

# Australian Industry Participation (AIP) plan Summary – Project Phase Jansz-Io Compression

## **1. Project Details**

**Designated project proponent:** Chevron Australia Pty Ltd (Operator) on behalf of the Gorgon Joint Venturers and the Jansz-Io Unit Joint Venturers

**Project name:** Jansz-Io Compression (J-IC)

**Description of the project:** The J-IC Project objective is to unlock low pressure reserves from the Jansz-Io reservoir and maintain plateau production rates to the Gorgon Project facilities on Barrow Island (BWI). The J-IC Project is therefore an upgrade to an existing facility. The development will comprise of two subsea compression stations connected via a new manifold structure to the Jansz-Io Midline Pipeline Termination Structure and the installation of the following supporting infrastructure:

- New power generation capacity (as required) and cross-island High Voltage (HV) power cables on BWI;
- Offshore (subsea) HV cables; and
- Field Control Station (FCS), an offshore normally unattended installation (NUI) semi-submersible electrical and controls distribution platform.

J-IC entered Phase 3 (Develop Preferred Alternative), the Front End Engineering and Design (FEED) phase where the preferred alternative is developed in the first quarter 2019.

**Estimated project value:** The capital expenditure for Phase 3 and Phase 4 (Execution) for the J-IC Project is expected to exceed the \$500 million threshold under the Australian Jobs Act 2013.

**Project location:** The Jansz-Io gas fields are situated approximately 190 kilometres and Barrow Island (BWI) approximately 70 kilometres off the north-west coast of Western Australia.

**Link to project information:** Project information is available at:

- <https://australia.chevron.com/> (Chevron Australia's website); and
- [www.ProjectConnect.com.au](http://www.ProjectConnect.com.au) (ProjectConnect website publishing project opportunities). (Project opportunities will also be published on ICN Gateway: [www.gateway.icn.org.au](http://www.gateway.icn.org.au)).

### **Project contact for procurement information:**

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### **Other project proponents involved in the project:**

Chevron Australia Pty Ltd (Operator) on behalf of:

- (1) the Gorgon Joint Venturers being: Chevron Australia Pty Ltd; Chevron (TAPL) Pty Ltd; Shell Australia Pty Ltd; Mobil Australia Resources Company Pty Limited; Osaka Gas Gorgon Pty Ltd; Tokyo Gas Gorgon Pty Ltd; and JERA Gorgon Pty Ltd; and
- (2) the Jansz-Io Unit Joint Venturers being the same parties as the above.

## 2. Opportunities to supply Goods and Services

Expected opportunities	Opportunities for Australian entities	Opportunities for non-Australian entities
<b>Goods</b>		
Field Control Station (FCS) Topsides Electrical Equipment	Yes	Yes
FCS Controls System	Yes	Yes
Subsea Electrical Equipment	No	Yes
Subsea Control System	No	Yes
Subsea Compression Modules	No	Yes
Subsea Process Modules	No	Yes
Subsea Barrier Fluid System	No	Yes
Subsea Manifolds and Spools	Yes	Yes
Subsea Umbilicals	No	Yes
Commissioning Chemicals	Yes	Yes
Offshore HV Power Cables	No	Yes
Onshore HV Power Cables	Yes	Yes
Onshore Gas Turbine Equipment (as required)	No	Yes
Onshore Inplot Cables	Yes	Yes
<b>Services</b>		
Fabrication and Integration of FCS Topsides and Hull	No	Yes
FCS Topsides Structure	No	Yes
Transport and Installation of FCS	Yes	Yes
Fabrication of FCS Mooring/Suction Piles	Yes	Yes
Installation of FCS Mooring/Suction Piles	Yes	Yes
FCS Accommodation Blocks	Yes	Yes

<b>Expected opportunities</b>	<b>Opportunities for Australian entities</b>	<b>Opportunities for non-Australian entities</b>
FCS Systems Completion	Yes	Yes
Subsea Systems Site Receiving Testing	Yes	Yes
Phase 5 Warehouse & Maintenance Facility	Yes	Yes
Transport & Installation Subsea Equipment & Umbilicals	Yes	Yes
Pre-Commissioning Services	Yes	Yes
Installation Offshore HV Power Cables	Yes	Yes
Horizontal Directional Drilling (HDD) Shore Crossing	Yes	Yes
Onshore Cable Installation	Yes	Yes
Civil Works and Services	Yes	Yes
Onshore Substation Extension	Yes	Yes
Onshore Electrical Generation Installation & Equipment	Yes	Yes
Onshore Control Room Upgrade	Yes	Yes
Inspection Services	Yes	Yes
Independent Validation Services	Yes	Yes
Marine Warranty Services	Yes	Yes
Logistics Supply Base Services	Yes	Yes

Disclaimer: The information provided in the table above is based on an initial assessment by the company. Any questions or issues should be raised with the project contact.

**Explanation for item(s) in list above where it is indicated ‘No Opportunities for Australian entities’**

*Reasons for expected sourcing from outside Australia as outlined below are based on prior Chevron Australia experience in Australia but are subject to the processes outlined in the J-IC AIP Plan submission and as summarised in this document.*

The subsea compression technology selected for the J-IC Project is an emerging technology that is new to Australia and for which there is limited experience elsewhere. The J-IC Project will need to leverage this international knowledge and experience.

