



## Roy Hill Project Procurement, WA

Hancock Prospecting's Roy Hill project is approximately 300 kilometres south of Port Hedland in Western Australia's Pilbara region.

The project, to be developed by Hancock subsidiary Roy Hill Iron Ore Pty Ltd (RHIO), is based on an enormous iron ore deposit, estimated to contain more than 2.4 billion tonnes of low phosphorous Marra Mamba type iron ore resources. In addition to a 55 million tonne per annum open-cut hematite mine, Roy Hill will involve the development of associated port, rail, energy and processing infrastructure.

### FACTS AND FIGURES

Client: Hancock Prospecting

Total Project value: \$ several billion

E&P involvement: 2010 - 2011

#### Evans & Peck's role

In 2010 and through 2011, Evans & Peck provided a range of support and advice in relation to project procurement including:

- a comparative review of alternative delivery methods
- preparation of a Project Execution Plan
- preparation of Expression of Interest and Request for Proposals documentation
- selection of the preferred contractor for four major EPC contract packages via an competitively selected early contractor involvement process
- competitive selection of the PMC contractor
- commercial and transactional support for contracts negotiations.

#### Results

Evans & Peck advised on the evolution and selection of the packaging and contracting strategy. Evans & Peck recommended that the client adopt a Project Management Consultant (PMC) model rather than a traditional Engineering, Procurement and Construction Management (EPCM) contract, as better suited to the client's structure and the current construction market for a major project delivery.

Operationally, Evans & Peck helped bring four EPC contract packages to market:

- 55mtpa mine process plant
- 320km heavy haulage rail line
- port stockyards and process plant
- port marine, conveyor and ship loader (suitable for 250,000 tonne vessels)

and

- one PMC contract.

Delivering tangible outcomes for Hancock Prospecting by achieving early contractor commitment and project cost certainty

