

# Collaborative Contracting

*M S Radi<sup>1</sup>, and T M Hall<sup>2</sup>*

1. VP Operations Australia, Barmenco Limited, Hazelmere WA 6055. Email: mick.radi@perentigroup.com
2. Manager Contracts, Barmenco Limited, Hazelmere WA 6055. Email: tina.hall@barmenco.com.au

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## **ABSTRACT**

This paper explores the benefits and challenges of collaborative contracting in the mining sector, focusing on the alliance-style contracts that Barmenco operates under at operations in Australia and Africa.

Mining operations often engage contractors for their specialised expertise, access to capital, and operational focus. However, differing priorities between clients and contractors can hinder operational flexibility and limit mine to mill optimisation. A collaborative contract structure, such as an alliance, can address these issues by aligning the goals of both parties and accommodating changing project conditions and priorities.

Since Barmenco first entering into an Alliance-style contract over 13 years ago, the success of this model has led to its adoption in five additional projects across Australia and Africa. This paper delves into the fundamental reasons for choosing an alliance, the planning and implementation processes, and the structural and procedural considerations that impact daily operations.

Key to the success of any contract is the establishment of strong relationships and the selection of appropriate contractual mechanisms. This paper will illustrate how these alliances have created opportunities and delivered value for all stakeholders through various case studies. Additionally, the paper will address scenarios where alliances may not be beneficial and discuss potential downsides.

The findings highlight that while alliances can enhance culture, influencing safety and operational outcomes, careful consideration and management are required to maximise their benefits. Ultimately, a well-structured collaborative contract can provide significant advantages, fostering a mutually beneficial partnership between mine owners and contractors.