



**APT Allgas Energy
Pty Limited**

Tending processes

Covering the period
01 July 2007 – 30 June 2010



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1 Purpose

The purpose of the capital works tender process was to determine a service provider strategy for the construction of polyethylene mains and service and steel pipelines on the APT Allgas Energy Pty Ltd (APT Allgas) distribution network. The strategy was developed to determine the most appropriate workforce mix, a contract scope and market tender process to obtain the best overall value for APT Allgas in performing new construction works.

This document explains the processes APT Allgas followed in the tendering process.



2 Contracting strategy

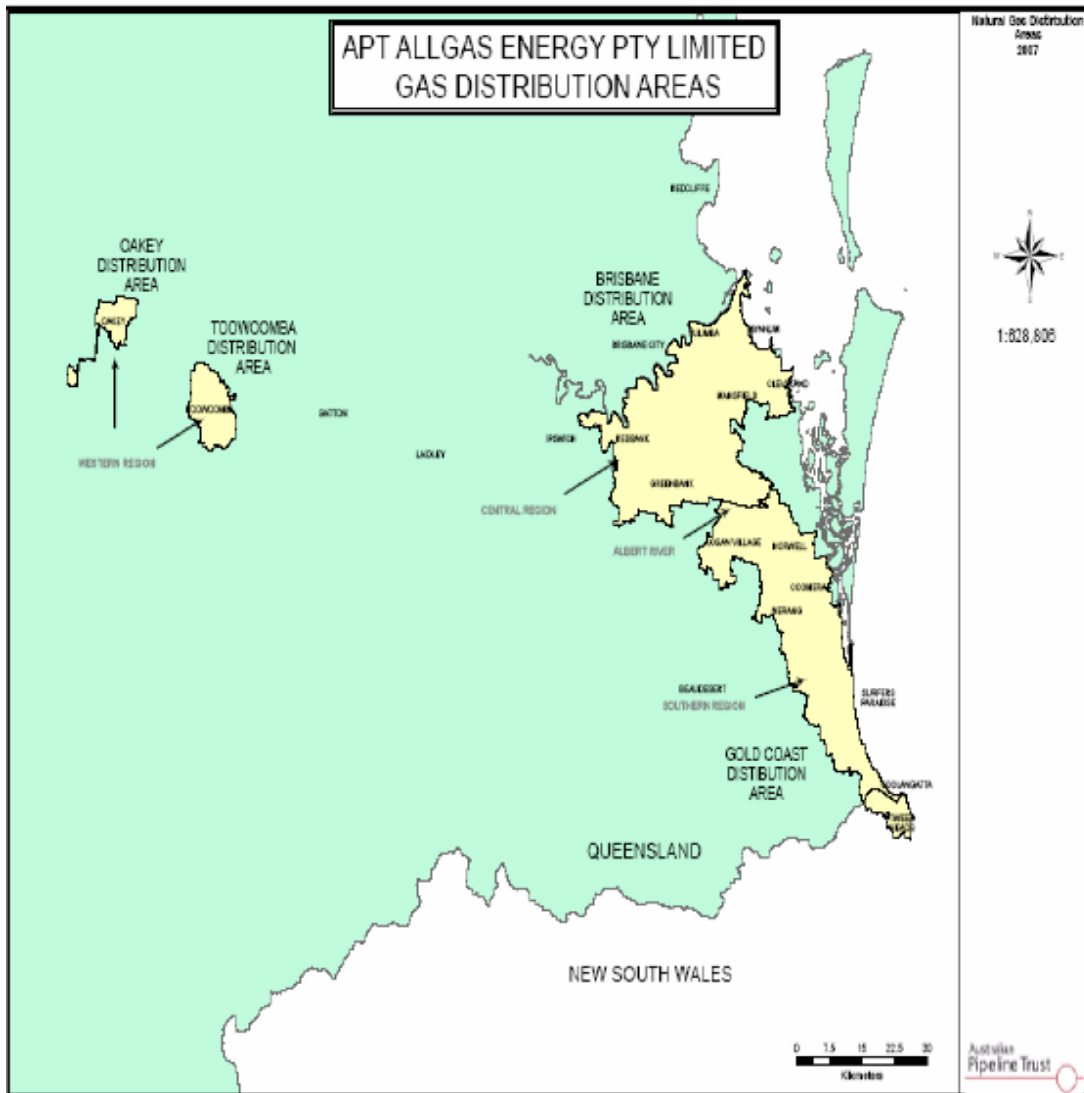
2.1 *Develop contracting strategy*

APT Allgas formed a strategy steering committee to develop a contracting strategy that would assist in lowering the cost of delivered natural gas to the customer. The strategy followed a comprehensive approach and was designed to maximise return on expenditure by making efficient and effective use of APT Allgas resources and contractors..

The following issues were considered whilst developing a capital works contract strategy;

- The steering committee defined core business and skill sets to minimise business risk and then evaluated the required balance of internal resources and external contractors. The steering committee progressed its findings to the State Management and it was determined that core skills relating to emergency response and network operations would be kept in house whilst work with more general skill sets and lower technical complexity would be contracted out.
- Based on the specific skills, expertise and equipment required to perform the works it was deemed three separate contract categories were necessary, polyethylene (PE) services and mains, mains renewal (mains insertion) and new steel mains.
- Define the scope of work to be conducted by the contractor. State Management determined that contractors should be self sufficient organisations that can implement construction work without any reliance on the principal. (eg perform work, self supervise and administer, liaise with customers, take on QLD WHS Principal Contractor obligations etc) Principal would provide materials free issue to take advantage of economies of scale buying power and better control materials specifications.
- Determine scale of works to be completed by the contractor. It was determined the contractor would perform high volume minor works in general with a value of less than \$300k. In circumstances where an individual work order had an estimated value greater than this amount it was at APT Allgas's discretion to determine whether to utilise the standing order or tender for the larger work order to generate competition and obtain more effective pricing for larger jobs.
- It was deemed the most appropriate method to segregate work volumes was to assign particular geographical regions for the work. The network was split into three regions – Central Region (south of the Brisbane River), Southern Region (Albert River to Banora Point in northern NWS) and Western Region (Toowoomba and Oakey). Then individual contractors were assigned to each

region to achieve a balance of volume economies of scale and marketplace competition. The below map shows the network regions.



- The contract timeframe was reviewed and input was gained from other gas distributors within SE QLD on their experience on recent tenders. To provide contractors with some certainty of duration and allow them to reduce overheads during the contract term recent experiences showed a five year timeframe provided optimal results in relation to costs. Therefore a three plus two year contract was developed. Extension into the second period of the contact would be offered if the contract met all of its obligations and met performance targets within the initial period.

The contracting strategy is summarised in Appendix A.



3 Strategy implementation

3.1 *Develop scope*

The scope of the contract was based on the previous capital works contract utilised by ENERGEX/Allgas. Learning's from the previous contract period with the incumbent contractor identified areas which could be improved such as contract terms, KPI's, schedule of activities items and marketplace competition. The identified shortfalls were then mitigated through an Operational review of the contract documentation.

The following documentation was revised before going through an operations, procurement and legal review prior to approval for inclusion in the tender documentation.

- Standing Order terms
- Standard Work Procedures
- Technical Specifications
- Other related support documents
- Schedule of Activities
- Performance Targets and audit criteria

3.2 *Expression of Interest*

3.2.1 Prepare EOI

APT Allgas in conjunction with Nothling Consulting Pty Ltd developed an Expressions of Interest document to provide an overview of the scope and volume of work being tendered.

The document requested EOI from qualified and experienced contracting businesses which had the appropriate accreditations to provide civil and network construction contract services.

The purpose of the EOI was to determine the competitiveness of the marketplace and select at least 4 tender candidates for each contract category, the top 3 candidates in each category who had the highest overall criteria score were then shortlisted, interviewed and invited to tender.

The Request for Expression of Interest is reproduced in Appendix B



3.2.2 Advertise

To ensure a wide market response Expressions of Interest for this work were placed in the Courier Mail and The Australian newspapers on Wednesday 11th April 2007. Responses were required from contractors by Monday 23rd April 2007.

The advertised Expression of Interest is reproduced in Appendix B.

3.2.3 Evaluate EOI submissions

APT Allgas had previously applied the below outlined evaluation process and were satisfied that the process was rigorous. The selection panel used this evaluation process to shortlist the candidates and based on consensus the selection panel then invited the candidates to tender for contracts.

The criteria for the EOI was based and weighted on five criteria:

Cost

Based on unit rate costs, with a comparison to the existing market;

- Within this criterion the tenderers were requested to supply costs for the range of resources and services that would be used to perform the works which were scheduled in document.
- APT Allgas calculated benchmark market prices for each item to be tendered – the prices reflected historical prices from previous similar work done by the incumbent contractor BBS.
- APT Allgas calculated the 'Total Tender Price for Year 1' through the summation of the estimated quantities in the documentation multiplied by the individual tendered prices for each item.
- It was noted at the time that the incumbent contractor BBS was the only tenderer to work across all distribution regions in the previous 2 years and as such APT Allgas's expectation of a fair market rate may be inaccurate and require adjustment.

Capability

Based on Quality Assurance Capability as detailed in the Gas Capability Check Sheets.

- Within this criterion the selection panel analysed the capacity of the tenderer to establish sufficient skilled crews and office systems to mobilise and meet contract obligations.



- The selection panel also reviewed the tenderers construction capability and ability to work in accordance with APT Allgas expectations and standard.

Performance

The selection panel reviewed demonstrated historical performance for the construction category in urban areas by contacting referees provided by the tenderer.

Management Systems

Based on Quality Assurance Capability as detailed in the Gas Capability Check Sheets.

- Within this criterion the selection panel reviewed the capacity and commitment of the tenderer to deliver safety, quality, environmental and customer satisfaction according to APT Allgas expectations and standards.
- It was noted at the time that the tenderer's safety management plan was expected to include APT Allgas safety non-negotiables as part of the tender evaluation process.

Due Diligence

- Within this criterion APT Allgas internal resources assessed each tenderers overall company health, through litigation searches, reference checks and financial position. The information was then forwarded to APT Allgas Finance Manager for assessment.

Each EOI response was reviewed by at least two of the four selection panel and the evaluation rating applied was to shortlist or not to shortlist tenders.

Documentation outlining the evaluation process and summary of shortlisted candidates is reproduced in Appendix C

3.3 Tender process

3.3.1 Define contract and tender terms

APT Allgas invited tenders for the civil and network construction contract services in each of the 3 Regions on the Queensland gas distribution Network. The categories of the contract covered polyethylene (PE) (mains & services), mains renewal projects (by PE insertion) and steel.



The outcome of the EOI response assessment resulted in APT Allgas inviting twelve contractors to tender. All tenderers received the same information.

Each contract was for an initial period of three years and there was an option for the each contract to be extended for a further two years.

The tender document covered the scope of works to be undertaken, contract terms, specification-standard procedures, schedule of rates, estimated quantities, emergency response service, information that the tenderer is to provide and the tender evaluation.

The tender documents, as issued, are reproduced in Appendix D.

3.3.2 Legal review

Before the tender contracts were prepared APT Allgas had contract risk assessments performed to ensure all relevant information was reviewed and assessed to certify that the appropriate risk management controls were in place. The relevant document execution forms were prepared for all contracts.

APT Allgas used external lawyers this ensured a verification schedule which set out the key legislation, regulations and Australian Standards which were applicable to the Standing Orders, together with the relevant clauses from the Standing Orders which address compliance with the relevant legislation, regulation or Australian Standard were in order.

A copy of the legal endorsement of contract documents is reproduced in Appendix E

3.3.3 Define tender evaluation criteria

The tender evaluation criteria were developed to consider technical capability, historical performance levels, pricing and mobilisation risks to APA. Appropriate weightings were assigned to the relevant categories based on their perceived importance to deliver the optimal outcome for APA. The evaluation needed to consider not only pricing but ensure contractors had the appropriate experience, technical capability and management systems to ensure work could be performed to mandatory legislation, codes and standards.

The evaluation criteria was linked to specific sections of of the tender response documentation to ensure the contractor provided the relevant information to make an objective evaluation and this was linked with the evaluation tool.

Pricing was assessed by estimating expected volumes over the contract period for items in the schedule of activities and populating the contractors proposed rates for those items. In conjunction with application of the proposed yearly price escalation



mechanism for the individual contractors the total estimate contract sum was determined.

The Tender Evaluation Criteria is reproduced in Appendix D.

3.4 *Tender assessment*

3.4.1 Short listing

The EOI process acted as the pre-qualification process and from that process twelve experienced and capable tenderers were invited by APT Allgas to submit tenders.

3.4.2 Detailed assessment

A detailed assessment was done across a range of factors (price, capability, experience & management systems) and the following parties were shortlisted:

PE Services 1 contractor per region	Mains Renewal Panel of 2	Steel Panel of 3
Central – Comdain	MTC	Co-Ord Services
Southern – Tenix	Tenix	Comdain
Western – Marvv*		Tenix

A financial due diligence was then conducted looking at the following details:

- Confirmation of company details and status on ASIC;
- Bank references;
- Credit reference checks
- Financial ratios – the focus was on liquidity ratios, being the ability to meet short-term debt, which impacts ongoing financial stability

Tender evaluation results are reproduced in document in appendix D



3.4.3 Negotiations with preferred candidates

Individual sessions were conducted with the preferred candidates to discuss and formalise items such as the following;

- Clarify scope
- Clarify and formalise inclusion/exclusions in schedule of activities items
- Negotiate item rates on an exception basis
- Negotiate yearly price escalation mechanism
- Negotiate large project value discount factor



4 APT Board approval process

4.1 *Board briefing*

The Chief Operating Officer and Managing Director prepared a briefing paper for the APT Pipelines Limited board which met May 2007. This paper outlined the contracting strategy, the capital works contracts, the strategy implementation plan and the risk assessment for the APT Allgas capital works contracts.

Board approval was sought for APT Allgas Energy Pty Ltd to enter into contracts with the selected capital works contractors.

Censored Board paper in Appendix F

4.2 *Board approval*

The APT Allgas board met on 4 July 2007 and resolved any one of the directors to execute the Standing Order Contracts for the successful companies.

Censored signed minutes are reproduced in Appendix F.



5 Contract implementation

5.1 *Personnel inductions and accreditation*

As part of mobilisation the contractors were required to submit a competency and training matrix for all staff engaged for the work prior to commencement. Additionally all staff are required to complete the relevant APA company and safety inductions. This process is continuous and is required to be refreshed as required on an ongoing basis and updated as required when new staff commence.

5.2 *Contract and Safe Work Practice (SWP) training*

The contractor is responsible for ensuring staff are adequately trained and deemed competent. The contractor funds all general safety and work industry training. However at times APA will provide the contractor will opportunity to take part in training organised by APA if specific to APA work practices or cannot be sourced elsewhere within the industry.



6 Current Contract Position

6.1 *Contract Strategy Review*

As a result of significant changes over the last three years to APT Allgas which now comes under APA Group business it was deemed appropriate to review the existing strategy at the end of the initial period. Limited options were possible as a result of existing standing order conditions. However in relation to the PE Mains Services contracts the following outcomes are being implemented.

- Western Region – Internal crews have completed network rehabilitation work and as a result are not fully utilised. The work volumes in this region are not large and it is expected that APA internal resources can implement this work on the majority of occasions. Therefore the contract has been extended but new work will be allocated to internal resources and the contractor utilised on an overflow basis.
- Southern Region – Extension as per the terms of the current standing order. The extension of this contract was within the parameters of the original contract terms which was based on the contractor's performance being assessed against key performance indicators (KPI's) as set by APT Allgas
- Central Region – The contractor has declined to take up the offer of extension. Feedback from the contractor indicates that in their opinion the contract is no longer viable at the current rates. Therefore they have declined to accept and offer of extension and wish to be included in retendering for this work when it goes to the marketplace.



A Contracting strategy

A.1 APT Allgas Tender – Capital works Contracting strategy

APT Allgas Tender – Capital Works Contracting Strategy

23/03/2007

Attendees: Vic McLeod, Evan White, Ron Johannessen, Carleton Nothling

Agreed Strategy:

Appoint a panel of contractors to do capital works across the 3 regions, as follows:

- non-contestable works – all services + PE (mains, extensions) & renewals up to a defined threshold value.
 - o To be allocated by APT Allgas
 - o Schedule of rates to apply
 - o Allocate work to each contractor to keep them interested and on board – but no guarantee given to any contractor
- contestable works – PE above a certain value (say \$0.2m) & steel (assumption is that steel will always be above the value threshold).
 - o To be competitively bid
 - o Also may include works on the existing APT pipeline that are within the contractor's capability? APT would reserve the right to use other contractors though

Notes:

- contractors on the non-contestable work panel must be prepared to do all of that category of work
- a contractor may be listed for more 1 or more regions
- a contractor is not required to be on the panel for both categories – they may qualify for only 1 of the categories

Term: 5 year term (consider 3+options vs 5 yr term + option)

Design & scope definition: APT Allgas to do this in each case & issue to the contractor (thus contractors carry no design risk & eliminate the requirement for PI insurance)

Tender process: Advertise. Invite all of the contractors who currently do work on the system: xxx, xxx, xxx, xxx, xxx, xxx, xxx, xxx, xxx, xxx.

Timing: Contract commences as of 4 July (expiry of xxx contract) & structure tender process to suit.

Dealing with xxx:

- advise xxx before Easter of APT's intention to tender
- limit allocation of work going forward to minor works & works for which there is a high degree of confidence xxx will complete
- start a process to allocate work to other contractors & informally inform xxx sub-contractors to talk to other contractors [be very careful with this – legal ramifications]

Next Steps:

Review and confirm/refine strategy & fill in gaps	VM, EW, GT, CN
Further define strategy for transition from BBS (what need to get from them, dealing with equipment, etc)	EW, GT
Prepare scope	EW, GT
Define evaluation criteria & prerequisites of contractors (systems, accreditations etc)	VM, EW, GT, CN
Define & assemble material to go into tender	EW, GT
Define contract & commercial terms	CN, VM (EW & GT input)
Refine & fill out schedule	CN (inputs from GT, VM)
Review & define APT Allgas implementation, resource needs & costs	VM, GT
APT management signoff - prepare recommendation	VM (input from GT, CN)
Prepare contract & tender documents	CN & Gadens

Follow up points:

- consider impact of Envestra process if successful
- will the TSA outworking have any implications



B Expression of Interest

B.1 Request for Expressions of Interest

REQUEST FOR EXPRESSION OF INTEREST

(advertised 10 April 2007)

Natural Gas Capital Works Contracting 2007

for the

APT Allgas Energy Pty Limited

ABN 52 009 656 446

Queensland Gas Distribution Network

10 April 2007

Commercial in Confidence

Request for Expressions of Interest Natural Gas Capital Works Contracting 2007

Section 1 – Overview & Purpose

1.1 Parties and Purpose

This document is a request for expressions of interest (**EOI**) from qualified and experienced contracting businesses which have appropriate accreditations to provide civil and network construction contract services (**contracts**) throughout the 3 regions on the Queensland gas distribution network owned and operated by APT Allgas Energy Pty Limited (ABN 52 009 565 446 and formerly called Allgas Energy Pty Limited - **APT Allgas**). Details of the contract opportunities are in section 1.3 below.

