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MEDIA RELEASE

KBR TO MANAGE ADELAIDE WATER PROJECTS FOR NEXT FIVE YEARS

KBR has secured SA Water's Project Management and Procurement (PMP) Contract for the next five years.

SA Water Chief Executive John Ringham and Board Director Sybella Blencowe today joined KBR Company Director Patrick Saunders and Secretary Rosie Bolingbroke to sign the contract, set to begin from 1 July this year.

SA Water Chief Executive John Ringham says the initial 5-year deal was the second major contract to be announced as part of the new Metropolitan Adelaide Service Delivery model for Adelaide's water supply and would see improved delivery, flexibility and better value for money on our projects.

"KBR will now be charged with the project management and procurement processes which are vital to maintain and improve service to our customers across the metropolitan area," Mr Ringham said.

"The contract will see KBR take on the bulk of our capital works program with projects ranging from \$500,000 to \$11 million in value.

"With capital works other than equipment replacements and similar now separated from the O&M contract I am confident this new arrangement will provide SA Water with improved delivery and value for money.

"The new PMP structure will provide SA Water with more flexibility to tailor procurement arrangements for specific project packages.

"Under the contract, KBR will also provide construction management services as required.

"I look forward to working closely with KBR over the next five years to deliver the best outcomes for our customers."

Mr Ringham said this was a separate contract to the Operations and Maintenance (O&M) contract which was awarded to AllWater in February 2011.

"Under existing arrangements, the metropolitan operations contractor is responsible for all capital works across Adelaide, however this will change from 1 July as the new PMP and O&M contracts take over," Mr Ringham said.

KBR will use SA Water's panels for design, construction and other services and SA Water will determine how projects worth more than \$11 million are delivered.

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.

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