

Request for Quotation:

Commercialisation Plan for the Building  
Resilience Rating Tool

6<sup>th</sup> November 2013



**AUSTRALIAN  
RESILIENCE TASKFORCE**

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## 1 Purpose

The Australian Resilience Taskforce invites quotations for consultancy services for the research, development and preparation of a commercialisation plan for the Building Resilience Rating Tool (BRRT).

## 2 Background

### The Insurance Council of Australia

The Insurance Council of Australia (ICA) is the representative body of the general insurance industry in Australia. Its members represent more than 90 per cent of total premium income written by private sector general insurers. Insurance Council members, both insurers and reinsurers, are a significant part of the Australian financial services system.

The private sector insurance industry generates gross premium revenue of \$39.2 billion a year and has assets of \$116.1 billion. The general insurance industry on average pays out \$101 million in claims to policy holders each working day.

Recent events such as flood, cyclones, storms and bushfires have highlighted the need for improved building resilience in Australian communities. In 2011 the insurance industry paid more than \$5bn in building damage costs following declared catastrophes. There is concern in the industry, based on international examples, where failure to address property exposure has led to unaffordable premiums and even the withdrawal of some insurers from high exposure regions in the market.

The ICA Business Plan 2013 has a number of objectives including “to contribute to the understanding of the effects of climate change and on risk management associated...” and “to promote Government and community understanding so that...Australian communities are resilient to extreme weather risks...”.

Thus ICA has funded the development of a new organisation known as the Australian Resilience Taskforce (ART) that, inter alia, aims to stimulate best-practice resilience in residential buildings across Australia. To this end, ART is funding the development of a Building Resilience Rating Tool (BRRT) and a database of building materials that ICA intends to use to drive the production of more resilient building materials.

