Bachelor of Commerce majoring in Marketing and Applied Statistics and a Diploma of Arts specialising in Modern European Languages (French).

Since starting at Pracsys, he has been integral to project delivery as both an analyst and project leader. His experience in applied statistics has allowed him to design bespoke models that directly address client requirements. He has applied his strength in analytics to develop models for a range of applications, including; industry cluster analysis, hedonic price modelling, economic impact assessments, retail assessments and cost-benefit analysis, among others.

As a project leader, he is passionate about delivering high quality output and has a successful track record in developing Business Cases and other required documents to help clients secure private, State and Federal funding.

Key Skills:

Systems and Financial Model Development

- Employment modelling
- Cost benefit analysis

Market Research

- Survey development
- Interviewing
- Demographic analysis
- Social impact analysis

Feasibility and Business Planning

- Business Case development
- Cash Flow Analysis
- Project development and implementation
- STEEP Analysis
- Competitor and Stakeholder analysis

Economic Impact

- Hedonic Price Modelling
- Multivariate Regression analysis
- Time series analysis
- Gravity modelling
- Industry ecological mapping
- Industry cluster analysis

Recent Project Experience:

Northam Aquatic Centre – BBRF Cost Benefit Analysis (2017)

Client: The Shire of Northam

Developed supporting arguments and a full Cost Benefit Analysis of the project including both social and economic impacts through increased participation in swimming, greater accessibility for special needs persons and co-location of sporting facilities to create a hub of activity at the Northam Recreation Centre. The BBRF application was successful and the Shire secured \$3.2 million in funding.

Connect South Business Case (2015)

Client: City of South Perth

Developed a Business Case in support of a project to upgrade the Mends St area of the South Perth Foreshore. Developed supporting arguments and a full Cost Benefit Analysis of the project including both social and economic impacts through increased amenity and economic impacts through activation of the area at different times of the day. The business case was successful in round three of the National Stronger Regions Fund and was awarded \$2.5 million in federal funding.

NorthLink WA – Swan Valley Bypass Enhancements (2015)

Client: Main Roads WA

Coordinated the development of a Business Case in the Infrastructure Australia Business Case Assessment format, requiring an in-depth understanding of the arguments for modifying the road layout, the resulting benefit and the requirements for IA Business Case submissions. The submission was successful and received approximately \$200 million in federal funding.



LUCY HEALES

Consultant

Qualifications:

Bachelor of Economics (Hons)
MSc with Distinction (Economics)

Lucy joined Pracsys in 2016 as an Analyst. She graduated from the Financial University under the Government of the Russian Federation in 2013 with a Bachelor of Economics (Hons) majoring in Economics and International Business. More recently, she has completed a Masters in International Economic Policy and Analysis at the University of Westminster in London, which holds a recommended status from the UK Government Economic Service.

Prior to joining Pracsys Lucy has developed a range of skills and experience in market analysis on international level, project management and comprehensive cost benefit analysis both for the government and private organisations. Her focus is on guiding evidence and economic analysis based decision-making.

Since starting at Pracsys she has been integral in conducting retail assessments, cost-benefit analysis, business case development, employment modelling, industry research and spatial modelling. She has a successful track record of helping clients to secure funding, creating comprehensive economic models and simple data visualisations.

Key Skills:

Systems and Models Development

- Employment modelling
- Industrial Land modelling
- Output modelling
- Financial sustainability modelling
- Spatial modelling

Feasibility and Business Planning

- Feasibility Study
- Discounted Cash Flow Modelling
- Cost Benefit Analysis
- Survey Data Analysis
- Business Case development
- Project development and implementation

Market Research

- Qualitative and Quantitative market research
- Demographic Analysis
- Supply and Demand Analysis
- Competition Analysis
- Industry Analysis
- Gap Analysis

Economic Impact

- Multivariate Regression analysis
- Time series analysis
- Gravity modelling

Recent Project Experience:

South Perth Foreshore Development Business Case (2017)

Client: City of South Perth

Conducted a financial feasibility analysis to compare different implementation scenarios and their financial viability. Carried out a cost benefit analysis, which included identification and quantification of economic and social benefits, Net Present Value and a project Benefit Cost Ratio.

Northam Aquatic Centre – BBRF Cost Benefit Analysis (2017)

Client: The Shire of Northam

Conducted a comprehensive analysis to identify social and economic benefits associated with the project. Identified benefits were quantified using a library of financial proxies. Calculated Net Present Value and Benefit Cost Ratio to quantify the value for money of the project. The BBRF application was successful and the Shire secured \$3.2 million in funding.

Multi-Purpose Community Facility Business Case (2017)

Client: The Shire of Wongan-Ballidu

Conducted demographics analysis to identify needs and opportunities in the Shire, which can be addressed by the project. As part of the business case performed demand analysis for the facility and a detailed cost benefit analysis involving social and economic benefits associated with the development.

Payroll Tax Inquiry (2016)

Client: Chamber of Commerce and Industry WA

Developed a Payroll Tax survey to measure the marginal propensities of business to respond to a change in threshold. Conducted an in-depth analysis of the responses to calculate economic benefits associated with the reduced threshold. Conducted a cost benefit analysis to identify the value of reduced threshold.



8 PRICING

The following table summarises the costs for each task outlined in the methodology by Parts.

Part A: Project Identification and Business Case

Part A Tasks	Fee (\$)
Task 1. Potential Projects Assessment	\$3,300
Task 2. Selected Projects Briefing Note	\$3,960
Juliet Grist Engagement	\$2,000
Sub-Total	\$9,260
GST	\$926
Total including GST	\$10,186

Commencement of Part B is subject to Council endorsement of the selected project at the October Council Meeting.

Part B: BBRF Funding Application

Task	Fee (\$)
Cost Benefit Analysis	
Task 1. Economic Benefits	\$3,300
Task 2. Social Benefits	\$5,500
Task 3. CBA Model	\$2,200
Task 4. Reporting	\$5,500
BBRF Application Support (Juliet Grist)	
Task 1. Supporting Documents Assistance	\$8,000
Task 2. Grant Application Development	\$6,000
Sub-Total	\$30,500
GST	\$3,050
Total including GST	\$33,550

Juliet Grist engagement in Part B includes a commitment to travel to Port Headland from 30th October to 2nd November to work alongside Council staff to complete the documents. Should this be accepted, travel costs (incl. airfares) and accommodation will be borne by the Town.

Proposed billing milestones as follows:

- 100% of **Part A** on completion of Part A
- 50% of **Part B** on council approval to proceed with Part B
- 50% of **Part B** on completion of Part B



9 REFEREES

Name	Position	Company	Tel.	Email
Kate Mills	Executive Management	Regional Development Australia Goldfields-Esperance	0417 959 458	eo@rdage.com.au
Michelle Blackhurst	Community Development Officer	Shire of Northam	08 9622 6100	cdo@northam.wa.gov.au