

BSP/DOW Management Services

Lae – Nadzab, Erave - Samberigi, & Mendi - Tari

KA PROJECT REFERENCE: 21032P
INDUSTRY: Civil Infrastructure – Road and Highways
DISCIPLINES: Project Management, Design Review and Verification, Construction Monitoring and Inspections, and Quality Compliance Verifications

PROJECT SUMMARY

CLIENT

Bank of South Pacific financial Group Ltd

LOCATIONS

Lae – Nadzab (Morobe), Erave – Samberigi (Southern Highlands), Mendi – Tari (Southern Highlands to Hela), Papua New Guinea

PROJECT TYPE

Project Management

YEAR COMPLETED

2019 - 2022



PROJECT DESCRIPTIONS

The Lae 9Mile to Yalu Bridge 4 Lane Project was designed and constructed to the Road Planning and Design Manual of Queensland Government Department of Transport and Main Roads and delivered under a FIDIC EPC Contract. The project involved upgrading of existing 2 lane double coat chip seal highway to a four lane with 50mm concrete asphalt surface laid over 400mm thick stabilized pavement.

The Erave to Samberigi Access Road Project is a green field project that involves establishing of a pilot track through the virgin forest, undertaking of site investigation, site surveys, design and, construction of a 2-lane unsealed access road connecting the Southern Highlands Province to the Gulf Province of Papua New Guinea. This highway is now known as the Agiru Highway that is designed and constructed to the DoW Specification for Roads and Bridges 2015 and delivered under a FIDIC Design and Construct type Contract.

The Mendi to Tari Road Upgrade & Sealing Project is designed and constructed to the DoW Specification for Roads and Bridges and delivered under a FIDIC Design and Construct type Contract. This project essentially involves the repair of damaged pavement and re-sealing of the existing road.

PROJECT ROLE

Kramer Ausenco was engaged as a Lender's Engineer by Bank South Pacific Financial Group Ltd in undertaking third party monitoring of the above projects from a schedule, procurement, quality compliance perspective and, verification of Contractors progressive claims including contract variations as they became apparent. Role included overseeing, monitoring, and reporting on physical progress, overall financial management, quality compliance and the key procurement issues impacting on the delivery of the above high impact GoPNG road and highway projects

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PROJECT DATASHEET

Project Reference: 21032P

Industry: Civil Infrastructure - Roads and Highways

ASSIGNMENT NAME:	APPROX. VALUE OF THE PROJECTS:
BSP/DOW Management Services: Lae – Nadzab, Erave - Samberigi, & Mendi - Tari	CAPEX ~ PGK400M
LOCATION & COUNTRY:	DURATION OF ASSIGNMENT (MONTHS):
Lae in Morobe Province and Erave / Mendi in Southern Highlands Province, Papua New Guinea	24 months
NAME OF FUNDING AGENCY:	TOTAL NO. OF STAFF-MONTHS OF THE ASSIGNMENT:
Bank South Pacific Financial Group Ltd	24 person months
ADDRESS OF AGENCY:	APPROX. VALUE OF THE SERVICES PROVIDED BY YOUR FIRM UNDER THE CONTRACT:
	PGK 3m
START DATE (MONTH/YEAR): COMPLETION DATE (MONTH/YEAR):	NUMBER OF PROFESSIONAL STAFF-MONTHS PROVIDED BY ASSOCIATED CONSULTANTS:
April 2021 – May 2023	-
NAME OF ASSOCIATED CONSULTANTS, IF ANY:	NAME OF SENIOR PROFESSIONAL STAFF OF YOUR FIRM INVOLVED AND FUNCTIONS PERFORMED:
-	Bruce Nicholson – Project Director Gani James Varo – Project Manager Mark Zerike – Lead Civil Engineer

NARRATIVE DESCRIPTIONS OF PROJECTS:

The Lae 9Mile to Yalu Bridge 4-Lane Project was designed and constructed to the Road Planning and Design Manual of Queensland Government Department of Transport and Main Roads and delivered under a FIDIC EPC Contract. The project involved upgrading of existing 2 lane double coat chip seal highway to a four lane with 50mm asphalt surface laid on 400mm thick stabilized pavement.

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Road name	Capex cost to Complete (PGK)*	Distance (km)	Road type	No. Lanes	Location, Province	Surfacing	Estimated Construction Period (Months)
Lae to Nadzab (9Mile to Yalu Bridge)	75M	8.4 km	Semi-urban Arterial	4	Morobe	Asphaltic Concrete	12 Started 2018
Erave to Samberigi	90M	28.5 km	Highway	2	Southern Highlands	Chip Seal	24 Start Jun 2021
Mendi to Tari (up to Ambua Only)	224M	108 km	Highway	2	Southern Highlands to Hela	Chip Seal	24 Start Sep 2021

*These are estimates only and captured as of Feb 2021.