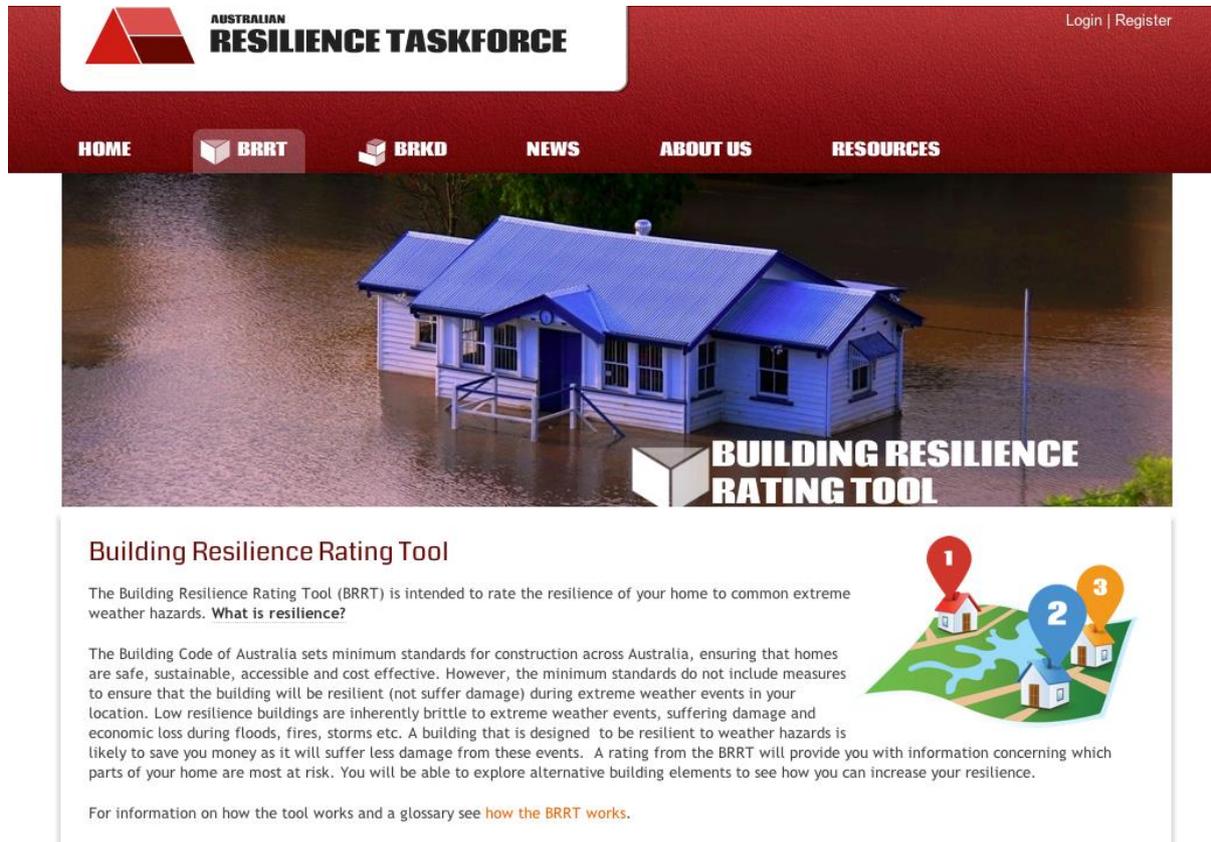
### Australian Resilience Taskforce

The [ART](#) was established in July 2012 to encourage built environment practices that deliver increased resilience of Australian communities to natural disaster events and to provide a portal for built environment resilience initiatives. One of the key objectives of the ART is to deliver, maintain and improve the Building Resilience Rating Tool (BRRT), and apply it to improve community resilience across Australia. Edge Environment has recently delivered the [Building Resilience Knowledge Database](#), which provides a core component of the BRRT and will also drive the development of resilient building products.

The ICA has invested a significant amount of resources since 2010 in developing the BRRT and the ART. The next step for the ART is to collaborate with a leading local government to pilot the BRRT as a means to discuss insurance affordability.

## The Building Resilience Rating Tool

Since 2010 the ICA has been investing in the development of the Building Resilience Rating Tool (BRRT) for residential buildings in Australia. The BRRT provides a rating of the ability of a building to withstand extreme weather events. The BRRT is designed to encourage homeowners, homebuyers, homebuilders and property professionals to adopt improved material selection and design.



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### Building Resilience Rating Tool

The Building Resilience Rating Tool (BRRT) is intended to rate the resilience of your home to common extreme weather hazards. **What is resilience?**

The Building Code of Australia sets minimum standards for construction across Australia, ensuring that homes are safe, sustainable, accessible and cost effective. However, the minimum standards do not include measures to ensure that the building will be resilient (not suffer damage) during extreme weather events in your location. Low resilience buildings are inherently brittle to extreme weather events, suffering damage and economic loss during floods, fires, storms etc. A building that is designed to be resilient to weather hazards is likely to save you money as it will suffer less damage from these events. A rating from the BRRT will provide you with information concerning which parts of your home are most at risk. You will be able to explore alternative building elements to see how you can increase your resilience.

For information on how the tool works and a glossary see [how the BRRT works](#).

**Figure 1. The BRRT homepage: [buildingresilience.org.au](http://buildingresilience.org.au)**

The BRRT has been developing since 2010 and has progressed through several versions to be launched a beta version 2.0 in September 2013. The BRRT is currently in the beta testing stage and it is intended that it will be delivered as an open source tool in November 2013. Edge Environment has been delivering the project for the Insurance Council of Australia and owns the IP associated with the BRRT.

### Edge Environment

[Edge Environment](#) has been working to the ICA and has been responsible for the evolution of the Australian Resilience Taskforce. Edge Environment retains ownership of the IP of the BRRT.

### Project Steering Group

To oversee the project and ensure all partner interests are represented, a Project Steering Group (PSG) will be set up at the inception of the project. The PSG will consist of a representative from Edge Environment (as the delivery provider) and the ART (ICA) as a project proponent.

### **3 Objectives of the Commercialisation Plan**

To develop a roadmap for the development of BRRT 2.1 to a version that can be self-funding through sales of commercial licences or a similar funding mechanism.

### **4 Scope of Work**

The process requires that the consultant understands the mission of the ART, to drive built environment practices that will deliver a more resilient Australian Built Environment. It is within this context, and the framework of aligned ART projects that the ART wishes to deliver a tool to the market place that will deliver detailed resilience assessments of individual homes.

The ART has developed the BRRT to a point where it is available for beta testing as an online tool. The BRRT will give homeowners a general understanding of the resilience of their home and guidance on how they might retrofit their home to make it more resilient. The tool will also give potential homebuyers resilience information to aid purchasing decision-making. In this way the BRRT is being used as a market disclosure tool.

The BRRT rating is only as good as the information that is provided (hazard data, structural information, materials and product data). There is an opportunity for building professionals to offer a more detailed assessment of a home using a professional version of the tool and their professional knowledge, that would include greater detail about the property, hazard profile, structure of the house, building materials and products.

The scope of this work includes an assessment of the market opportunity, the consideration of the specification for the professional version of the BRRT to meet the market demand, how the market might be framed, and a roadmap for development including an assessment of development costs and funding streams available.

