



# Longreach Mains Replacement an ECI Model



## Some stats about Longreach

Area of Council approx  
40,000 kms

Distance from Brisbane  
approx 1175 kms

Distance from Rockhampton  
approx 686 kms

Population of Longreach  
approx 3500

Population of Longreach RC  
approximately 4500 includes  
Ilfracombe, Isisford & Yaraka



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# Parties involved in the Project



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# The State of Longreach's Water Supply



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# Why was it in such a State?

- History
- Politics
- The technical Solution was a no Brainer



## Council's decision

- Amalgamations
- Another report
- Decommission the bore water reticulation system and blend the bore water with the potable river water



## How to deliver the project?

An ECI Model was chosen to:-

- Minimise risk at design stage.
- Work together with designer and contractor to identify the risks and provide an appropriate solution
- Allocate risk appropriately
- Deliver value for money based on proper risk allocation and management





# The Procurement Process

- EOI.
- Reduce to three tenderers
- Tender
- Stage 1 Contract awarded
- Design and risk allocation
- Stage 2 contract negotiated
- Stage 2 Contract awarded





## Structure of the Contract

**LONGREACH REGIONAL COUNCIL**  
PO Box 472  
LONGREACH Qld 4730



### CONTRACT DOCUMENT

#### Stage One: Design Development of Longreach River Water Mains Upgrade 2010

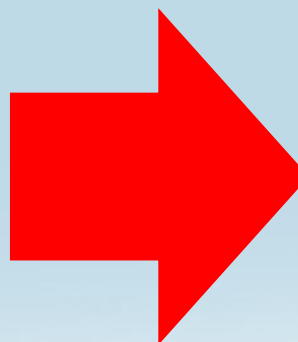
Job Name: Stage One: Design Development of Longreach  
River Water Mains Upgrade 2010  
Project File: 10/12a



DLA PHILLIPS FOX



17 March 2010



**LONGREACH REGIONAL  
COUNCIL**  
PO Box 472  
LONGREACH Qld 4730



### CONTRACT DOCUMENT

#### Design & Construction of Longreach River Water Mains Upgrade 2010/2011

Job Name: Design & Construction of Longreach River  
Water Mains Upgrade 2010/2011  
Project File: 10/12a



27 January 2011



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**Pros...**

## **A Principals Perspective**

- Great for project
- Good for risk management
- Good for design management for constructability
- Design was robust and broad



## Cons...

### A Principals Perspective

- Learnt as we went
- Hard to change traditional approach
- Hard to keep relations in check at times





## Was it a success?

*Yes!*

- No disputes
- No variations
- On time
- On budget
- Relationships still very healthy



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# Key to its success?

## The old chestnuts

- Trust
- Good Communications

## Maintains

- Good relationships



# Longreach Water Mains Replacement

## Superintendent's Assessment

by

Allan Luyt

**GBA**  
CONSULTING  
ENGINEERS  
*Engineering  
the Outback*

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# Superintendent's Role in the ECI

- Good business relations between parties
- The ECI modal is dependent on participation
- GBA's role:
  - Assist in establishing the correct contractual path
  - Administration of EOI
  - Tender assessment and recommendations
  - Stage 1 & 2 Contract Administration



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# Tender Assessment

- Tender assessment was effective
- EOI made the final recommendation simpler
- Thorough assessment with only three contractors
- Assessment:
  - Design vs Construction vs Cost



## Stage 1 – ECI Communications

- Communication is key
- Establish correct communication channels
- Sharing of technical information
- Separate Contractual and Technical information
  - Technical meetings fortnightly
  - Contractual meetings monthly
- Electronic correspondence is effective
- Face to face communication





## Stage 1 – ECI Contract

- Project team was enthusiastic and cooperative
- Design work is paid per hour at contract rates
- Assess claims on value for money
- Cost of Design vs Cost of Construction
- ECI is a design development process
- Detailed design left for stage 2
- Flexibility to allow construction works



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## Stage 2 D&C Contract

- Back to the comfort zone – D&C Contract
- Finalize this contract during stage 1
- Schedule of prices calculated from contract rates
- Schedule of prices is key for risk allocation
- Assessment of progress claims
- Detailed Design at a rate per meter



# Superintendent's Conclusions

- Good faith and Cooperation
- The D&C contract would not have been as successful without the ECI process
- ECI leads for future D&C contracts
- Construction methods and Contract Documents established for future projects







- Estimate cost of future projects
- Quantify the reduction in water leakage
- Success is measured by the combined benefit that both parties have gained from the contract
- Project success was due to a strong project team and a good understanding of the ECI process



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# “The Contractors Perspective” By Luke Bailey



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# The Contractors View

- The Model or the Contract doesn't make the job - the people do!
- Trust & Capability is the key to success
- The project was a success. Mainly as the design was performed on site
- Contractor carries too much risk as there is no assurance of getting stage 2 of the work
- Would not do an ECI again unless it was for a well known client such as Longreach RC.



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