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MEDIA RELEASE

KBR PREFERRED BIDDER FOR ADELAIDE PROJECT MANAGEMENT, PROCUREMENT CONTRACT

KBR has been selected as the preferred bidder for SA Water's Project Management and Procurement (PMP) Contract.

SA Water Chief Executive John Ringham says the initial 5-year contract will begin on 1 July 2011 and is the second major contract to be announced as part of the new Metropolitan Adelaide Service Delivery model for Adelaide's water supply.

"This new model means capital works delivery, such as the construction of new water mains, will be partially separated from the Operations and Maintenance (O&M) contract, which was awarded to AllWater in February 2011," Mr Ringham said.

"Under existing arrangements, the current contractor is responsible for all capital works across metropolitan Adelaide however this will change once the PMP contract is in place.

"Capital works other than equipment replacements and similar have been separated from the O&M contract in order to improve delivery arrangements and value for money.

"Now the bulk of the capital works undertaken will be managed by a separate Project Management and Procurement Contract for projects between \$500,000 and \$11 million.

"For projects worth more than \$11 million, SA Water will determine how these are delivered.

"This will package individual projects into programs of work with the PMP contractor providing project management, procurement and, as required, construction management services.

"Major projects will be individually delivered under separate procurement processes. This will provide SA Water the flexibility to tailor procurement arrangements for specific projects, as was the case with the Adelaide Desalination Project and Glenelg Adelaide Park Lands Alliance.

"The new structure will be a relationship style contract which requires SA Water and KBR to work closely together to deliver the best value for our customers."

Mr Ringham says KBR will use SA Water's panels for design and construction services.

On 9 February 2011 the State Government announced the Allwater Consortium would manage Adelaide's water and wastewater networks for the next 10 years. This contract begins on 1 July 2011 when the current contract with United Water ends.

Information on KBR: KBR has more than 35,000 employees in 45 countries on five continents and is one of the world's leading engineering and construction service companies. KBR has been operating in Australia for over 50 years, providing expertise to both government and private sector clients in a range of industries. They have been a provider of engineering and consulting services to SA Water, and have helped to deliver a number of significant SA Water projects.