This EOI process is being conducted on an open basis in response to an advertisement placed in The Courier Mail and The Australian newspapers on 10 April 2007. Responses will be considered on their merits and no preference will be given to any respondee. From the responses that are received, APT Allgas will shortlist contractors who will be invited to participate in a tender process which will be conducted in May 2007. The contracts are to commence in early July 2007. APT Allgas will select the shortlist in its complete discretion, and will not entertain any question or review of its selection of the shortlist, and will not provide any feedback sessions to unsuccessful parties.

The information in this request document is confidential and you are referred to the confidentiality terms in Section 3 - Legal Disclaimer which is at the end of this document. *By retaining this EOI request you agree to these terms of confidentiality.*

1.2 Overview of the Gas Distribution Network

The gas distribution business was acquired by the Australian Pipeline Limited Group on 1st November 2006, and has operated under the name of APT Allgas Energy Pty Limited since that time.

The distribution network is located in south east Queensland and northern NSW and is divided into 3 regions – Central Region (south of the Brisbane River), Southern Region (Albert River to Banora Point in northern NSW) and Western Region (Toowoomba and Oakey). A map showing the regions is contained in **Schedule 1**. The network services approximately 65,000 customers and is experiencing considerable growth (forecast to be about 3.5% - 4% over the next 5 years) from the uptake on new gas users (the growth being in both residential and commercial customers).

The network mainly consists of steel and polyethylene (PE) pipes, with the old distribution area (in Brisbane) being a combination of cast iron, screwed steel, PVC etc. The following is a summary of the network:

Mains	Central Region	Southern Region	Western Region	Total
High Pressure Steel Mains	214 km	123 km	53 km	390 km
Other Mains	1152 km	189 km	328 km	1668 km
Other pipe	440km			440km



1.3 Overview of the Capital Works and the Contract Opportunity

The business has significant, regular capital expenditure. The total annual capital expenditure is forecast to be in the order of \$25M per year (on average) for the next 5 years. The key areas of work are as follows:

- Customer driven works – these are works associated with new or upgraded connections for customers. These include laying mains, services, installing metering installations and miscellaneous other works
- Network augmentation works – these are works required to augment the existing system to ensure that safety, environmental and other services are maintained. This work includes mains replacement, new mains, regulator and gate station upgrades, telemetry works and miscellaneous other works
- Mains renewal service programs – these are major renewals programs to replace or insert existing mains where the existing mains need to be replaced generally due to: ageing, unacceptable unaccounted for gas levels, and to accommodate and encourage new gas customers by providing improved gas pressure as required by many modern gas appliances.

APT Allgas plans to set up long term contracts with a number of contractors who will undertake the capital works according to the following work allocation and contracting approach:

Capital Works Category	Contract Approach
PE – mains & services	Appoint 1 contractor in each region on a schedule of rates basis up to a certain dollar value. For projects over the defined dollar value, APT Allgas may call for competitive bids or otherwise allocate the work, at APT Allgas’ discretion (the dollar value will be disclosed in the tender process). It may be possible for 1 contractor to secure more than 1 Region, or all Regions; alternatively, there may be different contractors for each Region.
Renewal Projects (by PE insertion)	Appoint a panel of contractors to do work on a schedule of rates basis up to a certain dollar value. For projects over the defined dollar value, APT Allgas may call for competitive bids or otherwise allocate the work, at APT Allgas’ discretion (the dollar value will be disclosed in the tender process). The work will be allocated among the panel at APT Allgas’ discretion. This work will occur only in the Central Region.
Steel (HPS, CL 150, CL 300, CL 600 & CL 900)	Appoint a panel of contractors to do work on a schedule of rates basis up to a certain dollar value. For projects over the defined dollar value, APT Allgas may call for competitive bids or otherwise allocate the work, at APT Allgas’ discretion (the dollar value will be disclosed in the tender process). The work will be allocated among the panel at APT Allgas’ discretion. It is open for a contractor to be on the panel for all Regions.

The contracts would each be for a 3 year term with the ability to extend them for a further 2 years (total term of 5 years). A rating system will apply in the contracts based on the contractor’s performance. An extension of the contract (for the 2 year term) will be influenced by the contractor’s rating over the 3 year term.

All work is to be performed in accordance with relevant Australian Standards and Industry Codes, and thus contractors must have a detailed understanding of these requirements and personnel with appropriate accreditations.

For all of the capital contracting work, APT Allgas will prepare and issue a scope of works, perform all design work, obtain local authority approvals to construct the asset, and provide pipe and other materials. The contractor will be responsible to obtain necessary local approvals and permits required to do the work, execute the work, and provide labor and all consumables required to execute the work.

1.4 The Contractor Selection Process

APT Allgas intends to undertake a competitive tender process to select and appoint the contractors. The current plan is as follows:

- advise parties who have lodged an EOI response of their status in the last week of April 2007
- call for tenders at the end of April 2007
- receive tenders in the third week of May 2007
- award contracts in mid June 2007
- start the contracts on 4 July 2007

As stated earlier, APT Allgas will use the EOI responses that it receives to select a 'shortlist' of contractor candidates who will be invited to participate in the tender process. To be clear, invitations to tender will only be given to contractor candidates who submit an EOI response, and who are short listed by APT Allgas. APT Allgas will select the shortlist in its complete discretion, and will not entertain any question or review of its selection of the shortlist, and will not provide any feedback sessions to unsuccessful parties.

Therefore, to be considered, contractor candidates need to provide a suitable EOI response, and have their systems in place and resources available, and be able to mobilise by early July 2007.

The primary evaluation criteria that APT Allgas intends to use to evaluate the EOI responses will center on the contractor's experience, capability, mobilisation capability, management systems, OH&S and environmental record, and track record.

1.5 Timing for EOI Responses

You are invited to submit an EOI response. The response must address all of the matters in Section 2 below.

When you receive this EOI request document, you are requested to advise APT Allgas (in writing) by Monday 16 April 2007 if you intend to submit an EOI response (using the email address in section 1.6 below.)

The EOI response needs to be submitted by 3.00 PM (Brisbane Time) on Monday 23 April 2007. No extensions will be given. The EOI responses are to be submitted with a letter signed by a Director or a Senior Executive of the contractor business, and are to be addressed and lodged as follows:

Addressed to:
The Contracts Manager
APT Allgas Energy Pty Limited

Lodged at, or delivered to this address:
APT Allgas Energy Pty Limited
11 Dividend Street
PO Box 2229
Mansfield Qld 4122

The EOI response is to be submitted in printed format, together with an electronic copy on CD or DVD. Emailed copies will not be accepted.

1.6 Clarifications & Questions

Any questions are to be directed to The Contract Manager:

- Phone: 07 34261615
- Email: aptcapitalcontracts@pipelinetrust.com.au
- Fax: 07 3426 1655



Section 2 – Contents of the EOI Responses

The EOI responses must address each of the following matters. It is preferable, but not necessary, that the contractor currently has in place all of the plans and systems that are described below, and is able to submit details with its EOI response.

For any plan, system, or requirement that the contractor does not have in place (and cannot provide details with its EOI response), the EOI response must indicate the current status of the items, and the contractor's proposed plan to have these things in place by the contract start date (of 4 July 2007). It is acceptable to engage subcontractors or joint venture with other contractors.

- 2.1 Indicate the capital works category (contract) of interest, and the region(s) of interest
- 2.2 Experience in the relevant contract work category, demonstrate competency in that work (eg steel and/or PE, scale and class), and state its track record in contracting that work
- 2.3 Execution plan – how the contractor proposes to undertake the work (eg its own workforce or through sub-contractors)
- 2.4 Resource plan for personnel, equipment, and training (What the contractor has available & what the contractor will need to source to do the work. What training would be required? If sub-contractors are to be relied upon for key work, include the same details about them). Advise the name of the training service providers
- 2.5 Include a proposed organization chart identifying the following key personnel (where applicable), and describe the capability and experience of the key personnel who are to be involved. All personnel on site will be required to have current blue cards:
 - Contract manager/administrator
 - Works superintendent
 - Site foreman
 - Project manager (where applicable)
 - Workplace health & safety officer
 - Environmental officer
 - Audit officer & materials traceability officer
 - Quality manager
 - PE welders & steel welders (as applicable)
 - Qualified plant/machinery personnel
 - Enquiries & complaints administrator
- 2.6 Mobilisation – detail how the contractor can be mobilised by the required contract start date of 4 July 2007
- 2.7 Business management systems that the contractor has in place which are relevant to the work (eg steel/materials tracking system, training systems, job management system, enquiry and complaints logging system, audit system, inventory management)
- 2.8 OH&S policy and a statement of its performance over the last 2 years as a minimum period (eg number of LTIFR (lost time injury frequency rate), LTISR (lost time injury severity rate) etc)
- 2.9 Environmental management plan or capability for the type of work involved and a statement of its environmental performance over the last 2 years as a minimum period (eg advise any non-compliance events)
- 2.10 QA status and the last audit date

2.11 Insurances that the contractor has in place. Mandatory insurance requirements are public liability insurance of \$20M, and Queensland WorkCover for employees. Professional indemnity cover of up to \$1m may be required.

Pricing is not required at this stage; pricing (being a schedule of rates) will be required in a tender.

APT Allgas will treat all EOI responses as confidential.



Section 3 – Legal Disclaimer

4.1 Confidentiality

This document is provided on the understanding that its contents will be treated as strictly confidential by each recipient. This document is provided for use solely in connection with the evaluation of whether or not, and on what terms, to submit an EOI response.

The contents of this document and any later written or oral information provided by APT Allgas may not be reproduced in whole or part nor used for a different purpose or divulged to a third party without the prior written consent of APT Allgas.

4.2 Disclaimer

This document does not amount to an offer to award a contract. APT Allgas makes no commitment to any recipient that its response may lead to it being invited to tender for a contract.

APT Allgas reserves the right to not consider any EOI response, and to terminate this EOI process. Selection of a shortlist of parties who are to be invited to tender will be at APT Allgas' complete discretion.

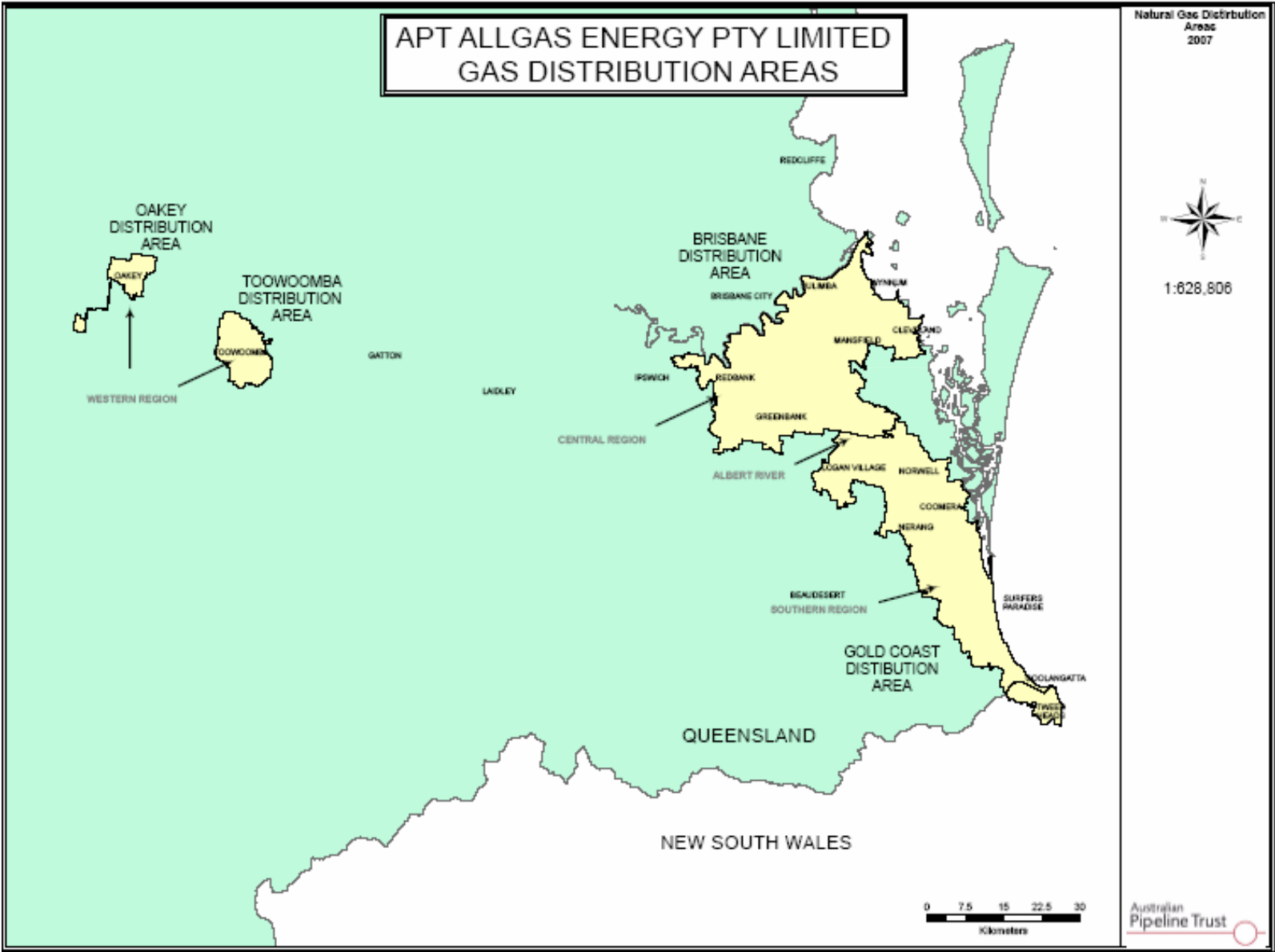
This document does not constitute a recommendation to submit an EOI response or a tender, and does not purport to contain all the information that a recipient may require to make a full evaluation of whether to submit an EOI response or subsequently a tender.

This document has been prepared without any knowledge or consideration of the particular needs of any recipient. Each recipient must form its own judgment on any matter referred to or arising from this document. Recipients should not treat the contents of this document as advice on any matter.

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All statements and information in this document are only expressions of presently held belief and not representations that these matters will actually be achieved.

Schedule 1 – Map of the Distribution Network and the Regions





B.2 Advertisement for expression of Interest

Advertisement for EOI



Expressions of Interest Natural Gas Capital Works Contracting 2007

APT Allgas Energy Pty Limited is seeking expressions of interest from qualified and experienced contracting businesses to provide civil and network construction contract services throughout the 3 regions in SE Queensland and northern NSW which comprise the distribution network – Central (Brisbane), Southern (south coast) and Western (Toowoomba/Oakey) region. The contracts will be allocated into 3 categories – PE works (services and mains), renewal projects and steel works.

Expressions of interest are required by 3PM Monday 23 April 2007.

To register and obtain the Request for Expressions of Interest document, contact Contract Management, APT Allgas Energy Pty Limited, 11 Dividend Street, Mansfield Qld 4122, Phone 07 34261615 during business hours of 7:30AM – 4:30PM or Email: aptcontracts@pipelinetrust.com.au



C Expressions of Interest documents

C.1 Evaluation Process for EOI and Tender Process for APT Allgas Capital Contracting 2007.

MEMO

To: xxxxxxxxxxxxxxxxx

Cc: xxxxxxxxxxxxxxxxx

From: xxxxxxxxxxxxxxxxx

Date: 20 April 2007

**Evaluation Process for EoI & Tender Process
For APT Allgas Capital Contracting 2007**

This memo sets out the evaluation process that will be applied to the EoI and Tender processes. APT Allgas has previously applied this process and is satisfied with it.

Evaluation Criteria:

Request for Tender document will define the broad selection criteria for this contract as:

- Cost
- Capability
- Performance
- Management systems
- Due Diligence Analysis.

The following table indicates the selection criteria, attributes, and weighting that have been developed for the tender evaluation process.

Selection Criteria	Selection Attributes	Overall weighting
Cost	Unit Rate Cost. In comparison to the existing market rates.	47.5 %
Capability	Mobilisation Plan	5 %
	Construction Capability	15 %
Performance	SWP / Standards Compliance (Historical)	10%
	On Time Performance (Historical)	5%
	On Budget Performance (Historical)	2.5 %
Management Systems	APT Allgas Quality Assurance - Management Systems Score	7.5 %
	Company Safety Management Plan including Process and Final product assessment plan	2.5 %
	Company Environmental Management Plan	2.5 %
Due Diligence Analysis	Due Diligence report	2.5 %
Total		100 %

Selection Panel

The selection panel shall be: Vic Mcleod, George Tsiros, Carleton Nothling, and Evan White.

Developing Short List Of EoI Responses & Subsequently, Tenders

EoI Responses and Tenders will be ranked based upon the total score determined for the five selection criteria detailed above. The same process will be applied to both process stages, with greater detail undertaken in the tender phase.

The selection panel will independently assign a score to each EOI Response and Tender. The scoring will be reviewed by the selection panel and agreed by consensus by the members of the panel. The score shall be based upon the above criteria.

A score of 0 (zero) for any of the selection attributes will result in the response/Tender not being considered.

The objective of the EoI response phase is to select at least 4 tender candidates for each category of contract, to cover each Region.

The 3 tenderers with the highest overall score will be selected to a shortlist to be interviewed to assess their commitment and capacity to meet APT Allgas' obligations, and provide value-adding services.

Where the selection panel considers it appropriate, additional information can be sourced from each responsee/tenderer during the evaluation process. This information will be coordinated through Carleton Nothing.

