

# Australian Industry Participation (AIP) plan Summary

## – Project Phase

### 1. Project Details

**Designated project proponent:** Woodside Burrup Pty Ltd

**Project name:** Pluto Train 2 Project

**Description of the project:** The project comprises a proposed expansion of the Woodside-operated Pluto LNG facility through construction of a second LNG train. Expanded capacity allows for the potential processing of third-party gas resources through the Pluto LNG facilities, including the proposed Scarborough Development.

The proposed expansion is based on a modular design with production capacity of 4 to 5 Mtpa. The second train would be accommodated within the existing pre-disturbed Pluto LNG footprint.

Woodside invited two EPC contractors to submit proposals for the design and construction of Pluto Train 2 based upon their experience of similar projects internationally. Subsequently, Woodside has selected Bechtel as its preferred contractor, initially to undertake FEED and with an option to construct the project subject to FID. Woodside intends to enter into negotiations to finalise contract arrangements for the work, based upon Bechtel’s proposal which reflects a proven design that it has previously constructed in Australia.

As the successful EPC contractor, Bechtel would assume responsibilities as the procurement entity for all itemised packages that result as sub-contracts.

Woodside’s own procurement activities will be limited to sourcing materials or services occasionally required to supplement the services provided by the EPC contractor.

Woodside’s project milestones are aligned with the proposed upstream Scarborough Development, targeting front-end engineering and design entry in Q1 2019 and a final investment decision in 2020. Ready for start-up of the downstream expansion is targeted in 2024.

#### Project timeline (indicative):



**Estimated project value:** >\$500 million

**Project location:** Burrup Peninsula, Western Australia

**Link to project information:** [www.woodside.com.au/supplying\\_to\\_woodside/Pages/Australian-Industry-Participation.aspx](http://www.woodside.com.au/supplying_to_woodside/Pages/Australian-Industry-Participation.aspx) <http://gateway.icn.org.au/> or equivalent.

#### Project contact for procurement information:

<b>Contact officer</b>	Nick Daniel
<b>Contact officer phone number</b>	+61 8 9348 4892
<b>Contact officer e-mail address</b>	<a href="mailto:Nick.Daniel@woodside.com.au">Nick.Daniel@woodside.com.au</a>

**Other project proponents involved in the project:** Not applicable

## **2. Opportunities to supply Goods and Services**

Under the EPC Contract, Bechtel will assume responsibilities as the procurement entity for all itemised packages that result as sub-contracts. These will be described further in Bechtel's own subsequent AIP Plan.

An indicative range of scope packages for construction activities are listed below and will potentially encompass a suite of scope opportunities for Australian entities and Non-Australian entities to supply goods and services. These scopes will be determined by Bechtel and included also within Bechtel's AIP Plan.

<b>Expected opportunities (sorted by purchasing category)</b>	<b>Opportunities for Australian entities*</b>	<b>Opportunities for non-Australian entities</b>
<b>Supply of Plant Equipment &amp; Materials</b>		
Supply of Gas Turbines	No	Yes
Supply of Compressors	No	Yes
Supply of Cold Box	No	Yes
Supply of Heat Exchangers	No	Yes
Supply of Chillers and Condensers	No	Yes
Supply of Heaters	Yes	Yes
Supply of Pressure Vessels (including drums, filters, separators etc.)	Yes	Yes
Supply of Tanks	Yes	Yes
Supply of Columns	No	Yes
Supply of LNG Pumps and Nitrogen Rejection Unit Pumps	No	Yes
Supply of Process Pumps	Yes	Yes
Supply of Instrumentation	Yes	Yes
Supply of Electrical Equipment	Yes	Yes
Supply of Structural Steel	Yes	Yes
Supply of Painting, Insulation & Fireproofing Materials	Yes	Yes
Supply of Valves and Fittings	Yes	Yes
Supply of Catalysts and Chemicals	Yes	Yes
Supply of Control Systems	Yes	Yes
Supply of Buildings	Yes	Yes
Supply of Safety Equipment (includes plant and personal items)	Yes	Yes
Lease of Module Yard Facilities	No	Yes
<b>Construction of Pluto Train 2 Project</b>		
On-Site Construction	Yes	No
Civil Works & Infrastructure (Site Preparation)	Yes	No
Haul Road Modifications	Yes	No
Provision of Temporary Site Facilities	Yes	No
Provision of Transportation Services (Staff)	Yes	No
Provision of General Facility Services	Yes	No
Accommodation Facilities	Yes	No
Provision of Waste Management/Disposal Services	Yes	No
Provision of Surveying Services	Yes	No
Provision of NDT Inspection & Testing Services	Yes	Yes
Provision of Electrical & Instrumentation Services	Yes	Yes
Provision of Industrial Coating and Insulation Services	Yes	No
Provision of Mechanical Services	Yes	No
Supply of Heavy Lift Crane Hire Services	Yes	No
Supply of Hire Equipment Services (Other)	Yes	No
Supply of Paint & Painting Services	Yes	No
Supply of Electrical Cabling	Yes	Yes

Supply of Scaffold and Access Equipment	Yes	No
Supply of Piping Materials	Yes	Yes
Supply of Consumables	Yes	Yes
Supply of Concrete and re-bar	Yes	No
<b>Logistics &amp; Warehousing</b>		
Provision of Storage	Yes	No
Supply of Road and Sea Transportation	Yes	No

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.