DESCRIPTION OF ACTUAL SERVICES PROVIDED BY KRAMER AUSENCO STAFF WITHIN THE ASSIGNMENT:

Kramer Ausenco provides Project Management, Design Review, Construction Inspections and Quality Compliance services as a Lender's Engineer on behalf of Bank of South Pacific Financial Group Ltd and includes the following:

- Review and verification of Contractors designs making sure they adhere to the technical specifications and standards specified in the contracts between DoW and the Contractors
- Review material test results and various soil tests to verify quality compliance to the standards and specifications provided in the contracts;
- Monitor overall project progress on site against the approved schedules and budgets;
- Participate in progress meetings with Contractors and the relevant stakeholders as and when required;
- Verification of Contractors' monthly claims and preparation of Payment Verification Reports endorsing payment of these claims by Bank of South Pacific Financial Group Ltd in accordance with the terms of payments stipulated in the respective contracts;
- Review and verification of contract variations, contract time extensions and issuance of justifications to Bank of South Pacific Financial Group Ltd ;
- Provide monthly reporting to Bank of South Pacific Financial Group Ltd on physical progress, overall financial management, quality compliance and the key procurement issues impacting on the delivery of the above projects.

Detailed scope of services included:

- Inception and Mobilisation:
Upon formal engagement Kramer Ausenco will mobilise our Project Team who are all resident in Port Moresby. The project inception phase will establish the standards, systems and protocols to be adopted for the duration of the construction phase. Specific tasks will include but are not limited to:
 - Review Works Contract documentation including the appropriateness of the construction, payment schedules, payment terms & variation clauses, security & insurance requirements;
 - Establish communication protocols, brief personnel on project responsibilities, systems, procedures and security;
 - Ensure contractual obligations of contractor are met as to insurances, bonds, guarantees, cash flows, design and construction programs, etc;
 - Attend contract signing ceremonies (if applicable);
 - Attend ground-breaking ceremonies (if applicable); and
 - Review the contractual requirements for contractors' possession of the sites.

The Management Services will be divided into two sub-phases as follows:

- Contract Administration includes monthly reporting. and certification of Claims:
 - Construction monitoring/site visits of construction activities, construction materials, review procedures and to ensure compliance with approved documentation and the construction program. All Construction Supervision activities will be under the direct supervision of Engineers registered in that discipline with the Institution of Engineers (PNG) under The Professional Engineers' Registration Act (Amended) 2007;
 - Oversee commissioning and handover of the completed project including assessment of the defect punch lists for action by the Contractor; and Ensure compliance with standards, specifications and quality plan to ensure DoW are in compliance with financing requirements.
 - Cost Control - monitoring of project costs and contractor's expenditure against cash flows and preparing monthly reports to indicate the project financial status; establish, maintain and update regularly an overall Project Budget; monitor the defined scope of works with the work proposed to be undertaken by the Contractor;
 - Monitor the Contractor's Cash Flow on a regular basis and advise the Client as required;
 - Contractor's programme - assessment of contractor's extension of time claims and monitoring of contractor's performance against his programme; and
 - Contract Management - conforming of the contract, management and administration of the contract, concluding the contract on completion and reporting. Verification, assessment, adjustment and recommendations as to payment of contractor's progress claims, management of variations, provisional sums, prime cost sums and contingency allowances.
- Quality Assurance Testing and Construction Monitoring:
 - Utilisation of KA's regional size and presence supported by the Ausenco Group to provide an appropriate choice of personnel with the relevant skills. This provides cross-fertilization of ideas, variety and depth of relevant local experience;
 - Implementation of the fundamental objectives and criteria for success are established with the client from the outset. Ensure project definition and managing stakeholder expectations are met and Implement project objectives which are crucial for implementation strategies and project delivery requirements;
 - Conduct our affairs in accordance with a set of operating procedures referred to as the KA Business System. This system has been previously third party certified to conform to the requirements of AS/NZS ISO 9001;
 - Monitor the project Management of the Project, Monitor, review and report on the Contractors' construction

activities and performance;

- Review and enforce the quality of the work and obtain or review all QA testing and its compliance to Engineering standards and contract scope;
- Liaison and Communication - Arrange interim cost control and quality assurance review meetings with the Contractor as necessary with DoW and report back to the Client.
- Monitor the Contractors' Quality Plans and ensure they are complied with; and

- Reporting:

KA's reporting will cover:

- the quality testing processes the contractor adopts, compliance or otherwise of the quality of the construction;
- Progress of the works both narrative and in charts;
- Financial data including the value of the works done and the payments certified to the date of report and cost to complete the project vis-a-vis the approved budget;
- Red flag items if any; and
- Likely cost overruns if anticipated.