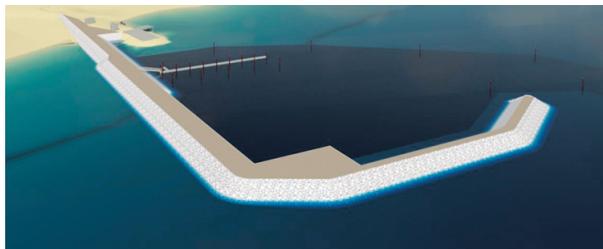




Thevenard Marine Offloading Facility

The Great Australian Bight (GAB) arguably has one of the richest and largest fish resources in Australia. The construction of the Thevenard Marine Offloading Facility will provide opportunities to regain and expand commercial fishing operations in the Great Australian Bight.

The District Council of Ceduna has been working for many years to develop a commercial marine facility including extensive work to; have the project independently costed, gain funding, industry support and development approvals. In September 2016 Council executed the funding grants from the Australian Government (\$4,828,040) and the South Australian Government (\$1,500,000) and with Council's contribution (\$3,380,000) the development of a marine offloading facility at the Thevenard Slipway became a reality. The total estimated cost being \$9,650,000.



Original Plan

Since September 2016 the following has occurred:

- Purchase of the Thevenard Slipway Land (originally leased from the Crown)
- Test Excavations undertaken on Council owned land on Bergmann Drive Thevenard (known as Lot 5, the allotment between the Thevenard fish factories and the Far West Aboriginal Sporting Complex) for quality assessments and quantity of available material for the breakwater construction
- Geophysical Survey of seabed & Wave Modelling
- Native Vegetation assessments and approvals for the proposed dredging area and a proposed excavation area of Lot 5
- Constructed a perimeter fence and provision of a recycled water supply for dust suppression on the area of Lot 5 that was to be excavated.

Wallbridge Gilbert Aztec (WGA) were engaged in January 2017 to provide Final Design Services and Project Manage the entire project.

Use of Local Contractors

It has always been an objective of Council where possible, to use local contractors, this was encouraged in all phases of the tendering process. To maximise the opportunity for local businesses to participate, the phases of construction for the Thevenard Marine Offloading Facility was divided into five separate parcels of work, these being:

1. Tender One: Supply of Rock and Fill Material
2. Tender Two: Construction of Breakwater
3. Tender Three: Dredging
4. Tender Four: Marina Berths
5. Tender Five: Navigational Aids

Tender One: Supply of Rock and Fill Material

Tender One was awarded to Rock and Crete Crushing Services and they commenced excavation of Lot 5 in September 2017.

It was anticipated the excavation on this site would recover sufficient rock for the project, unfortunately the second layer of rock on this site has proven to be uneconomical and of lower quality. Excavation of the surface layer of rock continues and this will supply all the secondary armour rock needed for breakwater and a portion of the primary (outer layer) rock. The additional primary armour rock will be sourced from other local rubble pits within the district.



Tender Two - Breakwater & Tender Three - Dredging

Tenders Two and Three were called simultaneously in August 2017.

Council was pleased to note that a local earth moving contractor was participating in this process and supplying prices to some other contractors tendering for these works. Unfortunately the local earthmoving contractor withdrew their prices in the late stages of the tender process, and as some contractors were relying on them for a price, Council had no option but to extend the tender timelines to allow for alternative earthmoving options to be considered.

Following the closing of this tender, two companies were shortlisted for further assessment as these companies tendered for both the breakwater and dredging works. The prices received for the individual tenders were unexpectedly far in excess of what, was originally estimated and budgeted for.

These two companies also identified potential savings by combining the packages and they were invited to discuss their proposals to reduce the impact on the budget if the breakwater and dredging components were combined.

Maritime Constructions Pty Ltd became the preferred tenderer to undertake the combined works, subject to a suitable economical within the budget being agreed upon. Continuing the commitment to contain costs, Council and Maritime Constructions reviewed the original design of the Thevenard Marine Offloading facility, and without compromising the function of the facility a revised design was developed, the differences being:

- A reduction in the length of sheet pile wall being installed (but providing scope for extension in the future).
- A reduction in unloading berth spaces from four to three. Two of the unloading berths are in a revised design encompassing a cost effective jetty structure.

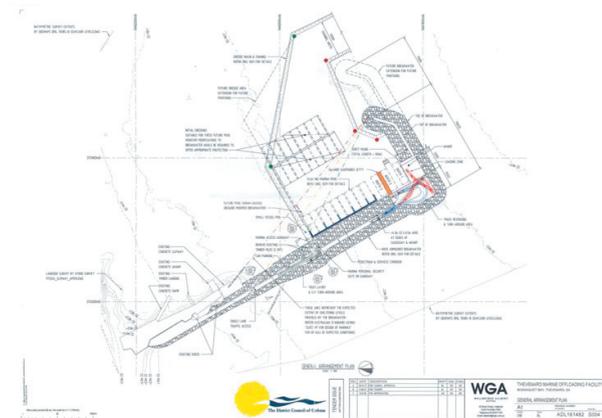
- The length of breakwater return has been reduced in length by 75 meters. This will continue to provide adequate protection for vessels using the facility.

- Additional berthing pens can now not be considered without the breakwater being extended, the design allows for this.

- The breakwater will not add protection to the old Thevenard boat ramp.

- Total area requiring pavement will be reduced.

- The shade structure has been removed from scope.



Having the breakwater and dredging works now combined, a revised design agreed, Maritime Construction was able to re-enter into negotiations with a local earthmoving contractor to sub contract for the breakwater works.

Efficiencies were identified should the provision of pontoon berths and navigational aids (tenders 4 & 5) be incorporated with the breakwater and dredging works. Maritime Constructions were requested to provide pricing for these works.

The experience gained with tenders 2 and 3 suggested that local suppliers are unlikely to be able to provide the services requested in Tender 4 and 5 (pontoon berths and navigational aids).

There were a number of factors including the significant rise in steel prices, and construction work throughout Australia increasing creating limited competition for these type of works, increasing the total estimated costs for the project.

Recognising this and the importance to the community for this project to succeed Council resolved in January 2018 to increase their financial contribution to \$4,877,000 and to execute the contract for construction of the Thevenard Marine Offloading Facility with Maritime Constructions Pty Ltd.

New Challenge

Council was informed on Thursday 5 April 2018 by Maritime Constructions that the local Earthmoving Contractor who agreed to sub contract to them, withdrew their services and willingness to participate in any part of this project.

This significant set back will result in further delays to the project and potential increases to construction costs. Council Officers are working hard with Maritime Constructions to find an economical solution to this and a further update will be provided to the community in the near future.