Evaluating Submissions For Cost (Tender Only)

Criteria 1 - Unit Rate Cost. In comparison to the existing market rates

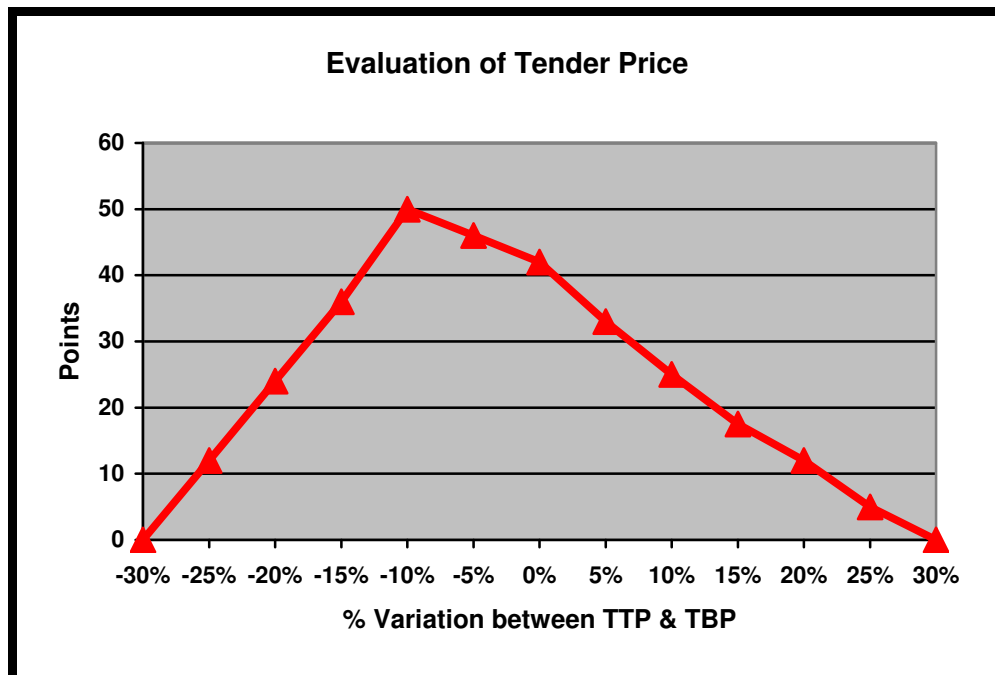
Tenderers have been requested to supply costs for the range of resources and services that will be used to perform works (Schedule A1). In evaluating responses, the selection panel will assign a score of between 0 and 45 using the following process:

1. Set Benchmark Pricing (TBP):

- (a) APT Allgas will calculate the benchmark market prices for each of item to be tendered. These prices will be calculated by **a resource provided by GHD** and will reflect historical prices that the current contractor XXX has for previous similar works.
- (b) APT Allgas will calculate the 'Total Benchmark Price for Year 1' (*TBPY1*) through the summation of the individual market price for each item multiplied by a sample quantity which represents a typical project.
- (c) APT Allgas will then use a CPI value of 3.5% to calculate the Total Benchmark Price for the three-year period of the contract (*TBP*). The calculation shall be based on the following formulae: $TBPY1 + (TBPY1 * 1.035) + ((TBPY1 * 1.035) * 1.035)$.
- (d) Run a calculation for a 5 year term if escalation factors other than CPI are applied to the proposed 2 year extension period.

2. Calculate Tender Prices (TTP):

- (a) APT Allgas will calculate the 'Total Tender Price for Year 1' (*TTPY1*) through the summation of the estimated quantities in the tender documentation multiplied by the individual tendered prices for each item.
 - (b) APT Allgas will then calculate the 'Total Tender Price' for the three-year period of the contract (*TTP*). The calculation shall be based on the following formulae: $TTP + (TTP * (X1)) + ((TTP * (X1)) * (X2))$.
3. The variation between the *TTP* & the *TBP* will then be calculated and expressed as a percentage. The following graph used to allocate the number of points to be used. The following formulae will be used to calculate the 'x' coordinates: $((TTP - TBP)/TBP) * 100$.



Notes:

1. If all Tenders received have a variation greater than $\pm 20\%$ then the pricing will be reviewed to establish if it is valid and sustainable. If the pricing is sound, then this graph shall be relocated such that the 0% variation point shall equal the average variation associated with all tenders received.
2. XXX is the incumbent and is the only tenderer who has been working across all distribution regions in the previous two years. Therefore APT Allgas' expectation of a fair market rate may be inaccurate. If other tenderers submit prices that are more than 10% below the TBPY1, then the graph will be relocated so that the TBPY1 rate will align with the mean of the costs of the tendered prices.

Criteria 2 - Capability (EOI & Tender Assessment)

The assessment for both criteria will be based on the Quality Assurance Capability assessment score obtained in accordance with the criteria detailed in the 2 checksheets have been prepared for this purpose - 1 for PE and Renewal and 1 for Steel (which incorporate much of the PE/Renewal one). Copies of these are attached.

Mobilisation Plan

The capacity of the tenderer to establish sufficient skilled crews and office systems to meet contract changeover obligations:

- for PE the critical date is 4 July 2007 (contract commencement).
- for mains renewal, the date is much later – 1 October 2007
- for steel mains, we need to have 1 contract available by 4 July 2007. We can tolerate some slack in the timing for the other panel member.

Scoring needs to be reconciled to the checksheet, and in reality, is applicable mainly for the PE and Steel contracts (categories 1 & 3), but in concept, the following shall apply:

A score of 5 will be awarded where the tenderer is able to commence works with field crews, office staff, and senior management by 04/07/07 or upon the required project start date for the first project on the Works program for Category 2 (renewal) contracts.

A score of 4 will be awarded where the tenderer is able to commence works with field crews by 15/07/07 and office staff, and senior management will be able to be operational by 04/07/07.

A score of 3 will be awarded where the tender is able to commence work with field crews and office staff by 30/07/07.

A score of 2 will be awarded where a skeleton staff will be in position by 30/07/07 and additional field crews and office staff will be sourced over the following month.

A score of 0 will be awarded where the tenderer is unable to start work later than 30/07/07.

Construction Capability

This is the capability of the contractor to undertake works in accordance with APT Allgas expectations and standards. The scores applied from the checksheet used to assess each tender. The score derived through the assessment will be divided by 87.5 and multiplied by 7.5.

Criteria 3 - Performance

Performance shall be determined by contacting references provided to determine performance history for similar work. (eg. demonstrated historical performance for the construction category in urban areas). **A performance questionnaire is being developed by XXXXXX.**

Criteria 4 - Management System - Tender & EoI Assessment

The assessment for all criteria will be based on the Quality Assurance Capability assessment score obtained in accordance with the criteria detailed in the Gas Capability Checksheets.

The capacity and commitment of the tenderer to deliver Safety, Quality, Environmental and customer satisfaction initiatives shall be evaluated by three independent measures.

APT Allgas Quality Assurance – Management Systems Score

The capability of the contractor to undertaken works in accordance with APT Allgas' expectations and standards. The assessment will be based on the Quality Assurance Quality Management Systems score obtained in accordance with the criteria detailed in the 'Quality Assurance Requirements for Suppliers of Services' (which is currently being updated) which is a Standard Procedure included in the tender.

The scores achieved for the Quality Management System will be used to assess each tender. The score derived through the assessment will be divided by 87.5 and multiplied by 7.5. Where a company fails to achieve a Quality Assurance rating they will be allocated a score of 0.

Company Safety Management Plan / Final product Assessment Plan

The company Safety Management plan is to include a reference to the APT Allgas safety non-negotiables, and appropriate actions when personnel fail to comply with these safety obligations.

NOTE: The tenderer must change their Safety Management Plan to include the Safety non-negotiable as part of this tender evaluation process.

A score of 2.5 shall be awarded where the company safety management plan complies with Safety non-negotiables.

A score of 1.5 will be awarded if the company safety management plan does not include all of the APT Allgas safety non-negotiables, or an appropriate performance management plan.

A score of 0 will be applied if their Safety Management plan does not include any references to the safety non-negotiable, or they are unwilling to commit to changes to their safety management plan.

Company Environmental Management Plan

The company Environmental plan is to comply with APT Allgas Environmental obligations, and the Assessment plan is to comply with the APT Allgas Environmental Management System requirements.

A score of 2.5 will be awarded where these plans comply.

A score of 1.5 will be awarded where the tenderer changes their plans to comply as part of the tender evaluation / interview process.

A score of 0 will be awarded where the plans do not comply.

Criteria 5 - Due Diligence Analysis - Tender Assessment

Due diligence will be undertaken by APT internal or consultant resources. The reports shall include an assessment of each company's financial position, Litigation Search, Reference Checks, and overall company health. The summary will include an overall assessment of the company including a score between 0 and 7. The total value to be allocated is 2.5 and a scoring system has not yet been developed. In principle the following will apply:

A score of 1.5 will be allocated to financial position & company health, and that will be graded in 0.5 point lots.

A score of 1.0 will be allocated to litigation and reference checks.

In addition the Due Diligence report will be forwarded to the APT Finance Manager to obtain corporate group input. A score of 0 will be awarded if the APT Allgas Finance Manager does not recommend progressing the contract based on his assessment of the report.

Due diligence criteria:

- litigation search
- ratio analysis to check strength of cashflow & ongoing solvency
- reference checks with suppliers and principals of current and past projects

Resources:

- Dun & Bradstreet
- Internal APT or specialist accounting firm

Carleton Nothing
Nothing Consulting Pty Limited
Adviser to APT Group

Attachments – Scoresheets

	Subject: THE PROVISION OF CAPITAL CONSTRUCTION OF APT ALLGAS' NATURAL GAS NETWORK	Release Date: 20 April 2007
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APT Allgas	SELECTION ATTRIBUTE - AUDIT CHECKSHEET (Category 1&2)	

REQUIREMENT	SCORE	FINDINGS	ACTION TAKEN (Auditee to Complete)	DATE ACTION COMPLETE																				
Part A. CONSTRUCTION CAPABILITY																								
A1. OPERATOR EXPERIENCE (Max 30 points)																								
PROVIDE LIST of names of Operators and years of experience in Supervision and Steel Welding. Supervision experience must be related to the specific work in the construction contract category within developed areas.																								
Average the experience of the Operators listed and score:																								
<table border="0"> <tr> <td>Supervision</td> <td>Sub Contract</td> <td>Permanent Staff</td> <td></td> <td></td> </tr> <tr> <td>1 - 4 years</td> <td>3</td> <td>6</td> <td></td> <td></td> </tr> <tr> <td>4 - 7 years</td> <td>5</td> <td>10</td> <td></td> <td></td> </tr> <tr> <td>Over 7 years</td> <td>10</td> <td>20</td> <td>Score: _____</td> <td></td> </tr> </table>					Supervision	Sub Contract	Permanent Staff			1 - 4 years	3	6			4 - 7 years	5	10			Over 7 years	10	20	Score: _____	
Supervision	Sub Contract	Permanent Staff																						
1 - 4 years	3	6																						
4 - 7 years	5	10																						
Over 7 years	10	20	Score: _____																					
<table border="0"> <tr> <td>PE Welding</td> <td>Sub Contract</td> <td>Permanent Staff</td> <td></td> <td></td> </tr> <tr> <td>1 - 5 years</td> <td>0</td> <td>2</td> <td></td> <td></td> </tr> <tr> <td>5 - 10 years</td> <td>4</td> <td>8</td> <td></td> <td></td> </tr> <tr> <td>Over 10 years</td> <td>8</td> <td>10</td> <td>Score: _____</td> <td></td> </tr> </table>					PE Welding	Sub Contract	Permanent Staff			1 - 5 years	0	2			5 - 10 years	4	8			Over 10 years	8	10	Score: _____	
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1 - 5 years	0	2																						
5 - 10 years	4	8																						
Over 10 years	8	10	Score: _____																					
		<u>Supervisor(s) (Minimum 2 required)</u> <ul style="list-style-type: none"> • _____ • _____ • _____ <u>Polyethylene Welder(s) (Minimum 5 required)</u> <ul style="list-style-type: none"> • _____ • _____ • _____ 																						

REQUIREMENT	SCORE	FINDINGS		ACTION TAKEN (Auditee to Complete)	DATE ACTION COMPLETE
<p>A2. COMPETENCIES (Max 20 points)</p> <p>Have the Supervisors / Operators all the relevant competencies as listed?</p> <p>If these competencies are not currently available what training would be required and what is the training program?</p>			<p>Polyethylene Welder</p> <ul style="list-style-type: none"> • Current certification in PE welding <p>Note: If evidence of competency not available – no QA rating shall be issued</p> <p>Max 5 points</p>		

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	<p><i>Supervisor Competencies</i></p> <ul style="list-style-type: none"> • Viro 1 • Viro 2 • Viro 3 • Viro 4 • Fire Ant Awareness <p>Max 5 points</p> <p><i>Operator Competencies</i></p> <ul style="list-style-type: none"> • Confined space entry • Roadway warning signs • Shoring • Resuscitation <p>Max 5 points</p> <p><i>Statutory Obligations</i></p> <ul style="list-style-type: none"> • Heavy vehicle licence • Appropriate plant/machinery competencies <ul style="list-style-type: none"> • backhoe • skid steer loader • trenchers <p>Max 5 points</p>		
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	Subject: THE PROVISION OF CAPITAL CONSTRUCTION OF APT ALLGAS' NATURAL GAS NETWORK	Release Date: 20 April 2007
Procedure		Version No. Initial
APT Allgas	SELECTION ATTRIBUTE - AUDIT CHECKSHEET (Category 1&2)	

REQUIREMENT	SCORE	FINDINGS	ACTION TAKEN (Auditee to Complete)	DATE ACTION COMPLETE								
<p>A3. AVAILABILITY OF PLANT AND EQUIPMENT (Max 15 Points)</p> <p>Are a range of suitable plant and equipment owned or leased by the Service Provider and is each of the work teams equipped? To obtain the maximum score all of the equipment must be owned by the contractor or personnel on permanent staff.</p> <p>SCORE:</p> <table style="width: 100%; border: none;"> <tr> <td style="text-align: center;">YES</td> <td style="text-align: center;">15</td> </tr> <tr> <td style="text-align: center;">NO</td> <td style="text-align: center;">0</td> </tr> </table> <p>Has each Operator suitable personal protective clothing, and other specialised safety equipment as listed.</p> <p>SCORE:</p> <table style="width: 100%; border: none;"> <tr> <td style="text-align: center;">Suitable PPE</td> <td style="text-align: center;">2.5</td> </tr> <tr> <td style="text-align: center;">Suitable PPE + Specialised GAS PPE</td> <td style="text-align: center;">5</td> </tr> </table> <p>A3.1 PROVIDE details of equipment and sourcing arrangements for the following:</p> <ul style="list-style-type: none"> i) Excavation equipment ii) Boring equipment iii) PE welding equipment iv) WASK Flow stop equipment v) Confined Space entry equipment vi) Pneumatic test equipment 	YES	15	NO	0	Suitable PPE	2.5	Suitable PPE + Specialised GAS PPE	5		<p><i>Plant, Tools and Equipment</i></p> <ul style="list-style-type: none"> • Impact/thrust boring equipment • Squeeze off units • Pressure testing equipment <ul style="list-style-type: none"> • pneumatic • charts/data loggers • WASK flow stop equipment • Pipe cutting equipment • Compaction tools • Automatic butt fusion equipment • Automatic electrofusion equipment • 5KVA regulated output voltage generator (1 per electrofusion unit) • Excavation and earthmoving equipment <p><i>Specialised Gas PPE</i></p> <ul style="list-style-type: none"> • BA equipment • Confined space entry equipment • Flame retardant overalls for live gas application 		
YES	15											
NO	0											
Suitable PPE	2.5											
Suitable PPE + Specialised GAS PPE	5											

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REQUIREMENT	SCORE	FINDINGS	ACTION TAKEN (Auditee to Complete)	DATE ACTION COMPLETE
<p>A3.2 PROVIDE details of past and current experience in gas contracts of a similar size and scope.</p> <p>A3.3 PROVIDE details of knowledge and experience of all relevant Australian Standards or APT Allgas Standard Work Procedures</p>				
<p>A4 FIELD VISIT (Max 15 points)</p> <p>A4.1 Work Site</p> <ul style="list-style-type: none"> a) Traffic Control b) Equipment c) Safety measures <p>A4.2 Crews</p> <ul style="list-style-type: none"> d) PPE e) Job knowledge f) Qualifications g) General <p>A4.3 Documentation</p> <ul style="list-style-type: none"> h) Works Order i) Work Procedures 				

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REQUIREMENT	SCORE	FINDINGS	ACTION TAKEN (Auditee to Complete)	DATE ACTION COMPLETE
j) Site Risk Assessment				
<p>Part B - MOBILISATION CAPABILITY (Max 20 points)</p> <p>B1.1 PROVIDE list of names, qualifications and experience of proposed personnel for this contract:</p> <ul style="list-style-type: none"> a) Field Crew (minimum 8) b) Operators in Polyethylene Welding (minimum 5) c) Supervisors (minimum 2) d) Management Team. <p>B1.2 PROVIDE details of mobilisation strategy eg sub-contractors, employees, relocations etc.</p> <p>B1.3 PROVIDE estimated time to mobilise</p> <ul style="list-style-type: none"> e) PE Crews f) Supervision 				

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REQUIREMENT	SCORE	FINDINGS	ACTION TAKEN (Auditee to Complete)	DATE ACTION COMPLETE
REQUIREMENT	SCORE	<i>FINDINGS</i>	ACTION TAKEN (Auditee to Complete)	DATE ACTION COMPLETE
<p>Part C - PERFORMANCE (Max 17.5 points)</p> <p>C1.1 Performance shall be determined by contacting references provided to determine performance history for similar work. (eg. Demonstrated historical performance for the construction category in urban areas)</p> <p style="background-color: yellow;">Performance questionnaire developed by GT</p> <p>SWP / Standards Compliance (10 points) On Time Performance (5 points) On Budget Performance (2.5 points)</p>				
<p>Part D - MANAGEMENT SYSTEMS (Max 12.5 points)</p> <p>D1.1 PROVIDE details of proposed work methodology with respect to:</p> <ul style="list-style-type: none"> a) Works order management b) Documentation and reporting c) Supervision for each region and specialised jobs d) Process / Final product audit plan e) Training standards and methods 				

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REQUIREMENT	SCORE	FINDINGS	ACTION TAKEN (Auditee to Complete)	DATE ACTION COMPLETE
f) Peak workload management g) Safety h) Environment i) Resourcing Methodology j) Qld Local Industry Participation Policy QA Management Systems (Max 7.5 points) D2.1 Safety Management Plan – Process/Final Product Assessment (Max 2.5 points) D3.1 Environmental Management Plan (Max 2.5 points)				
Part E - DUE DILIGENCE ANALYSIS (Max 2.5 points) <div style="background-color: yellow; padding: 2px;">DD assessment developed by CN</div>				

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	MAXIMUM SCORE	CHECKSHEET SCORE ACHIEVED	WEIGHTED SCORE ACHIEVED
1 Unit Rate Cost Comparison	47.5		
2 Capability			
Operator Experience	30		
Competencies	20		
Availability of Plant and Equipment	15		
Field Trial	15		
	80		(<input type="text"/> /80) x 15 [<input type="text"/>]
Mobilisation Capability	20		(<input type="text"/> /20) x 5 [<input type="text"/>]
3 Performance Review	17.5		
4 Management Systems	12.5		
5 Due Diligence Analysis	2.5		