Due to the complex design specifications and limited global suppliers of specialist components required for the J-IC Project, some components will need to be fabricated and manufactured outside Australia such as subsea electrical equipment, control system, compression modules,

process modules and barrier fluid system; as well as subsea umbilicals, offshore (subsea) HV power cables and (as required) gas turbine generation equipment. Subsea compression system integration testing will be conducted in a single location prior to transportation.

The J-IC Project will utilise the services of major fabrication and construction facilities unavailable in Australia for the fabrication and integration of the FCS topsides and hull and fabrication of the mooring.

Key specialist vessels and associated equipment are expected to be unavailable in Australia for major installation activities. Some specialist capability and other equipment are also expected to be sourced from outside Australia to support these activities.

Manufacturing and installation work being undertaken outside of Australia will require associated engineering, procurement and construction management activities to be undertaken outside of Australia in support of those activities..

### **3. Standards to be used in the project**

Australian Standards and Codes will be used except where it is impracticable to do so. In this regard, the J-IC Project will necessarily involve use as appropriate of international standards and codes for the engineering, supply and installation of subsea equipment such as those issued by American Petroleum Institute (API), Det Norske Veritas (DNV) and International Standards Organisation (ISO).

### **4. AIP activities to be undertaken by the Project Proponent**

Actions to be taken during Phase 3 and 4 to ensure Australian entities have full, fair and reasonable opportunity to bid for the supply of goods and services for the J-IC Project include:

- Potential Australian vendors will be identified and encouraged to qualify for the provision of competitively bid goods and services by utilising:
  - ProjectConnect and ICN Gateway web-based supplier registration systems (whereby first and second tier suppliers can register against specific major work scopes); and
  - Industry Capability Network Western Australia (ICNWA) to carry out enquiries on Australian capability to undertake specific work scopes.
- Information about J-IC will be published on Chevron Australia's website.
- Early supplier briefings will be held in the Pilbara, Western Australia and the Eastern States as appropriate utilising chamber of commerce and other established industry forums.
- Where appropriate, opportunities for regional and Aboriginal business will be enhanced by utilising ePilbara and/or relevant Pilbara chamber of commerce business capability websites, and the Aboriginal Business Directory WA and Supply Nation Indigenous Business Direct websites.
- Bid documents issued by Chevron Australia will require, as appropriate, tenderers to:
  - Forecast Australian content and Aboriginal engagement outcomes;
  - Respond to questions regarding their understanding and intentions with respect to AIP and Aboriginal engagement; and
  - Submit draft AIP and Aboriginal Engagement Plans with their tender.
- Tenderers, and successful contractors post award, will be directed to ICNWA for advice on capable Australian (including Aboriginal) contractors and suppliers.

- Australian and International Standards and Codes which are familiar to Australian vendors will be used in the design where practical.
- If requested, feedback on possible areas of improvement (but not comparative pricing information) will be provided to Australian suppliers and contractors unsuccessfully tendering directly to Chevron Australia and wishing to determine why their tender was not successful.
- Chevron Australia will support opportunities for longer-term participation by Australian, regional and Aboriginal business by:
  - Working with ICNWA on the opportunity for suppliers and contractors failing to meet Project requirements to be provided with assistance from government business support programs; and
  - Working with ICNWA, Australian industry groups such as the American Chamber of Commerce and government agencies such as the Department of Jobs, Tourism, Science and Innovation and Austrade to assist Australian companies to access global supply chains.
- Facilitating access for Australian suppliers to the offshore fabrication and construction facilities of contractors bidding to undertake/successful in undertaking fabrication and integration of the FCS topsides and hull and fabrication of the mooring.
- Records and/or evidence that will be maintained by the Project include regarding:
  - Use of ProjectConnect and ICN Gateway;
  - Enquiries undertaken by ICNWA;
  - Australian content;
  - Employment and training outcomes; and
  - Regional and Aboriginal business engagement and employment outcomes.

#### **5. AIP activities to be undertaken by procurement entities**

- Major contractors undertaking procurement activities on behalf of Chevron Australia will, where appropriate, be required to develop an AIP Plan in conformance with the obligations and commitments made by Chevron Australia in the J-IC AIP Plan.
- Where required tender responses will be subject to clarification and pre-award discussions with tenderers to ensure that AIP and Aboriginal Engagement Plans meeting Chevron Australia's requirements would be able to be submitted post award for approval.
- As appropriate, post award meetings will be held on a regular basis with major contractors to ensure that appropriate processes are maintained to implement their AIP and Aboriginal Engagement Plans, including:
  - Utilisation of ICNWA for advice where appropriate on capable Australian (including Aboriginal) contractors and suppliers;
  - Reporting against key measures; and
  - Mechanisms in place to obtain the information necessary to ensure the obligations and commitments are cascaded to their subcontractors and suppliers as appropriate.
- Other contractors, subcontractors and suppliers will be required to provide information to Chevron Australia and/or major contractors to monitor the obligations, commitments and outcomes detailed in the J-IC AIP Plan.