



## SPT171819NIRC Design and Construct – Norfolk Island Airport Pavement Repair and Resurfacing

### Progress Report for Quarter 4 ending 31 March 2020

Aileron Edge Pty Ltd ABN 91617180042

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#### Contents Amendment Record

This report has been issued and amended as follows:

| Issue | Revision  | Description                   | Date     | Signed |
|-------|-----------|-------------------------------|----------|--------|
| 01    | DRAFT     | Progress Report Q4 March 2020 | 01/04/20 | KM     |
| 02    | DRAFT     | Review                        | 07/04/20 | AIW    |
| 03    | FOR ISSUE | Progress Report Q4 March 2020 | 15/04/20 | KM     |





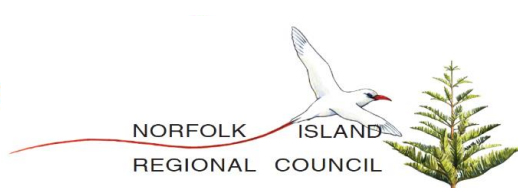
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**Appendix A – Contractor's Program**

**Appendix B – Minutes of Meetings**





# 1

## Appendix C – Boral Monthly Report Introduction

### 1.1

#### **Background**

Norfolk Island Airport is managed by Norfolk Island Regional Council (NIRC). In 2017/18, it processed 41 medical evacuation flights, 72 general aviation flights, 233 RPT flights, 22 military flights, and 32,941 passengers of which 86 per cent, were visitors to Norfolk Island. The Airport has an asphalt surface approaching ten years of age and an asphalt overlay of all the aircraft pavements is required to maintain this vital economic link to Australia and New Zealand.

The Civil Aviation Safety Authority (CASA) undertook an assessment of the Airport in 2017 which found that portions of the current runway surface and aprons contain deformities such as cracking and if not rectified, could result in the runway being deemed as unsuitable for commercial aircraft servicing Norfolk Island.

The key project outcomes are;

- to ensure that Norfolk Island Airport runways and apron are resurfaced to address where possible the relevant observations identified in the 2017 CASA assessment, and
- to provide safe access to Norfolk Island by commercial aircraft.

The tender for the Airport Pavement Repair and Resurfacing (D&C) Tender was released in September 2018 to an open market and a site inspection was planned for 7 October 2018, with all submissions to be received before close of business on 11 December 2018 (subsequently extended until 18 December).

The Tender for the Project Management of the D&C Project was released in October 2018 and closed 11 December 2018.

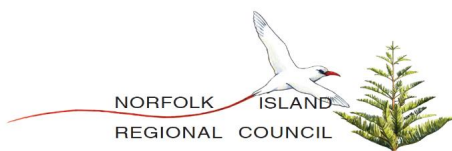
The works are to be delivered as a Design and Construct contract, generally comprising a maintenance asphalt overlay with minor shape correction, patch repairs to Runways 11/29 and 04/22 including surface grooving, Taxiway and Apron including associated flanking works. The asphalt mixture design will be delivered under a performance based AAPA asphalt specification. The airfield ground lighting will be undertaken on Runway 11/29 and Runway 04/22 edge lights, wind indicators, and Precision Approach Pathway Indicator.

### 1.2

#### **Project Funding**

On 3 April 2019 confirmation was received from the Commonwealth that the Norfolk Island Regional Council (NIRC) had been successful in its application for \$43 million to assist in funding the D&C project.

The Grant Agreement (RNIA000001) between the Commonwealth, represented by the Department of Industry, Innovation, and Science and Norfolk Island Regional Council, was executed 4 April 2019.





NIRC were advised 27 June 2019 that the Australian Industry Participation (AIP) plan for the Project had been approved. The AIP plan outlines the actions NIRC and Boral are undertaking to familiarise themselves with the capabilities of Australian industry and provide Australian industry with full, fair and reasonable opportunity to supply goods and services to the project. The plan demonstrates how Boral will not rely on existing supply chains and will communicate the supply opportunities in a transparent manner so that capable Australian industry can bid. An executive summary of the approved AIP plan has been published on the AIP Authority's website. The Contractor will collect evidence during the life of the project so that NIRC can report in detail on how and when the actions in the plan were undertaken. The implementation report is a contractual obligation and is due 14 months from execution of the contract / agreement (4 April 2019) or on completion of the contract (for contracts less than 24 months)

## 2 Contractual Relationships

### 2.1 *Contract Administration of the Works*

Aileron Edge Pty Ltd has been appointed as contract administrator for the works comprising the airport project. Kieren Moss will act as the Principals' Representative. The NIRC Principal is Bruce Taylor with Mr Alistair Innes-Walker being appointed as the NIRC Principal's Representative.

### 2.2 *Main Contract*

The contract for the design and construction of the civil engineering and airfield lighting works for the airport, known as the Main Contract, was awarded to Boral Resources (QLD) Pty Ltd, at the Ordinary Norfolk Island Regional Council Meeting held 20 February 2019. A letter of Acceptance was issued on 9<sup>th</sup> April 2019. The contract for the Main Contract was signed by each party (NIRC/Boral) was signed on the 18<sup>th</sup> October 2019. The original contracted completion date is 10 August 2020.