POSSIBLE MAXIMUM SCORE 100

TOTAL SCORE ACHIEVED _____

_____ **Assessor** _____ **DATE**...../...../.....

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REQUIREMENT	SCORE	FINDINGS	ACTION TAKEN (Auditee to Complete)	DATE ACTION COMPLETE																																
Part A – CAPABILITY																																				
<p>A1 OPERATOR EXPERIENCE (Max 32 points)</p> <p>PROVIDE LIST of names of Operators and years of experience in Supervision and Steel Welding. Supervision experience must be related to the specific work in the construction contract category within developed areas.</p> <p>Average the experience of the Operators listed and score:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: left;">Supervision</td> <td style="text-align: center;">Sub Contract</td> <td style="text-align: center;">Permanent Staff</td> <td></td> </tr> <tr> <td>1 - 4 years</td> <td style="text-align: center;">3</td> <td style="text-align: center;">6</td> <td></td> </tr> <tr> <td>4 - 7 years</td> <td style="text-align: center;">5</td> <td style="text-align: center;">10</td> <td></td> </tr> <tr> <td>Over 7 years</td> <td style="text-align: center;">10</td> <td style="text-align: center;">20</td> <td style="text-align: right;">Score: _____</td> </tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: left;">Steel Welding</td> <td style="text-align: center;">Sub Contract</td> <td style="text-align: center;">Permanent Staff</td> <td></td> </tr> <tr> <td>1 -5 years</td> <td style="text-align: center;">0</td> <td style="text-align: center;">2</td> <td></td> </tr> <tr> <td>5 – 10 years</td> <td style="text-align: center;">4</td> <td style="text-align: center;">8</td> <td></td> </tr> <tr> <td>Over 10 years</td> <td style="text-align: center;">8</td> <td style="text-align: center;">10</td> <td style="text-align: right;">Score: _____</td> </tr> </table> <p>Add additional 2 points for more than 1 welder specified with a minimum of 1 on permanent staff</p>	Supervision	Sub Contract	Permanent Staff		1 - 4 years	3	6		4 - 7 years	5	10		Over 7 years	10	20	Score: _____	Steel Welding	Sub Contract	Permanent Staff		1 -5 years	0	2		5 – 10 years	4	8		Over 10 years	8	10	Score: _____		<p><u>Supervisor(s) (Minimum 1 required)</u></p> <ul style="list-style-type: none"> • _____ • _____ • _____ <p><u>Steel Welder(s) (Minimum 1 required)</u></p> <ul style="list-style-type: none"> • _____ • _____ • _____ 		
Supervision	Sub Contract	Permanent Staff																																		
1 - 4 years	3	6																																		
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1 -5 years	0	2																																		
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Over 10 years	8	10	Score: _____																																	

	Subject: THE PROVISION OF CAPITAL CONSTRUCTION AND REHABILITATION OF APT ALLGAS' NATURAL GAS NETWORK	Release Date: 20 April 2007
Procedure	SELECTION ATTRIBUTE - AUDIT CHECKSHEET (Category 3)	Version No. Initial
APT Allgas		

REQUIREMENT	SCORE	FINDINGS	ACTION TAKEN (Auditee to Complete)	DATE ACTION COMPLETE

REQUIREMENT	SCORE	FINDINGS	ACTION TAKEN (Auditee to Complete)	DATE ACTION COMPLETE
A2 COMPETENCIES (Max 20 points) Have the Supervisors / Operators all the relevant competencies as listed? If these competencies are not currently available what training would be required and what is the training program?		<p><i>Steel Welder</i></p> <ul style="list-style-type: none"> • Trade Certificate • Test Results <p>Note: If evidence of competency not available – no QA rating shall be issued</p> <p>Max 5 points</p>		

	Subject: THE PROVISION OF CAPITAL CONSTRUCTION OF APT ALLGAS' NATURAL GAS NETWORK	Release Date: 20 April 2007
Procedure	EVALUATION ATTRIBUTE for TENDERS (Category 3 – Steel)	Version No. Initial
APT Allgas		

	<p><i>Supervisor Competencies</i></p> <ul style="list-style-type: none"> • Viro 1 • Viro 2 • Viro 3 • Viro 4 • Fire Ant Awareness <p>Max 5 points</p> <p><i>Operator Competencies</i></p> <ul style="list-style-type: none"> • Confined space entry • Roadway warning signs • Shoring • Resuscitation • Exothermic Weld Training <p>Max 5 points</p> <p><i>Statutory Obligations</i></p> <ul style="list-style-type: none"> • Heavy vehicle licence • Appropriate plant/machinery competencies <ul style="list-style-type: none"> • backhoe • skid steer loader • trenchers <p>Max 5 points</p>		
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	Subject: THE PROVISION OF CAPITAL CONSTRUCTION OF APT ALLGAS' NATURAL GAS NETWORK	Release Date: 20 April 2007
Procedure		Version No. Initial
APT Allgas	EVALUATION ATTRIBUTE for TENDERS (Category 3 – Steel)	

REQUIREMENT	SCORE	FINDINGS	ACTION TAKEN (Auditee to Complete)	DATE ACTION COMPLETE								
<p>A3 AVAILABILITY OF PLANT AND EQUIPMENT (Max 15 Points)</p> <p>Are a range of suitable plant and equipment owned or leased by the Service Provider and is each of the work teams equipped ? To obtain the maximum score all of the equipment must be owned by the contractor or personnel on permanent staff.</p> <p>SCORE:</p> <table border="1"> <tr> <td>YES</td> <td>15</td> </tr> <tr> <td>NO</td> <td>0</td> </tr> </table> <p>Has each Operator suitable personal protective clothing, and other specialised safety equipment as listed.</p> <p>SCORE:</p> <table border="1"> <tr> <td>Suitable PPE</td> <td>2.5</td> </tr> <tr> <td>Suitable PPE + Specialised GAS PPE</td> <td>5</td> </tr> </table> <p>A3.1 PROVIDE details of equipment and sourcing arrangements for the following:</p> <ul style="list-style-type: none"> vii) Excavation equipment viii) Boring equipment ix) Welding equipment x) Confined Space entry equipment xi) Pneumatic and Hydrostatic test equipment 	YES	15	NO	0	Suitable PPE	2.5	Suitable PPE + Specialised GAS PPE	5		<p><i>Plant, Tools and Equipment</i></p> <ul style="list-style-type: none"> • Flat bed boring equipment • Pressure testing equipment <ul style="list-style-type: none"> • hydrostatic • pneumatic • data loggers • Pipe cutting equipment • Compaction tools • Welding Rig • Excavation and earthmoving equipment <p><i>Specialised Gas PPE</i></p> <ul style="list-style-type: none"> • BA equipment • Confined space entry equipment • Flame retardant overalls for live gas application 		
YES	15											
NO	0											
Suitable PPE	2.5											
Suitable PPE + Specialised GAS PPE	5											

	Subject: THE PROVISION OF CAPITAL CONSTRUCTION OF APT ALLGAS' NATURAL GAS NETWORK	Release Date: 20 April 2007
Procedure	EVALUATION ATTRIBUTE for TENDERS (Category 3 – Steel)	Version No. Initial
APT Allgas		

REQUIREMENT	SCORE	FINDINGS	ACTION TAKEN (Auditee to Complete)	DATE ACTION COMPLETE
<p>A3.2 PROVIDE details of past and current experience in gas contracts of a similar size and scope.</p> <p>A3.3 PROVIDE details of knowledge and experience of all relevant Australian Standards or APT Allgas Standard Work Procedures</p>				
<p>A4 FIELD VISIT (Max 15 points)</p> <p>A4.1 Work Site</p> <p style="margin-left: 20px;">k) Traffic Control</p> <p style="margin-left: 20px;">l) Equipment</p> <p style="margin-left: 20px;">m) Safety measures</p> <p>A4.2 Crews</p> <p style="margin-left: 20px;">n) PPE</p> <p style="margin-left: 20px;">o) Job knowledge</p> <p style="margin-left: 20px;">p) Qualifications</p> <p style="margin-left: 20px;">q) General</p> <p>A4.3 Documentation</p> <p style="margin-left: 20px;">r) Works Order</p> <p style="margin-left: 20px;">s) Work Procedures</p> <p style="margin-left: 20px;">t) Site Risk Assessment</p>				

	Subject: THE PROVISION OF CAPITAL CONSTRUCTION OF APT ALLGAS' NATURAL GAS NETWORK	Release Date: 20 April 2007
Procedure APT Allgas	EVALUATION ATTRIBUTE for TENDERS (Category 3 – Steel)	Version No. Initial

REQUIREMENT	SCORE	FINDINGS	ACTION TAKEN (Auditee to Complete)	DATE ACTION COMPLETE
<p>Part B - MOBILISATION CAPABILITY (Max 20 points)</p> <p>B1 PROVIDE list of names, qualifications and experience of proposed personnel for this contract:</p> <ul style="list-style-type: none"> 7 Field Crew (minimum 6) 8 Operators in Steel Welding (minimum 1) 9 Supervisors (minimum 1) 10 Management Team. <p>B2 PROVIDE details of mobilisation strategy eg sub-contractors, employees, relocations etc.</p> <p>B3 PROVIDE estimated time to mobilise</p> <ul style="list-style-type: none"> a) Steel Crew b) Supervision 				

	Subject: THE PROVISION OF CAPITAL CONSTRUCTION OF APT ALLGAS' NATURAL GAS NETWORK	Release Date: 20 April 2007
Procedure	EVALUATION ATTRIBUTE for TENDERS (Category 3 – Steel)	Version No. Initial
APT Allgas		

REQUIREMENT	SCORE	FINDINGS	ACTION TAKEN (Auditee to Complete)	DATE ACTION COMPLETE
REQUIREMENT	SCORE	<i>FINDINGS</i>	ACTION TAKEN (Auditee to Complete)	DATE ACTION COMPLETE
<p>Part C - PERFORMANCE (Max 17.5 points)</p> <p>C1 Performance shall be determined by contacting references provided to determine performance history for similar work. (eg. Demonstrated historical performance for the construction category in urban areas)</p> <p style="background-color: yellow;">Performance questionnaire developed by GT</p> <p>SWP / Standards Compliance (10 points) On Time Performance (5 points) On Budget Performance (2.5 points)</p>				
<p>Part D - MANAGEMENT SYSTEMS (Max 12.5 points)</p> <p>D1 PROVIDE details of proposed work methodology with respect to:</p> <ul style="list-style-type: none"> a) Works order management b) Documentation and reporting c) Supervision for each region and specialised jobs d) Process / Final product audit plan e) Training standards and methods f) Peak workload management g) Safety 				

	Subject: THE PROVISION OF CAPITAL CONSTRUCTION OF APT ALLGAS' NATURAL GAS NETWORK	Release Date: 20 April 2007
Procedure	EVALUATION ATTRIBUTE for TENDERS (Category 3 – Steel)	Version No. Initial
APT Allgas		

REQUIREMENT	SCORE	FINDINGS	ACTION TAKEN (Auditee to Complete)	DATE ACTION COMPLETE
h) Environment i) Resourcing Methodology j) Qld Local Industry Participation Policy E1 QA Management Systems (Max 7.5 points) E2 Safety Management Plan – Process/Final Product Assessment (Max 2.5 points) E3 Environmental Management Plan (Max 2.5 points)				
Part F - DUE DILIGENCE ANALYSIS (Max 2.5 points) <div style="background-color: yellow; padding: 2px;">DD assessment developed by CN</div>				

	Subject: THE PROVISION OF CAPITAL CONSTRUCTION OF APT ALLGAS' NATURAL GAS NETWORK	Release Date:
Procedure	EVALUATION ATTRIBUTE for TENDERS (Category 3 – Steel)	Version No. Initial
APT Allgas		Page No. 8 of 8

	MAXIMUM SCORE	CHECKSHEET SCORE ACHIEVED	WEIGHTED SCORE ACHEIVED
1 Unit Rate Cost Comparison	47.5		
2 Capability			
Operator Experience	32		
Competencies	20		
Availability of Plant and Equipment	15		
Field Trial	15		
	82		(<input type="text"/> /82) x 15 [<input type="text"/>]
Mobilisation Capability	20		(<input type="text"/> /20) x 5 [<input type="text"/>]
3 Performance Review	17.5		
4 Management Systems	12.5		
5 Due Diligence Analysis	2.5		

POSSIBLE MAXIMUM SCORE 100

TOTAL SCORE ACHIEVED _____

_____ **Assessor** _____ **DATE...../...../.....**



C.2 APT Allgas Results of EOI Response Evaluation

Outcome of Eol Response Assessment

Shortlisted

PE			Renewal	Steel		
Central	Southern	Western		Central	Southern	Western
X	X	X	X	X	X	X
X	X	X	X	X	X	X
X	X	X	X	X	X	X
X	X	X	X	X	X	X
				X	X	X
				X	X	X
			X	X	X	X
		X				
	X					
			X			
		X				
X	X	X	X	X	X	X
	X				X	
X	X	X				
X	X	X				
X	X	X	X	X	X	X
X	X	X	X	X	X	X
	X			X		
						X

Unsuccessful



D Tender documents

D.1 Invitation to Tender

Invitation to Tender

Natural Gas Capital Contracting 2007

for the

Queensland Gas Distribution Network

APT Allgas Energy Pty Limited

ABN 52 009 656 446

30 April 2007

Commercial in Confidence

Important Requirements & Conditions of the Tender Process

Opportunity

These Tender Documents have been prepared for the provision of civil and network construction contract services throughout the 3 Regions of the Queensland gas distribution network owned and operated by APT Allgas Energy Pty Limited (ABN 52 009 565 446 – **APT Allgas**)

Acknowledgement

You must complete, sign the Acknowledgement Form which is attached to the front of the Tender Documents and send the Acknowledgement Form back to APT Allgas by the later of Tuesday May 8, 2007 or within three days of receiving these Tender Documents.

In the Acknowledgement, you must advise if you intend to submit a Tender. If you elect not to submit a Tender, then you must return these Tender Documents to APT Allgas and delete them from your computers and IT network.

Disclaimer – *If you do not accept the terms set out below, you must return these Tender Documents, otherwise you submit a Tender, you accept the terms*

Tender documents are not exhaustive: The Tender Documents do not constitute a recommendation to submit a Tender, and do not purport to contain all the information that a recipient may require to make a full evaluation of whether to submit a Tender. Tenderers must form their own views as to what information is relevant to such decisions.

Recipients must make own investigations and analysis: Recipients must rely entirely on their own investigations, analysis and judgement of any information and matter contained or referred to in the Tender Documents in relation to their preparations and submission of the Tender.

No warranties: APT Allgas, or any of its related bodies corporate and any of its directors, officers, employees, advisers, contractors or agents, do not make any representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of the information referred to or contained in the Tender Documents. None of those persons accepts any responsibility or liability (except a liability that cannot lawfully be excluded):

- (a) for any reliance placed on the contents of the Tender Documents by the recipients of the Tender Documents; or
- (b) to inform any recipient of the Tender Documents of any matter or information coming to their attention which may affect any matter or information contained or referred to in the Tender Documents, to correct any inaccuracies which may become apparent or to update the Tender Documents.

No liability: Subject to any law to the contrary and to the maximum extent permitted by law, APT Allgas, its related bodies corporate, and its directors, officers, employees, advisers, consultants, contractors and agents disclaim and exclude all liability (including by reason of any negligence, default or lack of care) for any loss, claim, demand, damages, costs, expenses of whatsoever nature (whether or not foreseeable):

- (a) suffered or incurred by any person relying or acting on any information provided in, or omitted from the Tender Documents or any other written or oral opinions, advice or information provided by any of them in connection with the Tender process; or
- (b) arising as a result of or in connection with information in the Tender Documents being inaccurate or incomplete information in any way or by reason of any reliance thereon by any person.

Confidential: The Tender Document is provided on the understanding that its contents will be treated as strictly confidential by each recipient, and is provided for use solely in connection with the evaluation of whether or not, and on what terms, to submit a Tender. The contents of the Tender Documents and any later written or oral information provided by APT Allgas may not be reproduced in whole or part nor used for a different purpose or divulged to a third party without the prior written consent of APT Allgas.

Process: APT Allgas reserves the right, in its absolute discretion to:

- (a) at any stage, terminate further participation by any person in the Tender process, change the structure, procedures and timing of the Tender process, alter the terms of participation in the Tender process, and terminate the Tender process; and
- (b) allow further persons to enter the Tender process at any stage.

APT Allgas does not accept any liability for any costs incurred by a recipient in preparing or submitting a Tender. Participation in the Tender process is at the sole cost and risk of the recipient.

Correspondence and discussions: Any approaches to APT Allgas (including its directors, employees, officers, advisers, agents or contractors) during the Tender process must be made only in accordance with Conditions of Tender (see section 5).

Changes: Neither the delivery of the Tender Documents, nor any agreement made on the basis of the Tender Documents, may under any circumstances be taken to create any implication that there has been or will be no material change in the Tender Documents or the Tender process.

Acceptance of Conditions: Recipients of the Tender Documents acknowledge and accept each of the matters contained in this Disclaimer. Without limiting the rights of ATP Allgas, the submission of a Tender by a person will be taken to be acceptance of these conditions by that person.



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Section 1 – Overview

1. Invitation to Tender

APT Allgas Energy Pty Limited (ABN 52 009 565 446 - **APT Allgas**) invites Tenders for the civil and network construction contract services in each of the 3 Regions on the Queensland gas distribution Network (shown on the map which is **Annexure 1**) which is owned and operated by APT Allgas.

Tenders are invited for three (3) categories of contract – Polyethylene (**PE**) (Mains & Services), Mains Renewal Projects (by PE insertion) and Steel. The PE (Mains & Services) and Steel contracts are offered in each of the 3 Regions of the Network. The Mains Renewal Projects contract is offered only in the Central (Brisbane) Region. Details of the categories of contract are set out in clause 1, of Section 2 – “Scope”.

This Invitation to Tender is being issued to contractor businesses who have been short-listed by APT Allgas from the Expressions of Interest (**EOI**) process which was undertaken in April 2007.

The Conditions of Tender are contained in Section 5.

2. The Distribution Network

Background information about the distribution Network was provided in the EOI document and that information has not changed and will not be repeated in these Tender Documents.

3. Tender Documents

3.1 Tender Documents

APT Allgas has provided the Tender Documents to the Tenderer free of charge and no further copies will be available.

The Tender Documents have been provided in electronic form (Adobe PDF format). A printed copy will not be issued by APT Allgas.

Tender Documents shall be obtained only from APT Allgas. APT Allgas will not consider a Tender from any Tenderer who has obtained Tender Documents from any other source.

3.2 Confidentiality of a Tender

APT Allgas will treat each Tender as confidential and will not disclose any part of a Tender to another Tenderer. The Tender will be used only for the purpose for which it is submitted.

4. Tender – Key Information

4.1 Lodgement of Tenders and Tender Closing Time

The tender closing date and time is 3pm (Brisbane time) on Monday, May 21, 2007 (the **Tender Closing Time**). No extensions will be given.

Tenders are to be lodged in the Tender Box at the offices of GHD at Level 4, GHD House, 201 Charlotte Street, Brisbane, Queensland 4000.

4.2 Separate Tender for each Contract Category

If a Tenderer is tendering for more than one (1) category of contract, then a separate Tender is required for each category of contract. The Tender may be for 1 or more Regions for a particular category of contract.

4.3 Form and Content of Tenders

Four (4) printed copies of the Tender are required, together with an electronic copy on CD or DVD. Emailed copies will not be accepted.