Specifically the consultant must:

- Produce a “Commercialisation Plan” including a market assessment of the opportunity for a professional version of the BRRT including considerations of the regulatory, self regulatory, policy and legislative frameworks that enable/disable the opportunity expressed in monetary terms. An example of a commercialisation plan is provided at Annex A.

### **5 Methodology**

It is expected that the methodology will be desktop with interviews and meetings as appropriate. The ICA will make staff available to facilitate meetings and provide information as required.

## 6 Timeframe

The preferred timeframe for the completion of works is as follows:

- 8 weeks from the inception meeting.

## 7 Project Program

Description	Expected date
RFT publication	6 <sup>th</sup> November
Quotation response to ART	20 <sup>th</sup> November 2013
Successful Tenderer notified	22 <sup>nd</sup> November 2013
Inception Meeting	26 <sup>th</sup> November 2013
Delivery of Commercialisation Plan	31 <sup>st</sup> January 2014

## 8 Budget and Fee payment

The Budget for this project is \$40,000 ex GST.

The Fee will be paid 30% on signing of contract, 35% at an agreed milestone, and 35% on successful completion and delivery of the project.

Additional claims for disbursements will not be accepted as part of this project.

## 9 Reference Material

A standard commercialisation plan is attached as Appendix A.

All materials required to produce a response to this brief are available online from the ART website, ICA or Edge Environment.

Additional reference material to deliver the project may be provided on request following the inception meeting.

## 10 Standard terms of engagement

The Australian Resilience Taskforce will undertake this project based on the selected tenderers terms and conditions following review.

## **11 Part 2 – Information to be provided in the Quotation**

The quotation is to include:

1. Proposed approach and understanding of the project;
2. Proposed method to deliver the commercialisation plan.
3. Statement of conformance to the brief;
4. Project delivery plan including schedule, dependencies and key milestones.
5. A brief description of key personnel who will undertake the work, their position, qualifications, relevant experience and percentage of time to be spent on the project during the project programme with commitment that nominated personnel will deliver the project;
6. Required information/data from the Australian Resilience Taskforce;
7. Sub-consultants;
8. Programme of work tasks;
9. Fee and hourly rates (excluding GST);
10. Brief company profile;
11. Previous relevant work experience;
12. Two referees;
13. Insurances, public liability, professional indemnity and workers compensation. Provide the policy number, name of insurer, extent of cover, expiry date of each;
14. Curriculum vitae of key personnel and commitment that they will deliver the project;
15. Details of your company's environmental initiatives, systems and accreditations;

## **12 Contact Officer:**

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## Appendix A Commercialisation Plan Typical Table of Contents

<b>Executive summary .....</b>	.....
Company Overview	
Opportunity description	
Priority aspects	
Management team	
The market	
Amount of financing	
Commercialization Plan Summary .....	.....
 <b>Management and organization .....</b>	 .....
Management team .....	.....
Legal structure .....	.....
Staffing plan .....	.....
Compensation and ownership .....	.....
Board of Directors .....	.....
Advisory Board .....	.....
 <b>Product/service plan .....</b>	 .....
Purpose of product/service .....	.....
Originality of the technology .....	.....
Stage of development .....	.....
Product/service limitations .....	.....
Proprietary aspects .....	.....
Existing competitive IP .....	.....
Government approvals .....	.....
Product/service legal liability .....	.....
Technology applications .....	.....
Related products/services and spin-offs .....	.....
Production .....	.....
Environmental factors .....	.....
Barriers to entry .....	.....
 <b>Marketing plan .....</b>	 .....
Total market size .....	.....
Growth potential .....	.....
Industry trends .....	.....
Competition Profile .....	.....
Features and benefits .....	.....
Customer profile .....	.....
Customer current solutions .....	.....

Target markets .....  
Market penetration .....  
Potential fields of use .....  
Distribution channels .....  
Pricing/cost .....

**Financial plan .....**

Sales projections .....  
Cost of sales .....  
Product profitability .....  
Operating expenses .....  
    Marketing expenses .....  
    Research and development expenses .....  
    General/administrative expenses .....  
Capital expenditures and depreciation .....  
Income statement .....  
Balance sheet .....  
Cash flow .....  
Funds needed and timeline .....

**Growth plan.....**

New offerings to market .....

**Commercialization Plan Evaluation.....**

Positives .....  
Negatives .....  
Sustainable competitive advantage .....  
Offering.....  
Exit strategy .....

**Appendix.....**