\* An Australian entity is defined in the Jobs Act as any entity with an ABN or ACN.

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

Bechtel has in-house capability to self-perform elements of the work through its own Australian and affiliated international organisation. This includes engineering design, manufacture of pipe and spools, construction of modules, and management of site construction using direct hired labour. The lease of Module Yard Facilities is likely to be awarded internationally due to lack of suitable facilities in Australia.

Certain plant and equipment inherent to the design of the LNG facility is by nature proprietary to specialist international manufacturers, and for which there is no Australian manufacturer available. It is anticipated that the following items will be procured by Bechtel internationally: Gas Turbines, Compressors, Cold Box, Heat Exchangers, Chillers and Condensers, Columns, LNG Pumps and Nitrogen Rejection Unit Pumps.

Other materials may be manufactured in Australia, or supplied competitively through Australian entities, and Bechtel will be required in its AIP Plan to explore the opportunities that exist to maximise participation in the project by Australian entities.

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

- It is a Woodside requirement that standards utilised on the project are either Australian or internationally recognised equivalents (as reflected by the established Bechtel design), unless otherwise justified due to specific technological, commercial, intellectual property or similar requirements.
- Woodside places contractual obligations in respect of applicable design standards on its contractors. It subsequently monitors compliance through its Quality Assurance check processes.
- It is the expectation that Australian entities will have the ability to meet these standards.

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

- The activities undertaken by Woodside will ensure that full, fair and reasonable opportunity has been provided to Australian companies. Woodside will ensure that obligations arising under the *Australian Jobs Act 2013 (Cth)* (the Act) are fulfilled and are cascaded down in its contracts with procurement entities.
- Woodside, when acting as a procurement entity, will engage in advance of commencement of tendering activity of key goods and services with the Industry Capability Network WA (ICNWA) or an independent service provider to determine whether Australian capability and capacity exists for scopes of work equal to or in excess of \$1 million.

- When Bechtel is acting as the procurement entity, Woodside will require the EPC contractor to engage in advance of commencement of tendering activity of key goods and services with the Industry Capability Network WA (ICNWA) or an independent service provider to determine whether Australian capability and capacity exists for scopes of work equal to or in excess of \$1 million.
- Where ICNWA or an independent service provider confirms that Australian industry capability exists, procurement entities will advertise relevant scopes of work on an online advertisement platform (e.g. ICN Gateway or equivalent) seeking Australian industry expressions of interest prior to commencing further vendor market engagement.
- Scopes of work will be advertised in sufficient time to allow Australian entities the opportunity to lodge expressions of interest.
- Procurement entities (ie: Woodside and Bechtel) will each appoint an AIP Contact Officer to assist in managing inbound Australian vendor enquiries regarding project opportunities and to facilitate introductions to key project personnel.
- Where a potential supplier that has been recommended by ICNWA, but not included in the tender list, requests feedback, ICNWA on behalf of the procurement entity will provide such feedback and as appropriate, recommend areas for improvement and referrals to support services such as the Entrepreneurs' Programme.
- In conjunction with ICNWA, Woodside and Bechtel will provide a briefing/update to industry at appropriate times within the program where significant milestones are achieved.
- Where required, Woodside will develop AIP training material for its staff to be delivered to contracts and procurement personnel to understand the requirements, use an independent industry capability verification service to access Australian capability, and utilise the online advertisement platform. These training materials will be provided to Woodside's procurement entities as appropriate.
- Woodside will periodically run an AIP assurance process to ensure appropriate AIP processes are followed by Woodside personnel and procurement entity personnel.

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

Woodside as part of the tender and award process for the engagement of procurement entities will ensure that the requirements of the Act have been incorporated into the agreement between the parties, include the requirements in respect of:

1. Project AIP Contact Officer;
2. Bechtel AIP Contact Officer;
3. Bechtel AIP Plan;
4. Online advertisement platform vendor portal;
5. AIP Training material;
6. 'Supplying to Woodside' page of the Woodside website;
7. AIP reporting; and
8. Project Proponent / Contractor - Unsuccessful bidder feedback.

The Project AIP Contact Officer and the AIP Plan Authorised person will be responsible for monitoring and implementing the AIP Plan.