The Tenders are to be submitted with a Tender Form (the format of which is in Section 3A – Tender Contents). The Tender Form must be signed by a Director or a Senior Executive of the contractor business.

The form and content of Tenders are set out in greater detail in Section 3 – Tender Contents.

4.4 Validity Period of the Tender

Tenders shall remain valid until July 31, 2007 (**Validity Period**).

4.5 Schedule for Tender Evaluation and Award

APT Allgas' indicative schedule for the Tender process is set out below. APT Allgas is not bound to adhere to this schedule and reserves the right to change the program at its discretion.

Tender evaluation commences	21 May 2007
Selection of preferred Tenderers	30 May 2007
Letter of Intent to successful Tenderers	19 June 2007
Inductions and pre-contract matters	21 June 2007
Award of the contract (issue letter of acceptance)	28 June 2007
Contract commencement	4 July 2007

4.6 Tender Deposit

No tender (or security) deposit is required.

4.7 Enquiries

Any enquiries are to be directed in writing to The Contracts Manager, APT Allgas Energy Pty Limited:

Fax No.: 07 3426 1665

Phone: 07 3426 1615

Email: aptcapitalcontracts@pipelinetrust.com.au

5. Acknowledgment of Tender by APT Allgas

APT Allgas may acknowledge receipt of the Tender. Any such acknowledgment shall not imply that the Tender is a Conforming Tender.

Section 2 - Scope

1. Scope of Works

There are three (3) categories of contract for which Tenders are invited. They are listed in the table below:

Contract Category	Contract Approach
PE (Mains & Services)	<p>Appoint 1 contractor in each Region on a Schedule of Rates basis to undertake projects of an estimated value of up to \$300,000.</p> <p>For projects over an estimated value of \$300,000, APT Allgas may call for competitive bids or otherwise allocate the work, at APT Allgas' discretion.</p> <p>It may be possible for 1 contractor to secure more than 1 Region, or all Regions; alternatively, there may be different contractors for each Region.</p>
Mains Renewal Projects (by PE insertion)	<p>Appoint a panel of contractors on a Schedule of Rates basis to undertake projects of an estimated value of up to \$300,000 in the central (Brisbane) Region.</p> <p>For projects over an estimated value of \$300,000, APT Allgas may call for competitive bids or otherwise allocate the work, at APT Allgas' discretion.</p> <p>The work will be allocated among the panel at APT Allgas' discretion.</p>
Steel (HPS, CL 150, CL 300, CL 600 & CL 900)	<p>Appoint a panel of contractors on a Schedule of Rates basis to undertake projects of an estimated value of up to \$300,000 in any of the three (3) Regions.</p> <p>For projects over an estimated value of \$300,000, APT Allgas may call for competitive bids or otherwise allocate the work, at APT Allgas' discretion.</p> <p>The work will be allocated among the panel at APT Allgas' discretion.</p> <p>It may be possible for 1 contractor to secure more than 1 Region, or all Regions; alternatively, there may be different contractors for each Region.</p>

Details of the works to be performed under each category of contract are set out in the schedules of activities for which Tenderers are required to price with a Schedule of Rates.

All work is to be performed in accordance with relevant Australian Standards and Industry Codes, and APT Allgas Standard Procedures which are set out in **Annexures 2(a) – 2(r)**. Tenderers must have a detailed understanding of these requirements, personnel with appropriate accreditations, and the necessary equipment.

APT Allgas will:

- (a) prepare and issue a scope of works;
- (b) perform all design work;
- (c) develop an environmental management plan for non-standard environmental issues;

- (d) obtain local authority approvals to construct the asset for all work to be performed under each contract;
- (e) establish supply procurement contracts for supply of materials that will form part of the Network for all works categories of contract (for example, pipe, joints etc), and pay the cost to the supplier. For Steel works, APT Allgas shall undertake the procurement and delivery of material to the Contractor's nominated supply point. For PE (Mains & Services) and Mains Renewal, the Contractor shall place orders and arrange delivery directly with the nominated supplier (For clarification, APT Allgas will pay the cost to the supplier of materials for all works categories of contract); and
- (f) undertake work that is not included in the scope for any contract. For clarity, all hot tap and stopple work will be performed by APT Allgas.

The Contractor will be responsible for:

- obtaining necessary day to day local approvals and permits required to do the Works (**Contractor's Authorisations**);
- executing the Works;
- providing all labour, plant and equipment required to execute the Works;
- providing all consumables required to execute the works, and order PE materials required for the Works; and
- placing orders and arranging delivery directly with the nominated supplier for PE (Mains & Services) and Mains Renewal.

The cost of Consumables shall be included within the rates in the Schedule of Rates.

The cost of the Contractor's Authorisations shall be reimbursed by APT Allgas.

The intended commencement dates for works under each of the contract categories are as follows:

- (a) PE (Mains & Services) and Steel, 4 July 2007. It is imperative that the Tenderer can be mobilised to commence works from that date; and
- (b) Mains Renewal, 1 October 2007.

2. Contract Terms

Each contract will be for an initial term of three years with the ability to be extended for a further two years (total term of five years). A rating system will be applied in the contracts to rate the Contractors, based on the Contractor's capability and performance. The Contractor's performance will also be regularly assessed against a set of key performance indicators (**KPIs**). An extension of the contract (for the two year term) will be influenced by the Contractor's performance against the KPIs and its rating during the three year term.

The rating system is explained in the document *APT Allgas Quality Assurance Requirements for Supply of Services – Annexure 2(p)* which is part of the Standard Procedures (refer to clause 3 below).

A separate contract has been developed for each contract category. The contracts are attached as **Annexures 3(a) – 3(c)**.

A copy of each contract has been provided in PDF format.

3. Specification – Standard Procedures

APT Allgas has developed detailed specifications, procedures, and requirements (collectively called **Standard Procedures**) which will apply to the Works categories as set out in the table below.

Copies of the Standard Procedures are **Annexures 2(a) – 2(r)**.

Standard Procedure		Contract Category		
Annexure Ref	Standard Procedure	PE	Renewal	Steel
2(a)	General Construction Specification	X	X	X
2(b)	APT Allgas Environmental Management System	X	X	X
2(c)	As Constructed Drawing Standard	X	X	X
2(d)	APT Queensland Safety Manual	X	X	X
2(e)	APT Queensland Guide to Accident Prevention	X	X	X
2(f)	APT Queensland Gas Safety Non-Negotiables	X	X	X
2(g)	SWP 61 – Civil Works for Underground Distribution Networks	X	X	X
2(h)	SWP 71 – Investigation and Installation of Domestic Gas Supply	X	X	
2(i)	SWP 75 – Construction of Underground Gas Distribution System	X	X	X
2(j)	SWP 75.1 – Rehabilitation of Gas Distribution Networks		X	
2(k)	SWP 76 – Commissioning and Access to the Gas Distribution Network	X	X	
2(l)	SWP 86 – Gas Distribution Polyethylene Pipeline Construction	X	X	
2(m)	SWP 87 – High Pressure Gas Steel Pipeline Construction			X
2(n)	SWP 88 – Provision of Gas Welding Services			X
2(o)	APT Allgas Customer Care Requirements	X	X	X
2(p)	APT Allgas Quality Assurance Requirements for Supply of Services	X	X	X

2(q)	Underground Distribution Construction Manual	X	X	X
2(r)	Drawings DB701/1, DB745/1, DB745/2, DB745/3, DB745/4, DB746/1, DB874/5, DB874/6, DB874/12, DB874/14, DB944/5, DB949/1, DB949/2, SR-CE-1000, SR-EE-1000			X
2(s)	Drawings DB747/2, DB940/1, DB944/5, 14487-A3	X		
2(t)	Drawings DB747/2, DB940/1, DB944/5, DB1058-1, DB1059-1, 14487-A3		X	

4. Schedule of Rates

A separate schedule of activities has been developed for each contract category. A Tender must contain a Schedule of Rates (in Microsoft Excel format) for each of the activities listed in the schedule of activities for the applicable contract category and Region. The rates will be the sole remuneration to the Contractor for the Works.

The schedules of activities are contained in separate Microsoft Excel workbook files which accompany the Tender Documents, and are included in the Tender Documents as **Annexures 4(a) – 4(c)**.

The pricing approach adopted for contracts that exceed the value threshold (\$300,000) will be determined by APT Allgas in its discretion, and may be established through a competitive process, a negotiated process or allocated on rates, at APT Allgas' discretion. No commitment is made or understanding is given that a Contractor will receive any favourable consideration for the 'competitive works'.

5. Estimated quantities

The following table contains APT Allgas' current estimates of the aggregate quantity of work (across all 3 Regions) for each contract category over the next 5 years. The actual amount of work will be dependent on market forces and the condition of the network and APT Allgas makes no warranty or commitment that these quantities will materialise.

PE Services – Aggregate by Region (works to commence 4 July 2007)

Number of new customer connections	07/08	08/09	09/10	10/11	11/12
Central Region	1450	1550	1600	1800	2000
Southern Region	1250	1350	1600	2000	2500
Western Region	300	300	300	300	300
Aggregate	3000	3200	3500	4100	4800

PE Mains – By Region (works to commence 4 July 2007)

Lineal meters of new PE mains to be laid	07/08	08/09	09/10	10/11	11/12
Central Region headworks (requires trenching)	18,650	22,000	21,500	22,400	25,200
Southern Region headworks (requires trenching)	22,650	26,600	26,100	27,300	30,500
Western Region headworks (requires trenching)	3,100	3,600	3,600	3,700	4,200
Central Region internal reticulation (trench provided)	23,150	25,000	27,700	32,600	38,600
Southern Region internal reticulation (trench provided)	28,100	30,300	33,600	39,600	47,000
Western Region internal reticulation (trench provided)	3,850	4,200	4,600	5,400	6,500
Aggregate of new PE mains	99,500	111,700	117,100	131,000	152,000

Mains Renewal – Central Region only (works to commence 1 October 2007)

	07/08	08/09	09/10	10/11	11/12
(Lineal) Meters	30,000	56,500	57,700	55,000	47,500

Steel - aggregate across all Regions (works to commence 4 July 2007)

	07/08	08/09	09/10	10/11	11/12
Number of new customer connections	18	18	18	18	18
(Lineal) Meters of new mains	10,300	14,500	11,200	3,000	16,000

6. Emergency response service

APT Allgas will provide the primary emergency response capability for the Network. There may be occasions when APT Allgas is unable to respond in adequate time.

APT Allgas is seeking the option to include in the contract either or both of an ‘on-call’ and an ‘as available’ emergency response service for PE (Mains & Services) in all Regions. The service requirements for both service would be the provision of plant, equipment and personnel. The utilisation of this service would be minimal to low.

The service would be provided outside of ‘customary’ working hours at times when the APT Allgas crew is not able to respond:

4:00PM – 7am Monday – Friday (non public holidays)

4:00PM Friday – 7am Monday

24 hours/day for Sundays and public holidays.

APT Allgas’ is seeking prices for these services:

On-call service:

A minimum call-out commitment of 1 day, at a daily charge and utilisation based on a Schedule of Rates

As available service:

Utilisation based on a Schedule of Rates

Section 3 – Tender Contents

1. Form and content of tender

1.1 Format

- (a) A separate Tender is required for each contract category,
- (b) The Tender shall be enclosed in a sealed envelope marked:
 “Tender for APT Allgas Capital Contract - Gas Distribution System 2007”
 [Insert the contract category for which the Tenderer is tendering]
 Name of Tenderer
- (c) The Tender shall be lodged in a printed hard copy format (4 copies of which are required) and in an electronic format (in PDF and an editable format – Word & Excel) on DVD or CD medium. In the event of any inconsistency between the printed hard copy and the electronic copy, the printed hard copy prevails;
- (d) The Schedule of Rates must be submitted in Microsoft Excel workbook files, with a separate file for each contract category. Multiple Regions may be included in separate columns in the same worksheet;
- (e) No password protection is to be applied to any document submitted electronically. Excel files must not be submitted in read only format;
- (f) The electronic Tender shall be readable using Microsoft Office 2003 suite of programs (or earlier version). Any drawings shall be readable using commercially available design software;
- (g) APT Allgas may request the Tenderer to provide, at the Tenderer’s cost, a licensed copy of any non-Microsoft Office software program that is required to read the electronic Tender if the electronic Tender is not readable by APT Allgas because it is not lodged in accordance with the requirements of this clause and APT Allgas does not have a licensed copy of the required software;
- (h) The printed hard copy Tender shall be bound in substantial folders with consecutively numbered pages indexed to facilitate reference.

1.2 Presentation

The Tender (both printed and electronic versions) for each contract category shall be compiled in sections and in the following order:

- (a) the signed Tender Form (refer to **Schedule 3A** of this Section 3);
- (b) an executive summary to include Tenderer’s relevant experience and safety credentials, and its resource and execution mobilisation plans for undertaking the works;
- (c) the Schedule of Rates for the contract for which the Tender is submitted;

- (d) description of discount factors (as required in clause 2.9), and rates escalation or adjustment factor (if any) and any additional explanation of the pricing in the Schedule of Rates (if required);
- (e) structure and corporate information as required by clause 2.1;
- (f) capability and experience as required by clause 2.2;
- (g) resource and execution plan material as required by clause 2.3;
- (h) program for mobilisation as required by clause 2.4;
- (i) business systems and quality assurance systems as required by clause 2.5;
- (j) safety management plan as required by clause 2.6;
- (k) environmental management plan as required by clause 2.7;
- (l) industrial relations management plan as required by clause 2.8(a);
- (m) details of Insurances as required by clause 2.10;
- (n) details of any litigation or disputes as required by clause 2.11;
- (o) details of the emergency response service and prices that the Tenderer as required by clause 2.12 (required for PE (Mains & Services) only);
- (p) any other supporting information; and
- (q) any exceptions or modifications to the Contract terms. A summary shall be included of the major issues. Any exceptions or modifications shall be marked in the (PDF version) contract as comments.

NOTE: If Tendering for more than 1 contract category (that is, more than 1 Tender is being submitted) then the following information shall be submitted once only (ie. does not need to be submitted in each Tender):

- (a) structure and corporate information;
- (b) business systems and quality assurance systems that are common to both categories of work;
- (c) safety management plan;
- (d) environmental management plan;
- (e) industrial relations management plan;
- (f) details of insurances; and
- (g) details of any litigation or disputes.

2. Information to be included in the tender

Each Tender shall contain the information requested in this clause 2. The Tenderer may have provided some or all of this requested information in its EOI response, however the information shall again be provided in detail. The Tenderer shall highlight any changes to the information or approach that it provided in its EOI response.

When providing the information, refer where applicable to the particular APT Allgas Standard Procedure to which it is relevant, and the matter that the information is intended to address.

2.1 Structure and Corporate Information

The Tenderer may be a joint venture of businesses. Where there is a joint venture, partnership or like arrangement, advise the nature of the association and its legal structure.

If the Tenderer is a corporation trading as a business name, the Tender shall identify the names and address of all proprietors and the address of place of business.

Where the Tenderer is more than 1 company, the Tender shall provide the following for each company that comprises the Tenderer:

- (a) Date and place of formation, ABN, place of business, names of officers and majority shareholders;
- (b) Where the Tender is part of a corporate group, details of the group, the Tenderer's position within the group, and the technical and financial support available to the Tenderer from within the group;
- (c) Information to demonstrate the technical and financial capability of the Tenderer to perform the contract including the following:
 - (i) a copy of its latest available authorised financial statements (of each entity comprising the Tenderer); and
 - (ii) financial statements covering the two previous years, together with any relevant supporting information, which might assist the APT Allgas in the evaluation of the Tenderer's financial capacity to meet its obligations under the contract.

The Tenderer acknowledges that APT Allgas will want to undertake due diligence on its financial position and other matters, and authorise APT Allgas to obtain references from its banker and trade creditors/suppliers.

To assist with evaluation, the Tenderer is to complete and include **Schedule 3B** (to this Section 3) in the Tender.

2.2 Capability and Experience

- (a) The Tenderer's capability, and experience, at undertaking works of a similar type and magnitude (gas main construction in urban areas) in the relevant contract work category;
- (b) Demonstrate the Tenderer's competency in work of a similar type and magnitude (gas main construction in urban areas) in the relevant contract work category;

- (c) The Tenderer's track record in contracting that work of a similar type and magnitude (gas main construction in urban areas) in the relevant contract work category;
- (d) A description of 6 projects/works the Tenderer has undertaken in the last 3 years. Include the name of the client/Principal and the names and contact number of the project manager for the project/works;
- (e) A description of the current projects/works the Tenderer is presently engaged on. Include the name of the client/Principal and the names and contact number of the project manager for the project/works;
- (f) Details of knowledge and experience of working with the relevant Australian Standards or APT Allgas Standard Procedures.

To assist with evaluation, the Tenderer is to also complete and include **Schedule 3C** (to this Section 3) in the Tender. The Tenderer should amend the Schedule as required to include the required information.

2.3 Resource and Execution Plan

- (a) Details of how the Tenderer proposes to manage, co-ordinate, and carry out the works by its own workforce and/or utilising sub-contractors.
- (b) A resource plan that describes committed resources (field crews, tools, plant, equipment, office staff and senior management) to service the needs of the contract.
- (c) Provide details of key personnel who are to be deployed to undertake the works as follows (note that APT Allgas' approval will be required to change or re-deploy any of the key personnel who Contractor nominates will be in place at the commencement of the contract):
 - (i) Identify the key personnel and in particular, the following, and provide an organisation chart showing how the key personnel fit in the organisation:
 - Contract manager/administrator;
 - Works superintendent;
 - Site foreman;
 - Project manager (where applicable);
 - Workplace health & safety officer;
 - Environmental officer;
 - Audit officer & materials traceability officer;
 - Quality manager;
 - PE welders & steel welders (as applicable);
 - Qualified plant/machinery personnel; and
 - Enquiries & complaints administrator.
 - (ii) Provide the names, qualifications, experience and training of the key personnel;
 - (iii) The names, addresses of the subcontractors whom it is intended to be engaged to undertake the contract Works, and details of the subcontractor's competency, and its experience in work of similar type, magnitude and urban environment (that is, the same details set out in clauses 2.2 (a) (b) & (c), and clause 2.3(c)(i) above);

- (iv) If a subcontractor for a particular item of work has not been selected, include a list from which the subcontractor is to be selected;

All personnel on site will be required to have current blue cards (induction course in general safety construction industry). Please indicate any personnel who will not have these by the required work start date.

APT Allgas reserves the right to hold discussions, in the presence of the Tenderer, with any proposed subcontractor.

- (d) Advise the name of the Tenderer's training service providers;
- (e) The Tenderer shall also provide in the Tender details of material systems and/or interface processes that it would need to establish to interface with APT Allgas, and its anticipated requirements of APT Allgas for these systems/interfaces; and
- (f) Provide a statement about the Tenderer's philosophy on supervision of works.

The Tenderer is to also complete and include **Schedules 3D and 3E** (to this Section 3) in the Tender. The Tenderer should amend the Schedule as required to include the required information.

2.4 Plan for mobilisation

- (a) Detail how the Tenderer can be mobilised to commence works as required:
 - (i) PE (Mains & Services) and Steel by the required contract start date of 4 July 2007; and
 - (ii) Mains Renewal work is not required until 1 October 2007.
- (b) In particular, provide details of:
 - (i) mobilisation strategy eg sub-contractors, employees, relocations etc; and
 - (ii) estimated time to mobilise PE personnel, Steel personnel and Supervision.

2.5 Business Systems and Quality Assurance

- (a) Details of the business management systems that the Tenderer has in place which are relevant to the work (eg steel/materials tracking system, training systems, job management system, enquiry and complaints logging system, audit system, inventory management). Provide, as a sample, a copy of 1 such system which has not been requested elsewhere in this Section 3.
- (b) Details of proposed work methodology with respect to:
 - (i) works order management;
 - (ii) documentation and reporting;
 - (iii) supervision for each Region and specialised jobs;
 - (iv) process / final product audit plan;

- (v) training standards and methods;
 - (vi) peak workload management;
 - (vii) safety;
 - (viii) environment; and
 - (ix) resourcing Methodology.
- (c) A copy of the written procedures that comprise its material tracking system (relevant only to steel);
- (d) A completed **Schedule 3F** (to this Section 3) is also required and provide copies of the documents referred to in that Schedule which the Tenderer has (the Tenderer should amend the Schedule as required to include the required information);
- (e) A copy of the Tenderer's quality audit procedures. These shall include but are not limited to:
- (i) roles and responsibilities for auditing;
 - (ii) a documented audit program;
 - (iii) a documented process for determining audit frequency; and
 - (iv) documented audit check sheets that address, risk assessments, safety, work quality, customer standards.
- (f) Details of quality assurance audits carried out on or by the Tenderer and its major subcontractors during the past 3 years, and a summary of the results of those audits.

2.6 Safety Management Plan

- (a) A detailed statement of the Tenderer's safety record, and the record of its proposed key sub-contractors over the preceding two years including:
- (i) the number of critical incidents per 1,000 hours;
 - (ii) LTIFR - lost time injury frequency rate; and
 - (iii) LTISR – lost time injury severity rate.
- (b) A copy of the Tenderer's safety policy signed and dated by a responsible officer of the Tenderer, and the Tenderer's documented occupational health & safety procedures;
- (c) An outline of the proposed safety management plan/program for the performance of the Contract works, which shall address how it will comply with the Standard Procedures *APT Queensland Safety Manual (Annexure 2d)* and *APT Queensland Gas Safety Non-Negotiables (Annexure 2f)*. (Tenderers should note that such a plan is required under clause 10 of the Contract).

The safety management plan shall include, but not limited to:

- (i) hazard control measures;

- (ii) requirements for personal protective equipment;
- (iii) generic and site specific risk assessments;
- (iv) monitoring compliance to legal and work practice standards; and
- (v) reference to the *APT Allgas Safety Non-Negotiables (Annexure 2(f))*.

2.7 Environmental Management Plan

- (a) A detailed statement of the Tenderer's environmental performance over the last 2 years as a minimum period (eg advise any non-compliance events);
- (b) A copy of the Tenderer's environmental policy signed and dated by a responsible officer of the Tenderer and the Tenderer's documented environmental procedures;
- (c) An outline of the proposed environmental management plan/program for the performance of the Contract works, which shall address how it will comply with the Standard Procedure *APT Allgas Environmental Management System (Annexure 2(b))*. (Tenderers should note that such a plan is required under clause 10 of the Contract).

The environmental management plan shall include reference to, but not limited to:

- (i) Vegetation (Declared Plants Management);
- (ii) Noise Management;
- (iii) Land – Site Management (Containment of materials and waste including excavated soils and excavation water);
- (iv) Fire Ant Precaution;
- (v) Sediment and Dust Control;
- (vi) Acid sulphate soil management; and
- (vii) Hazardous Substances.

2.8 Industrial Relations Management Plan

Details of:

- (a) How industrial relations will be managed during the contract term by the Tenderer and key sub-contractors;
- (b) The industrial relations record of the Tenderer and key sub-contractors over the last 5 years; including:
 - (i) number of disputes; and
 - (ii) man hours lost due to disputes.

2.9 Prices and Rates

A Schedule of Rates for each schedule of activity applicable to the relevant contract category and Region, and any proposed escalation factor.

Nominate a discount rate that is to apply to the Schedule of Rates for individual projects as follows:

- (a) PE (Mains & Services) discounts to apply to projects with an actual value greater than \$100,000, \$200,000 and \$400,000; and
- (b) Mains Renewal and Steel discounts to apply to projects with an actual value greater than \$200,000 and \$400,000.

The prices are not to be subject to adjustment for variations (rise and fall) in costs or any other contingency. Prices may be made subject to escalation referenced to inflation, and any proposed escalation is to be included.

2.10 Insurances

- (a) Details of insurances currently held by the Tenderer:
 - (i) type of insurance cover & policy numbers;
 - (ii) name of insurer;
 - (iii) the insured amount (or limit), whether that is per event or in aggregate, and the deductible (or excess); and
 - (iv) expiry date.
- (b) Details of the Tenderer's claims record for property damage and liability cover.

2.11 Litigation or Disputes

Details of any litigation or contract disputes which the Tenderer, or any of its key sub-contractors, have been involved in over the last 3 years.

2.12 Emergency Response Service

Advise what level of service (plant, equipment, personnel, and times) that the Tenderer is prepared to offer, call-out rates, and rates for utilisation for each applicable Region.

2.13 Efficiencies

APT Allgas is seeking to gain the benefit of efficiencies and cost reductions that the Tenderer is able to identify (without compromising quality) and the Tenderer is requested to put forward:

- (a) any changes to the approach to contracting and undertaking the works which the Tenderer considers could be implemented to save on cost or time, and
- (b) the estimated savings or benefits in adopting the suggested approach, and an amended Schedule of Rates reflecting the savings (if applicable).



2.14 Schedules

The Tenderer shall complete and submit as part of the Tender all of the Tender Form and Schedules that are referred to in this Section 3, and all of the information required by the Tender Documents to be submitted together with any additional information considered necessary to support the Tender.

2.15 Language and Units Of Measurement and Standards

The Tender, together with any documents submitted by with the Tender, shall be written in the English language and measurements and quantities shall be in units consistent with the provisions of the *National Measurement Act 1960* and subsequent amendments.

The Australian Standard Publications referred to in the Tender Documents (if any) are obtainable from the Standards Association of Australia.

3. Tender price and rates

3.1 Currency

All Tender prices and rates shall be expressed in Australian Currency.

3.2 GST

The rates and prices to be submitted as part of the Tender shall be EXCLUSIVE OF GST.

Clause 18 of each contract expresses the obligations of APT Allgas and the Contractor as they relate to the payment or re-imburement of any GST.

4. Signing and completion of the tender

4.1 Tenderer's Details and Signing

The Tender Form, Schedules and all other places where provision is made for the purpose, shall be signed by the Tenderer.

4.2 Joint Tenders

Where a Tender is lodged in the name of two or more persons or corporations either by way of joint venture, partnership or otherwise irrespective of the relationship between the parties, each such person or corporation shall be jointly and severally bound by the terms of the Tender and, if the Tender is accepted, be jointly and severally bound by the terms of the contract.

4.3 Alterations

Any alteration in the Tender shall be initialled by the Tenderer.

Schedule 3A

TENDER FORM
Tender for Natural Gas Capital Contracting 2007
Queensland Gas Distribution Network

TENDER FOR: [State the category of the contract & the Region(s)]

CLOSURE TIME FOR TENDERS – 3PM (Brisbane Time), May 21 2007

Under and subject to the Conditions of Tender, I/we, the undersigned, having read all the Tender Documents, do hereby tender for and offer to execute and perform the several works and provision and supply all materials and labour and everything of every kind respectively named, shown, described and alluded to in the Tender Documents for the amounts set out in the Schedule of Rates included in this Tender.

TENDERER'S DETAILS (name):

.....

ADDRESS:

.....POST CODE.....

TELEPHONE NO: FAX NO:

Execution:

DATED May 2007

Authorised Signatory:



Schedule 3B - Financial and Corporate Information

Provide the following:

- Corporate Registration Details (of each party comprising the Tenderer):

Date of Incorporation / /

Country of Incorporation

Australian Business Number (A.B.N)

- Name of the parent company and relationship to Tenderer:

.....

- Name of majority shareholder(s):

.....

- Tenderer's Banker (Please Nominate Branch and advise name and phone number of the personal banker, or relationship manager):

.....

- Current major suppliers to the Tenderer:

<u>Material</u>	<u>Amount</u> \$	<u>Name of Supplier</u>	<u>Terms</u> (Eg. 30 Days)
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

DETAILS OF SIGNATORY	Name of Person Signing Tender Form	
	Position Held or Details of Authority to Sign Tender Form	
SIGNATURE	Signature	Date



Schedule 3C – Experience and Capability

1. Record of contracts for similar work undertaken in the previous three years:

Description (Size/Location)	Principal (include name & contact number of project manager)	Contract Duration	Value

2. Record of Current Work in Progress:

Description (Size/Location)	Principal (include name & contact number of project manager)	Anticipated Date of Completion	Value

DETAILS OF SIGNATORY	Name of Person Signing Tender Form	
	Position Held or Details of Authority to Sign Tender Form	
SIGNATURE	Signature	Date

Schedule 3D – Personnel Experience and Capability

OPERATOR EXPERIENCE

Provide a list of the names of Operators and years of experience in Supervision, PE welding and Steel Welding. Supervision experience must be related to the specific work in the construction contract category within developed areas. (NOTE: add additional tables if required).

	Permanent Staff	Sub Contract
Supervision 1 - 4 years 4 - 7 years Over 7 years		
PE Welding 1 -5 years 5 – 10 years Over 10 years		
Steel Welding 1 -5 years 5 – 10 years Over 10 years		

COMPETENCIES

For each of the relevant personnel to be engaged in the works, indicate which of the following competencies they have (NOTE: add additional tables if required):

Supervisor Competencies

	Name of supervisor	Name of supervisor	Name of supervisor	Name of supervisor
Viro 1				
Viro 2				
Viro 3				
Viro 4				
Fire Ant awareness				

Operator Competencies

	Name of operator	Name of operator	Name of operator	Name of operator
Confined space entry				
Roadway warning signs				
Shoring				
Resuscitation				

Operator Statutory obligations

	Name of operator	Name of operator	Name of operator	Name of operator
Heavy vehicle licence Appropriate plant/machinery competencies backhoe skid steer loader trenchers				

Polyethylene Welders

	Name of welder	Name of welder	Name of welder	Name of welder
Current certification in PE welding				

Steel Welders:

	Name of welder	Name of welder	Name of welder	Name of welder
Exothermic weld training Metal arc welding qualifications				

If any of these competencies are not currently available describe what training would be required, the training program and timing.

DETAILS OF SIGNATORY	Name of Person Signing Tender Form	
	Position Held or Details of Authority to Sign Tender Form	
SIGNATURE	Signature	Date

Schedule 3E – Availability of Plant & Equipment

1. List the major and critical items of plant and equipment to be used in the works which is owned or leased by the Tenderer.
2. List the number held or available to the Tenderer for the works of the following items of plant, tools and equipment which are required for PE (Mains & Services) and Mains Renewals works. If the Tenderer does not have any of, or adequate of, these then advise the plan to secure or acquire them and timing:
 - Impact/thrust boring equipment
 - Squeeze off units
 - Pressure testing equipment
 - pneumatic
 - charts/data loggers
 - WASK flow stop equipment
 - Pipe cutting equipment
 - Compaction tools
 - Automatic butt fusion equipment
 - Automatic electro fusion equipment
 - 5KVA regulated output voltage generator (1 required per electro fusion unit)
 - Excavation and earthmoving equipment
3. List the number held or available to the Tenderer for the works of the following items of plant, tools and equipment which are required for Steel works:
 - Flat bed boring equipment
 - Pressure testing equipment
 - hydrostatic
 - pneumatic
 - data loggers
 - Pipe cutting equipment
 - Compaction tools
 - Welding Rig
 - Excavation and earthmoving equipment
4. List the number held or available to the Tenderer for the works of the following items of specialised safety equipment:
 - Specialised Gas PPE
 - BA equipment
 - Confined space entry equipment
 - Flame retardant overalls for live gas application
5. Provide details of equipment and sourcing arrangements for the following:
 - Excavation equipment
 - Boring equipment
 - PE welding equipment
 - WASK Flow stop equipment
 - Confined Space entry equipment
 - Pneumatic test equipment
 - Pneumatic and Hydrostatic test equipment (for steel)



DETAILS OF SIGNATORY	Name of Person Signing Tender Form	
	Position Held or Details of Authority to Sign Tender Form	
SIGNATURE	Signature	Date

Schedule 3F – Quality Assurance Information

PART A - TENDERER'S QUALITY ASSURANCE STANDARD

1.	Do you have a Quality Assurance System in place?	YES Go to Question 2.	NO Go to Question 5.
2.	Is your System certificated by an accredited Certification Body or independent auditing body?	YES Attach copy of Certificate and Capability Statement. (No further questions for Part A)	NO Go to Question 3.
3.	Has your system been audited by an Australian Government Agency and an interim QA status such as Substantial Implementation (SI) granted?	YES Attach copy of Letter of SI or other applicable documentation. (No further questions for Part A)	NO Go to Question 4.
4.	Is your system fully implemented and ready for audit?	YES Quality Standard addressed: (No further questions for Part A)	NO Go to Question 5.
5.	Have you a partially implemented Quality Assurance System in place?	YES Quality Standard addressed: Percentage completed:% Attach implementation schedule. (No further questions for Part A)	NO Go to Question 6.
6.	Do you intend to establish and implement a Quality Assurance System in the near future?	YES Quality Standard to be addressed: Attach implementation schedule.	NO

Part B - SUBCONTRACTORS QUALITY ASSURANCE

1.	Do you intend to use Subcontractors during this contract?	YES Go to Question 2.	NO
2.	Does your Subcontractor(s) have a Certificated Quality Assurance system in place?	YES Attach copy of Certification and Capability Statements for each.	NO Go to Question 3.
3.	Have you evaluated your Subcontractor(s) to confirm compliance with the specified Quality Assurance Standard?	YES Provide details below of the methods used for performing the evaluations.	NO



Details of Evaluation of Subcontractors (attach appropriate documentation as verification):

.....

.....

.....

.....

.....

.....

Part C - QUALITY ASSURANCE DOCUMENTATION

1.	Do you have:	A Company Quality Manual?	YES	NO
		A recent Contract Quality Manual?	YES	NO
		Documented Quality System Element Procedures?	YES	NO
		A sample Inspection and Test Plan?	YES	NO
		A recent Internal Quality Audit Report?	YES	NO
		A recent External Quality Audit Report?	YES	NO
2.	Are you prepared to provide any or all of the documents in C1 above to the APT Allgas on request to assist in the evaluation of the Tender?		YES	NO

DETAILS OF SIGNATORY	Name of Person Signing Tender Form	
	Position Held or Details of Authority to Sign Tender Form	
SIGNATURE	Signature	Date



Section 4 – Tender Evaluation

1. Evaluation

Tenders may be evaluated on the following criteria:

- (a) Value for Money/Cost: An assessment of the Schedule of Rates submitted.
- (b) Capability: An assessment of the Tenderer’s capability including but not limited to:
 - (i) Tenderer’s ability to carry out the work;
 - (ii) Ability to comply with the technical standards;
 - (iii) Availability of key personnel and appropriate staff (including a process for engagement or hire of staff);
 - (iv) Personnel training; and
 - (v) Availability of suitable tools, plant and equipment.
- (c) Mobilisation Plan: The mobilisation plan is a fundamental consideration of each Tender. The mobilisation plan needs to demonstrate the capacity of the Tenderer to establish sufficient resources to meet the contract obligations and be able to start works by the nominated dates.
- (d) Performance: Reference checks of the Tenderer’s track record of performance in contracts (past and present) of similar magnitude and complexity shall be undertaken. This will include:
 - (i) Standards compliance;
 - (ii) Philosophy on supervision, safety, quality and systems;
 - (iii) On time performance; and
 - (iv) On budget and cost performance.
- (e) Management Systems: In particular, the following systems and plans will be assessed:
 - (i) Quality Assurance Management Systems;
 - (ii) Safety Management Plan;
 - (iii) Process/Final Product Assessment Plan; and
 - (iv) Environmental Management Plan.
- (f) Due diligence analysis: APT Allgas shall conduct a due diligence analysis, of Tenderers as part of the tender evaluation process. The due diligence analysis shall include, but not limited to:

- (i) Financial position and stability;
 - (ii) Litigation history; and
 - (iii) Industrial Relations history.
- (g) The time and quality of responses from the Tenderer to requests for additional information.
- (h) Overall: APT Allgas' overall assessment of the Tenderer.

APT Allgas will allocate a rating and assessment score for a Tenderer in accordance with the process set out in the *APT Allgas Quality Assurance Requirements for Supply of Services – Annexure 2(p)*.

APT Allgas may accept the Tender or Tenders that, on a view of all the circumstances, appear to APT Allgas to best fulfil these criteria and are the most advantageous to, and creates the greatest value for, APT Allgas.

APT Allgas may also depart from these evaluation criteria at its discretion.

Section 5 - Conditions of Tender

1. Interpretation

1.1 General

- (a) Meanings assigned to words and expressions in the contract conditions shall apply to those words and expressions elsewhere in the Tender Documents. The defined terms below have those meanings when used in other parts of the Tender Documents;
- (b) In the Conditions of Tender references to APT Allgas shall include agents, employees and representatives of APT Allgas and references to the Tenderer shall include agents, employees and representatives of the Tenderer;
- (c) The clause and sub-clause headings in the Conditions of Tender shall not form part of the Conditions of Tender and shall not be used in the interpretation of the Conditions of Tender;
- (d) Words in the singular include the plural and words in the plural include the singular, according to the requirements of the context. Words importing a gender include every gender; and
- (e) If any part of the Conditions of Tender is or becomes illegal, invalid or unenforceable, the legality, validity or enforceability of the remainder of the Conditions of Tender will not be affected and the Conditions of Tender will read as if the part had been deleted.

1.2 Definitions

Expressions which are used in any other part of the Tender Documents have those meanings when used in these Conditions of Tender.

‘Conditions of the Contract’ means the terms and conditions of the Contract.

‘Conditions of Tender’ means these conditions of tendering, which includes Sections 1 to 5 .

‘Conforming Tender’ has the meaning given to it by clause 5.1.

‘consumables’ means:

- (a) consumable items, including but not limited to motor fuels, lubricants, hacksaw blades, soap, gas for welding and cutting, pipe end seals, weld electrodes, brazing solder, glues, cleaning wipes or fluids, rags, thread sealant, pipe spacers/thinsulators, cutting and grinding blades, fulla foam, exothermic weld cartridges and copper sleeves, wire and cable connections and ropes that are used in performing the Works but do not form part of the pipe or asset that is being constructed; and
- (a) materials which form part of the asset being constructed but are minor in nature. These include but are not limited to screws, dyna bolts, plastic grommets, nipples, unistrut brackets, pipe clips and clamps and, for any single item with a cost less than \$50 (not specified previously as Principal supplied). Copper pipe and fittings shall be supplied by the Contractor in all circumstances irrespective of cost.

‘Contractor’ means the successful Tenderer appointed pursuant to the Conditions of Tender.

‘Final Contract’ means the contract to be finalised by APT Allgas during the tender process and executed by APT Allgas and the successful Tenderer pursuant to clause 11.

‘Intellectual Property Rights’ means copyright, patents and all rights in relation to inventions, registered and unregistered trademarks (including service marks), and all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields.

‘Invitation to Tender’ means this invitation to Tender.

‘Regions’ means the areas of the Queensland gas distribution network as shown on the map attached as **Annexure 1**.

‘Schedule of Rates’ means the rates to be submitted by the Tenderer.

‘Tender’ means an offer submitted by a Tenderer.

‘Tender Agreement’ means the agreement between APT Allgas and the Tenderer, the terms and conditions of which are defined by these Conditions of Tender and the Tender Documents.

‘Tender Documents’ means all documents issued by APT Allgas or referred to in this Document for the purposes of tendering, which includes any written clarifications issued by APT Allgas pursuant to clauses 8 or 15 or otherwise.

‘Tenderer’ means:

- (a) a person issued with Tender Documents; or
- (b) a person who has lodged a Tender.

‘Tender Form’ means the form as set out in Schedule 3A of Section 3.

‘works’ or ‘Works’ means the services to be provided by the Tenderer as defined in the Tender Documents.

2. Selection of Successful Tenders

APT Allgas will select the successful Tenderers in its complete discretion, and will not entertain any question or review of its selection of the successful parties, and will not provide any feedback sessions to unsuccessful parties.

3. Tender Agreement

3.1 Formation of Tender Agreement

In consideration of:

- (a) APT Allgas inviting Tenders for the works;
- (b) APT Allgas agreeing to deal with and evaluate the Tender in accordance with these Conditions of Tender; and

- (c) the submission of the Tender by the Tenderer,

the Tenderer and APT Allgas agree to be bound by the Tender Agreement.

3.2 Termination for Convenience

- (a) APT Allgas may in its sole discretion terminate the Tender Agreement for its convenience at any time by giving written notice to the Tenderer.
- (b) If APT Allgas exercises its rights pursuant to clause 3.2(a), APT Allgas shall not be responsible to the Tenderer for any loss, costs, expenses, demands or liability relating to the preparation or lodgement of the Tender or the termination of the Tender Agreement or otherwise be liable to the Tenderer.

3.3 No withdrawals

The Tender shall not be withdrawn or amended during the Validity Period without APT Allgas' consent.

3.4 Costs

The Tenderer acknowledges that:

- (a) there have been no representations made to it in relation to any form of reimbursement of its costs of preparation of the Tender; and
- (b) APT Allgas is not, under any circumstances, in any way liable to the Tenderer and the Tenderer has no claim against APT Allgas for its costs of preparation of the Tender.

4. Lodgement of Tenders

- (a) Tenders must be lodged by:
- (i) post or recognised carrier, addressed to; or
 - (ii) otherwise, delivered to the office of,

GHD, GHD House, Level 4, 201 Charlotte Street, Brisbane.
- (b) Tenders shall not be sent or transmitted direct to APT Allgas, or by telephonic, facsimile or other electronic means. Any Tender received by such means will not be considered for acceptance.
- (c) APT Allgas will not admit for consideration any Tender NOT received by APT Allgas in accordance with this clause 4 unless there is evidence satisfactory to APT Allgas in its sole discretion that, without limitation:
- (i) the Tender was dispatched for delivery to the place for the lodgement of Tenders in sufficient time to reach that place in the normal course of delivery;
 - (ii) the Tender was in course of delivery at time of the opening of Tenders,
- and if in the sole discretion of APT Allgas no other reason for the rejection of the Tender exists relating to the circumstances.

- (d) APT Allgas, in its sole discretion, may consider, accept, or reject a Tender received which does not comply of this clause 4 no matter what the reason is for the non-compliance.

5. Conforming and alternative Tenders

5.1 Conforming Tender

The Tenderer is required to submit a “Conforming Tender” which shall comply with each of the following:

- (a) The works and the contractual and commercial conditions offered (if any) shall be in accordance with the Tender Documents; and
- (b) The Tender shall comply with these Conditions of Tender and any other tendering requirements stated in the Tender Documents.

5.2 Alternative Tenders

- (a) Alternative Tenders may be submitted provided that a Conforming Tender has also been submitted. However, an alternative Tender must address all of the items in the scope. Any alternative Tender must provide some anticipated benefit to APT Allgas, eg. in technical or monetary terms, and that such alternative approach and benefit are clearly stated in the alternative Tender.
- (b) Each alternative Tender shall:
- (i) be on separate Tender Forms and schedules and be clearly identified as an “Alternative Tender for [Contract]”;
- (ii) include a completed set of Tender Forms and Tender Schedules;
- (iii) clearly identify:
- (A) the alternatives to and departures from the Tender Documents. These alternatives and departures shall be listed in a separate section of the Tender titled “Alternatives and Departures from the Tender Documents”;
- (B) the alternatives and departures shall be detailed in the same order as the Tender Documents, and
- (C) the price or Schedule of Rates, which shall be fully detailed in an appropriate price schedule or schedule of rates;
- (iv) in addition to 5.2(b)(iii)(C), for comparison, provide the price information of the corresponding item specified in the Tender Documents as included in the Conforming Tender.
- (c) If the inclusion of an alternative item or departure is dependent on other items being included or excluded, then these dependencies shall be detailed.

5.3 General Statements of Non Compliance with the Tender Documents

A Tender that includes:

- (a) a statement such as:
 - (i) “Tender complies except as stated otherwise”;
 - (ii) “. . . except for minor items to be negotiated . . .”;
 - (iii) “. . . except as detailed in the Tender . . .”;
 - (iv) “. . . as required . . .”

or the like in response to a requirement in the Tender Documents; or

- (b) The Tenderer’s conditions of tendering, or contract differ from those contained in the Tender Documents; or

- (c) and that does not comply with clause 5.1,

may, at the sole discretion of APT Allgas, be regarded to not be a Conforming Tender.

5.4 Right to negotiate

APT Allgas reserves the right, exercisable at its sole discretion, to negotiate with any Tenderer any aspect of its or their Tender, including without limitation any:

- (a) addition to, deletion from or change in character of the scope or the works; or
- (b) alternative to or departure from the Tender Documents,

whether or not the Tender the subject of the negotiation or any other Tender complies with the provisions of this clause 5.

6. Tenderer to acquaint itself before Tendering

6.1 General

- (a) Prior to submitting its Tender, the Tenderer shall, and warrants that it has, carried out all relevant investigations and has examined and acquainted itself with and satisfied itself:
 - (i) that it has been issued all the Tender Documents;
 - (ii) that it has availed itself of all information which is relevant to the risks, contingencies and other circumstances which could affect the Tender or the performance of the Contract and which is obtainable by the making of reasonable enquiries;
 - (iii) that the accuracy, correctness and sufficiency of its Tender and that the tendered prices and tendered rates allow for completing all the work and performing all of the obligations of the Contractor under the Contract in accordance with the Tender Documents; and

- (iv) that the Tender is in accordance with the Tender Documents, except as otherwise specifically stated in the Tender.
- (b) APT Allgas does not warrant nor guarantee the accuracy or completeness of information made available to the Tenderer and disclaims all responsibility, whether in tort or in contract or otherwise, for this and for any interpretation of any such information.

The Tenderer:

- (i) must make its own interpretations, deductions and conclusions from the information made available;
- (ii) must carry out its own investigations and must accept full responsibility for such information, interpretations, deductions and conclusions; and
- (iii) hereby releases APT Allgas from all and any claims related or connected to information made available to the Tenderer by or on behalf of the APT Allgas.

6.2 Clarifications and Additional Information

- (a) If the Tenderer has any doubt as to the meaning or intention of the Tender Documents or any document incorporated in it by reference, or if further information is required to ensure a clear and correct understanding of the nature and extent of the work to be carried out under the Contract, the Tenderer make a written request to APT Allgas for additional information;
- (b) The Tenderer may, up until 17 May 2007, request in writing to APT Allgas to provide information on any point of doubt, ambiguity or conflict in the Tender Documents. APT Allgas response to such a request may, at APT Allgas' sole discretion, be given to all known intending Tenderers; and
- (c) If, when submitting the Tender, the Tenderer still has any doubt as to the meaning of any part of the Tender Documents, a statement of the interpretation upon which the Tenderer relies and upon which the Tender is based shall be included in the Tender and APT Allgas will take this statement into account when considering the Tender.

6.3 Claims Not Allowed

Claims under the contract for extra cost will not be allowed on any grounds that insufficient or inaccurate information was given in the Tender Documents or that the Tenderer was not conversant with the conditions prevailing or likely to prevail which affect or may affect the works to be provided under the contract and the Tenderer hereby releases APT Allgas from all such claims.

7. Oral advice

Oral advice or information given or obtained in respect of the Tender Documents shall not constitute nor imply any warranty or a representation to the Tenderer and shall not be binding on APT Allgas. APT Allgas shall be bound, only to the extent provided for in these Tender Conditions, and only by advice or information furnished by APT Allgas in writing.

8. Canvassing

The Tenderer shall not canvass APT Allgas in relation to the Tender.

APT Allgas may approach the Tenderer to obtain clarification or further information about the Tender, otherwise, the Tenderer shall not discuss or attempt to discuss any matter in relation to its Tender or any other Tender with APT Allgas (including officers, employees and advisers).

Should the Tenderer desire to make an oral explanation or to submit orally additional information concerning the Tender, a written request for a meeting shall be submitted. The request shall state the reason why such a meeting is sought.

The Tenderer may seek clarification of any provision of the Tender Documents. APT Allgas' response shall be in writing and be subject to clause 7 and APT Allgas may provide any clarification furnished to all other Tenderers.

9. Information required after opening of Tenders

The provision of information required after opening of Tenders is governed as follows:

- (a) Should any Tenderer desire to provide to APT Allgas a verbal explanation or to submit verbally additional information concerning the Tender, written application shall be made to APT Allgas for permission for an interview. The application shall state the reason why such an interview is requested;
- (b) The Tenderer shall provide, after the opening of Tenders, all additional information as may be requested by APT Allgas for evaluation of the Tender;
- (c) APT Allgas may also interview a Tenderer in relation to the Tender. The Tenderer shall be represented at such interviews by a responsible member or members of its personnel who are:
 - (i) conversant with all technical, financial and contractual details of the Tender;
 - (ii) authorized to make, at the interview, any decision on behalf of the Tenderer; and
 - (iii) able to indicate the relative values of any items under discussion; and
- (d) For clarity, tender information requests from APT Allgas and the Tenderer's responses will form part of the Tender.

10. Acceptance of Tender

- (a) APT Allgas, in its sole discretion:
 - (i) may consider, negotiate and accept or reject any Tender or reject all Tenders;
 - (ii) may terminate for its convenience pursuant to clause 3.2 with any or all Tenderers;
 - (iii) may invite best and final offers from any or all Tenderers;

- (iv) may change the structure, procedures and timing of the tender process;
 - (v) may elect to enter into the Works contract other than in the manner outlined in this document; and
 - (vi) may take such other action as it considers in its absolute discretion appropriate in relation to the Tendering process.
- (b) APT Allgas shall not be liable to the Tenderer for any costs or damages of the Tenderer arising from the Tenderer preparing and lodging the Tender or APT Allgas inviting tenders or exercising any of its rights pursuant to the Tender Agreement. The Tenderer agrees that it will bear all such costs and damages without compensation by APT Allgas;
 - (c) The Tender shall not be accepted other than by written notification by APT Allgas to the successful Tenderer; and
 - (d) Unless and until the Final Contract is agreed and executed, the Tender together with APT Allgas' written notice of acceptance of the Tender, (or an offer including a counter-offer by a party together with the acceptance in writing by the other party of the offer), shall constitute the contract between APT Allgas and the successful Tenderer.

11. Final Contract

- (a) The Tenderer acknowledges that the contract (as referred to in clause 10(d)) is not the Final Contract and that the contract will be required to be finalised by APT Allgas during the tender process; and
- (b) APT Allgas reserves the right, exercisable at its sole discretion, to negotiate with any Tenderer any aspect of the contract (as referred to in clause 10(d)), whether or not the Tender the subject of the negotiation or any other Tender complies with the Conditions of Tender.

12. Disclosure of Tender information

12.1 General Disclosure

APT Allgas may disclose information to APT Allgas' consultants, agents and advisers as may be necessary to evaluate Tenders and obtain approval to accept a Tender.

12.2 Announcement of successful Tenderer

After the contract has been awarded the name of the successful Tenderer may be notified in writing to unsuccessful Tenderers and published in the press. APT Allgas' holding company, and/or the Tenderer (or its holding company) may also issue a release to the ASX.

13. Intellectual property

13.1 Copyright in the Tender Documents

The Tender Documents are and shall remain the property of APT Allgas. All Intellectual Property Rights in the Tender Documents are the property of APT Allgas and the Tender Documents shall not be used by the Tenderer for purposes other than the preparation of a Tender for the proposed contract except with the prior written approval of APT Allgas.

13.2 Tender

- (a) The Tender, complete with all supporting documents, shall become and remain the property of APT Allgas;
- (b) Intellectual Property Rights in all material submitted by the successful Tenderer in its Tender is hereby irrevocably and unconditionally assigned to APT Allgas upon acceptance of the Tender. To the extent that such Intellectual Property Rights (whether of the Tenderer or a third party) cannot be assigned until their creation, such intellectual property rights shall thereupon be irrevocably and unconditionally assigned to APT Allgas;
- (c) To the extent that any material submitted in the successful Tender is the subject of pre-existing Intellectual Property Rights of third parties, the Tenderer shall procure an irrevocable and unconditional assignment of all such Intellectual Property Rights to APT Allgas;
- (d) The Tenderer warrants that the Intellectual Property Rights to be assigned to APT Allgas do not and will not infringe the Intellectual Property Rights of any person. The Tenderer fully indemnifies APT Allgas against any loss, costs, expenses, demands or liability, whether direct or indirect, arising out of any claim by a third party against APT Allgas alleging that the material contained in the Tender or acts by APT Allgas in relation to the APT Allgas' use of the Tender material infringe any Intellectual Property Rights of that third party; and
- (e) The provisions of this clause 13 shall survive the expiry of the Tender Agreement and shall not be extinguished by the termination of the Tender Agreement.

13.3 Confidentiality

- (a) All information contained in the Tender Documents which is not in the public domain is to be treated as confidential (**Confidential Information**). Confidential Information contained in the Tender Documents is only to be used for the purpose of preparing a Tender in response to the Invitation to Tender and the Tender Documents;
- (b) A party issued with Tender Documents:
 - (i) must ensure that only appropriate employees have access to the Confidential Information. In all such cases, the party is to inform such employees of the confidential nature of the information and that it must not be disclosed;
 - (ii) must not and must ensure that its employees and agents do not at any time disclose such Confidential Information directly or indirectly to any person whatsoever for any reason, or use or permit it to be used directly or indirectly for any reason, except as required by law; and

- (iii) fully indemnifies APT Allgas against any loss, costs, expenses, demands or liability, whether direct or indirect, arising out of disclosure or unauthorised use of Confidential Information by the party, its employees and agents.
- (c) The provisions of this clause 13.3 shall survive the expiry of the Tender Agreement and shall not be extinguished by the termination of the Tender Agreement.

14. No collusion

The Tenderer warrants that the Tender is in all respects an independent Tender and that no collusion has taken place between the Tenderer and any other Tenderer or interested party in the preparation of the whole or any part of its Tender or any other Tender.

A breach of the foregoing warranty shall be grounds for termination of the contract (as referred to in clause 10(d)) or Final Contract (as the case may be) and/or a claim for damages by APT Allgas.

The provisions of this clause 14 shall survive the expiry of the Tender Agreement and shall not be extinguished by the termination of the Tender Agreement.

15. Clarifications from APT Allgas

APT Allgas reserves the right at any time and from time to time before the Tender Closing Time to issue (by notice in writing to the Tenderer and all other Tenderers) clarifications, variations, additions to, or deletions from all or any of the elements of the Tender Documents. Such notification in writing will be entitled “Notice to Tenderers” and will form part of the Tender Documents. The Tender shall contain an acknowledgment that the Tender allows for all such variations, additions or deletions.

16. Tenderer’s Skill

The Tenderer warrants that it has the skill, expertise, qualifications and resources necessary to perform the Works in accordance with the contract.

17. Reliance on Warranties

The Tenderer acknowledges that APT Allgas will rely on the Tenderer’s warranties in considering and, if APT Allgas accepts the Tender, accepting the Tender.

18. Acknowledgment of Tender

APT Allgas may acknowledge receipt of the Tender. Any such acknowledgment will not imply that the Tender has been submitted in accordance with the Tender Documents.

Annexures

1. Map of the Distribution area
2. APT Allgas Standard Procedures (as are relevant to the particular Tenderer):
 - 2(a) General Construction Specification

 - 2(b) APT Allgas Environmental Management System
 - 2(c) As Constructed Drawing Standard
 - 2(d) APT Queensland Safety Manual
 - 2(e) APT Queensland Guide to Accident Prevention
 - 2(f) APT Queensland Gas Safety Non-Negotiables
 - 2(g) SWP 61 – Civil Works for Underground Distribution Networks
 - 2(h) SWP 71 – Investigation and Installation of Domestic Gas Supply
 - 2(i) SWP 75 – Construction of Underground Gas Distribution System
 - 2(j) SWP 75.1 – Rehabilitation of Gas Distribution Networks
 - 2(k) SWP 76 – Commissioning and Access to the Gas Distribution Network
 - 2(l) SWP 86 – Gas Distribution Polyethylene Pipeline Construction
 - 2(m) SWP 87 – High Pressure Gas Steel Pipeline Construction
 - 2(n) SWP 88 – Provision of Gas Welding Services
 - 2(o) APT Allgas Customer Care Requirements
 - 2(p) APT Allgas Quality Assurance Requirements for Supply of Services
 - 2(q) Underground Distribution Construction Manual
 - 2(r) Drawings DB701/1, DB745/1, DB745/2, DB745/3, DB745/4, DB746/1, DB874/5, DB874/6, DB874/12, DB874/14, DB944/5, DB949/1, DB949/2, SR-CE-1000, SR-EE-1000
 - 2(s) Drawings DB747/2, DB940/1, DB944/5, 14487-A3
 - 2(t) Drawings DB747/2, DB940/1, DB944/5, DB1058-1, DB1059-1, 14487-A3
3. Standing Order Contracts (that are relevant to a particular Tenderer):
 - (a) PE (Mains & Services);
 - (b) Mains Renewal;
 - (c) Steel.
4. Schedules of activities (that are relevant to a particular Tenderer):
 - (a) PE (Mains & Services);
 - (b) Mains Renewal;
 - (c) Steel.



D.2 Results of Initial Tender Evaluation

Results of Initial Tender Evaluation

(conducted by VMcL & CLN on Thursday 24 May 2007)

(Reflects the average of the values scored by reviewers)

	Capability					Agg. Capability	Performance	Systems	D Diligence	Sub total	Cost	Total Score
	Experience	Competency	Plant Equip	Field	Mobilisation							
	30	20	15	15	20	20	15	15	2.5	52.5	47.5	100
Tenderer - PE Mains & Services												
	30	14	14	0	17.5	15.3	15	12	0	42.3	47.5	89.8
	28	18	10	0	17.5	14.9	13	12.5	0	40.4	43.8	84.2
	28	20	13.5	0	20	16.5	15.5	1.5	0	33.5	47.5	81.0
	29.5	18.5	15	0	17.5	16.2	12.5	12.5	0	41.2	38.7	79.9
	27.5	5.5	5	0	6.5	8.8	12.5	9	0	30.3	41.3	71.6
	22	20	14	0	20	15.5	11	7	0	33.5	35.2	68.7
Tenderer - Mains Renewal												
	24.5	17	14.5	0	20	15.5	16	9	0	40.5	47.5	88.0
	29.5	18.5	15	0	17.5	16.2	12.5	12.5	0	41.2	32.7	73.9
	27.5	5.5	5	0	6.5	8.8	12.5	9	0	30.3	41.8	72.1
	28	18	10	0	17.5	14.9	13	12.5	0	40.4	30.1	70.5
	22	20	14	0	20	15.5	11	7	0	33.5	36	69.5
	24	18	15	0	14	14.2	12.5	12.5	0	39.2	21.4	60.6
Tenderer - Steel												
	29	20	15	0	20	17.0	17.5	12.5	0	47.0	41.7	88.7
	29	18	10	0	17.5	15.1	13	12.5	0	40.6	45.5	86.1
	30	18	14.5	0	17.5	16.1	12.5	12.5	0	41.1	40	81.1
	30	9.5	7	0	7.5	10.6	12.5	10	0	33.1	47.5	80.6
	25	20	14	0	20	16.1	11	7.5	0	34.6	37	71.6
	27.5	19	15	0	10	14.0	12.5	12.5	0	39.0	20.5	59.5
	24.5	9	10.5	0	2.5	8.9	12.5	10.5	0	31.9	18.8	50.7

Glossary

12.5 default value until better score can be given



D.3 Capital Works Tender Financial Due Diligence

Allgas Capital Works Tender Financial Due Diligence

Company	XXXXXX	XXXXXX	XXXXXX	XXXXXX
ABN				
Incorporated	19/02/1999	16/02/1996	1/01/2000	4/04/2000
Parent Company	n/a	XXXXXXX	XXXXXXX	n/a
ABN	n/a			n/a
Confirmation	Details confirmed ASIC	Details confirmed ASIC	Details confirmed ASIC	Details confirmed ASIC
Bank	NAB Beenleigh	NAB Thomastown	ANZ	Westpac
Bank Reference	XXXXXX	XXXXXXX		
	- No reference available from NAB	- No reference available from NAB	Letter of good standing received.	
Creditor Check	Ormeau Landscaping 07 5546 7703	Vinidex 07 3277 2822	Porter Plant Hire 03 5342 0549	
	Sarah - No problem, always pays on time.	Left message - to call back	Tracey: always pay, sometimes approval processes cause delays	
	Pat Grace Plant Hire 07 5520 4088	Gas Components 07 3255 9255		
	Leslie Left message - to call back	Credit reference: always good payers.		

Financial Ratios

	2006		2005		2006		2005		APT									
	\$		\$		\$		\$		2006	2005								
Approx Capital Works Value	\$	2,200,000			\$	4,400,000			\$	2,540,000								
Profit	\$	17,493	\$	-	\$	3,778,732	\$	3,442,892	No info received	\$	310,890	\$	401,778	\$	382,290,000	\$	367,164,000	
Operating Revenue	\$	2,046,222	\$	1,590,258	\$	60,236,476	\$	54,244,885	\$	1,000,000,000	\$	2,933,905	\$	2,825,297	\$	82,694,000	\$	56,512,000
Capital Works/Operating Revenue		108%				7%				1%		87%			\$	82,694,000	\$	56,512,000
Working Capital =CA-CL	-\$	30,161	\$	15,291	\$	4,164,308	\$	4,583,971			\$	391,530	\$	207,374	-\$	191,837,000	-\$	86,189,000
Current Ratio - liquidity = total CA/total CL		0.81		1.31		1.36		1.47				2.02		1.86		0.24		0.40
Quick Ratio - liquidity = total CA-inventories-prepay/ total CL - bank O/D		0.81		1.31		1.36		1.47				1.98		1.32		0.59		0.37
Activity Ratio - days to payment = avg receivables/avg daily sales		0.42		14.84		x		x				3.39		32.86		33.66		30.46

Summary

Financial Risk: MEDIUM-HIGH Working capital not strong. Liquidity declining but still OK. Credit references good - pays on time. Currently has quick turnaround on accounts receivable - impact on APT 30 day terms? APT capital works value is equal to total current turnover.	Financial Risk: LOW Working capital OK. Liquidity OK. No receivables information provided. APT capital works value < 10% of current turnover.	Financial Risk: LOW based on capital works value as a percentage of total group sales. No financial information provided.	Financial Risk: LOW-MEDIUM Liquidity good. APT capital works approx 90% of current turnover. No credit checks performed.
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E Legal Review Documents

E.1 Gadens Lawyers Sign off draft letter

Our Reference
Direct Line
Email

Lionel Hogg 20071224
+61 7 3231 1518
lhogg@qld.gadens.com.au

30 April 2007

Andrew Dash
State Manager Queensland
Australian Pipeline Trust
Level 11, 77 Eagle Street
BRISBANE QLD 4000

By Email: ADash@pipelinetrust.com.au

Dear Andrew

**APT Allgas Energy Pty Limited:
Standing Order for Capital Construction of Steel Gas Pipelines;
Standby Order for Capital Construction of Polyethylene (PE) Gas Pipelines (Mains and Services);
Standing Order for Capital Construction of Mains Renewal Projects (by PE insertion) (“Standing Orders”)**

We refer to the tender process which has been undertaken recently in relation to the Standing Orders.

[Insert relevant details regarding outcome of tender process.]

We attach a verification schedule which sets out the key legislation, regulations and Australian Standards which are applicable to the Standing Orders, together with the relevant clauses from the Standing Orders which address compliance with the relevant legislation, regulation or Australian Standard.

We confirm that the Standing Orders in the current form:

- reflect our drafting instructions
- contain provisions which are commercially reasonable for transactions of this type; and
- in particular, APT Allgas makes no representation or commitment to potential contractors under the Standing Orders as to the quantity of Works to be allocated.

Accordingly the Standing Orders are in order for execution by APT Allgas Energy Pty Limited.

Yours sincerely

Lionel Hogg
for **GADENS LAWYERS**



E.2 Document Execution Form

DOCUMENT EXECUTION FORM

DETAILS OF DOCUMENT

Title of Document: Standing Order for Capital Construction of Steel Gas Pipelines

For execution by which APT legal entity: APT Allgas Energy Pty Limited

Brief particulars of document or commitment

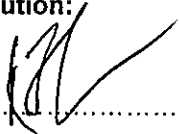
Agreement with Tenix Alliance Pty Ltd to be one of 3 contractors on a panel to install new steel gas mains and other work required from time to time on the existing distribution network

PRE-EXECUTION PROCEDURES

Form of execution Company officer	Hand	Relevant departments to see and initial (e.g. Insurance, Legal, Taxation, etc)
Monetary Value	Up to \$11.5M (schedule of rates over 5 years)	Legally in order See letter attached
Document reviewed and checked by:	<i>M. J. Carter</i> (Signature) <i>Carter Nothing</i>	Contingent liability: none

Lender's consent:

I CERTIFY that the attached document is in order for execution:



.....
Signature

Commercial and Market Development Manager

EXECUTION INSTRUCTIONS

Number of copies	two	(Initial flagged pages*)
Executed document to be returned to:	Name: Rod Johannessen Sydney Cafe W. Hedy for final stage	Location:
	Date / /	
Executed by	<i>Stephen OHL</i> / <i>Michael Mc Cormack</i>	on 4 17 2007

*Delete as appropriate

This form is to be forwarded to APT Sydney with the executed agreement to support the documents register

Contract Risk Assessment

Where the answer to any one of the following questions is "YES" or is "UNKNOWN" then the contract, along with any relevant information, must be passed to the Executive indicated for review and assessment to ensure that appropriate risk management controls have been put in place, such review to be completed within 48 hours unless otherwise agreed with the reviewer. For variations to a Standard contract, consider the risk assessment in the context of variation only.

RISK	YES	NO	Unknown	N/A	TO
If we have dealt with these parties before were there any unreasonable problems or difficulties?		X			Chief Executive Officer
If a credit check is required, has that check revealed any anomalies?		X			
Will your department's cost/revenue increase/decrease by more than 10% if the contract is implemented?		X			
Does the contract involve the buying or selling of a specifically produced item (i.e. not an "off the shelf" item?)		X			
Is there any doubt over APG or supplier skill sets to meet the requirements of the contract (i.e. proven skills)?		X			
Are there any doubts over capacity to deliver?		X			
Will APT lose more than \$50,000 or 25% of contract value (whichever is lesser) if either party fails to meet their obligations?		X			
Is it conceivable that APT may lose significant customers as a result of the contract?		X			
Is there a material risk that current APT systems or controls/processes could be bypassed or compromised?		X			
Could APT lose competitive advantage as a result of the contract?		X			
Will the other parties control the outcome of the contract?		X			Chief Executive Officer
Does this contract require parent company support (e.g. a guarantee)?		X			Company Secretary
Is the contract likely to cause commercial/political, public or interested party issues/unrest?		X			
Does this transaction require continuous disclosure notification?		X			
Are there any abnormal risks stemming from the other party's ownership or location?		X			Company Secretary
Is either the dispatch or delivery point outside Australia?		X			
Are APT staff or contractors required to travel by sea or air (excluding standard domestic travel)?		X			
Does the contract place APT in a location where natural risks exist e.g. flood, earthquake or fire?		X			
Are the other parties either shelf companies, small partnerships, sole traders or individuals?		X			Company Secretary
Does this contract involve the buying or selling of intellectual property?		X			
Is this contract binding on other APT companies?		X			
Does this variation involve a significant change to a standard contract?		X			
Are there Trade Practices Legislation issues or Fair Trading Legislation issues?		X			
Does this contract need regulatory (e.g. ACCC/NCC) approval? Is it related to a ring-fenced asset?		X			
Should the contract include confidentiality clauses that are not currently there?		X			
Are there default and/or penalty clauses in the contract?	X				
Are there clauses in this contract, which could be triggered, outside APL's control?		X			
Are there penalty clauses in the contract, which do not sufficiently protect APG or are material relative to the size of the contract?		X			

Has the contract sufficient dispute resolution clauses?	X			
Does the contract involve a transaction with a party which is related or could influence the transaction? Refer Policy/Procedures 9.17 and 9.18		X		
Will APG staff or contractors be exposed to any abnormal physical risk?		X		Company Secretary
Is the other party responsible for environment/OH and S standards arising from this contract?		X		
Does the contract give rise to potential environmental issues?		X		
Is there potential for the contract to cause staff dissatisfaction?		X		Company Secretary
Is this an Acquisition of another company or business?		X		Chief Financial Officer
Is this a consultancy agreement?		X		
Is there significant disposal of property or assets?		X		
Does this contract involve more than \$1.0 million?		X		
Is this a sponsorship to an outside organisation?		X		Chief Executive Officer



F Board briefing and approval

*F.1 Board Paper – APT Allgas Energy Gas Distribution Network
Capital works Contract*

AUSTRALIAN PIPELINES LIMITED

ITEM FOR APPROVAL

**APT ALLGAS ENERGY GAS DISTRIBUTION NETWORK
CAPITAL WORKS CONTRACTS**

(Queensland)

1. Introduction

As advised at the April 2007 meeting APG plans to select and appoint one or more contractors to carry out new capital works through a tender process. The new contract(s) will become effective from 4 July 2007, when the current contract with **XXXX** expires.

This paper seeks approval to enter into contracts with the selected capital works contractors.

2. Background

The gas distribution business has regular capital expenditure which is driven by market growth and maintenance of service levels. This is forecast to be approximately \$150 million over the next 4 years, consisting of payments for contractors, materials and APG internal costs. The forecast aggregate capital expenditure with contractors for the next 4 years is in the order of \$77 million and \$12 million in 2007/08.

The cost of the capital works is either recovered from users either directly (through contributions for some new connections that do not meet the investment criteria) or included in the regulated asset base and recovered through the Network tariff.

Capital expansion of the Network is the key growth driver for the business. An efficient and economic mechanism to expand the Network is therefore critical to the success of the business.

3. Discussion

3.1 APG Contracting Strategy

The objective is to establish a panel of contractors to ensure that there are sufficient resources available to complete the planned capital works and that APG retains some flexibility in the choice of contractors going forward. The panel approach is designed

to encourage competition between the contractors leading to higher service levels compared to a single contractor approach.

The estimated potential savings of employing this contracting approach (compared to continuing with the current approach with **XXXX**) is in the order of \$1.54 million per year and \$7.7 million over the 5 year period based on a conservative 10% savings.

The capital works have been segmented into 3 separate contract categories, based on the specific skills, expertise and equipment required to perform the works, with separate contracts entered into for each category. The categories and the forecast value of expenditure with contractors for each category are as follows:

- Polyethylene services & mains - \$19M over 3 years;
- Mains renewal - \$14M over 3 years; and
- New steel mains - \$11M over 3 years.

APG will also assess the merits of appointing packages of work on a regional basis in order to optimise efficiency and quality control.

3.3 Capital Works Contracts

The tenders apply to individual project works of up to \$300,000 which will be undertaken under a standard APG contract and priced on a schedule of rates, with certain reimbursable costs. APG will allocate these works to the contractors on the panel. APG is responsible to undertake the design, obtain approvals to build the works, and set up supply arrangements for, and pay for, the materials to be used. The contractors are to plan and construct the works, obtain associated permits, and provide all consumables.

The contracts will establish the terms and conditions (including price) for carrying out capital works. Work flow and expenditure is controlled by APG through the issue of purchase orders (in accordance with APG's delegated authority levels) for specific packages of work from time to time to meet the requirements of the business. Consequently, APG incurs no commitment or payment obligation until a purchase order is issued.

The contracts would be for an initial term of 3 years, and would be extended for a further 2 year term if the contractor's performance (including cost performance) has been acceptable and met defined key performance indicators.

For works above \$300,000, APG has the flexibility at its discretion to determine the contracting approach (competitive process or otherwise, lump sum or rates) and the contractors to be utilised ('non-panel' contractors may be selected).

3.4 Strategy Implementation

The contracts will be awarded from a competitive tendering process. Pre-qualification was undertaken through an expression of interest process and 12

experienced and capable contractors have been invited to tender. Many of these contractors are currently sub-contract to BBS on existing works. At least 7 contractors are expected to tender for each category of work. Tenders are due in on May 21, with preferred tenderers selected by May 30, and contract commencement on July 4.

To allow for adequate time for contract implementation requirements (including inductions), it will be necessary to make commitments to award contracts by June 19.

4. Risk Assessment

4.1 Capital Recovery

The cost of the capital works is recovered either through the Network tariff or from users either directly (through contributions for some new connections that do not meet the investment criteria). The Regulator (Queensland Competition Authority) has approved inclusion of the forecast capital expenditure in the Regulated Asset Base (RAB) for the current 5 year regulatory period which ends on 30 June 2011.

In reviewing the RAB at the end of each regulatory period the regulator will assess whether the capital expenditure has been prudent, from a technical and financial perspective. Running a transparent tender process will assist in demonstrating that the cost of the capital works is prudent, i.e. conducted at a reasonable cost.

4.2 Construction Risk

Tenders will be evaluated, and successful contractors selected, against a range of criteria encompassing price, past performance, capability (competence, resourcing, and mobilisation), and management and quality assurance systems.

4.3 Counter-party Risk

Due diligence on creditworthiness will be conducted as part of the tender evaluation and contract award process. Credit risk is considered to be of low impact and well manageable; APG will purchase the materials required for each project and APG will make monthly payments to contractors with the majority of work being on a schedule of rates. The works are routine and of a short duration and easily capable of being taken over by another contractor should a contractor become insolvent or default. The contracts contain appropriate termination rights.

Maintenance of a panel will also mitigate the impact of a contractor default, or abandonment of a contract, such that the work could be allocated to another panel contractor.

To ensure that contractors allocate adequate resources for APG works, no more than 3 contractors will be appointed to the panel for any category of work, and APG will allocate work accordingly.

5. Regulation and Competition

Not applicable.

6. Conclusion

The continued growth of the Network business is a key value driver that underpins APG's acquisition case for this asset. The proposed contract strategy will provide the business with flexible and efficient mechanism to complete the planned capital works and a sound basis to demonstrate the cost effectiveness of the capital works program.

7. Recommendation

The Board is requested to consider, and if thought fit, approve;

- APT Allgas Energy Pty Limited to enter into contracts with the selected capital works contractors;

as the arrangements will benefit the group as a whole.

In due course APT Allgas Energy Pty Limited will hold meetings to authorise, and where required, execute all necessary documentation to put in place these arrangements.

SP Ohl
Chief Operating Officer

M J McCormack
Managing Director



F.2 APT Allgas Energy – Minutes of Meeting of Directors

APT ALLGAS ENERGY PTY LIMITED
ABN 52 009 656 446
MINUTES OF MEETING OF DIRECTORS

Held at APG Offices, Level 19, 580 George Street, Sydney Australia
4 July 2007 at 4.30 pm

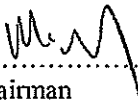
Directors present: M McCormack (Chairman)
R Francis
S Ohl
S Dureau

J Faulkner (A/Company Secretary)

<p>Capital Works Contracts for Distribution Network</p> <p>The Board noted the previous endorsement by Australian Pipeline Limited to APT Allgas Energy Pty Limited entering into contracts with selected capital works contractors, as the arrangements will benefit APG as a whole.</p> <p>Resolved that the Board: Authorise any one of Stephen Ohl, Sandra Dureau and Rick Francis to execute the following Standing Order Contracts:</p>	<p>Minute 01/07 Board 04/07/07</p>
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CLOSE There being no other business the Meeting closed at 4.45 PM	Minute 02/07 Board 04/07/07

Signed as a true and correct record


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Chairman
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