## 3 Programme

### 3.1 *Main Contract*

A copy of the contractor's programme for the works is contained in Appendix A. As noted in 2.2 above the original contracted completion date was 10 August 2020. An inclement weather extension of time to the contract period has been sought and **61-day** extension of time for **Separable Portion 1 – Logistics and Preliminaries** has been granted at this stage so Practical Completion is now **2<sup>nd</sup> April 2020 with a projected practical completion date of 10 October 2020**. However, subsequent and ongoing delays have been experienced with unloading asphalt and concrete constituent materials.





Critical activities on the contract programme are the finalisation of the Bio-security Plan, maintenance of Ball Bay Groyne, the arrival of construction materials.

The contractor is currently on target to complete the airfield scope of works on Friday 31<sup>st</sup> July 2020.

## 4 Progress

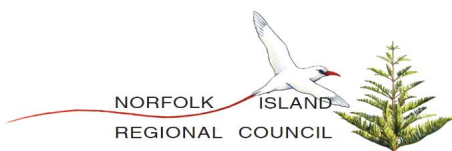
### 4.1 *Main Contract*

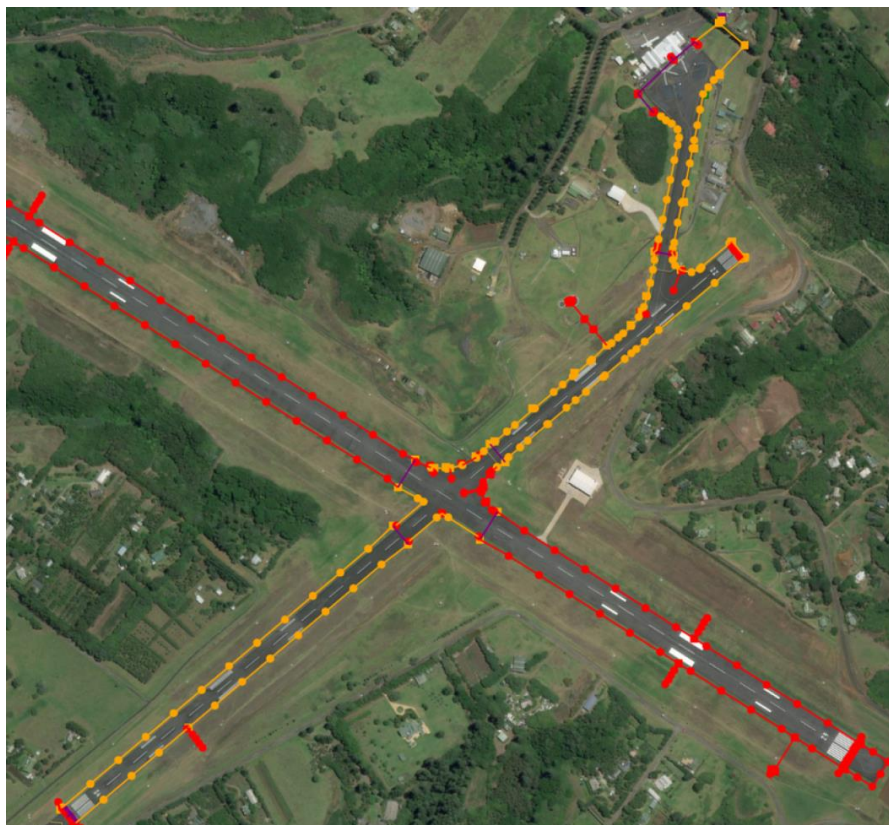
The Contractor Management Plans have been submitted, reviewed and accepted for use. A purchase order has been raised for the procurement of long lead time Airfield Ground Lighting items.

### 4.2 *Airfield Lighting Detailed Design*

The Contractor has submitted the Detailed design for airfield lighting. Construction is underway with 95% of pit and duct installation to Taxiway and Runway 04/22 now complete. The figure below shows overall view of pit and duct orange indicating where works have commenced, Red where works are yet to commence.

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#### 4.3 **Quality Management**

The Contractor has submitted the Quality Management Plan and associated Inspection and Test Plans have been reviewed and finalised. Quality audits will be undertaken regularly throughout the project delivery by Aileron Edge and accompanying NIRC representatives.

#### 4.4 **Environmental Management**

An Environmental Management Plan (EMP) has been prepared by the Contractor. The client has reviewed and accepted the plan. The Contractor will also schedule audits and extend an invitation to the client to join the contractor on scheduled Audits. A follow up Audit was undertaken on 31<sup>st</sup> March 2020 with minor corrective measures taken.

The Contractor's submitted and approved plan will continue to be implemented and monitored pending comments from the clients' Environmental officer. The Principals' representative will instigate regular environmental and safety audit of the site.







#### 4.5 ***Health & Safety***

The Contractor has submitted the Health and Safety Plan to the acceptance of the Principals' Representative. The plan has been implemented and is being monitored on an ongoing basis. No personal injuries were recorded in this reporting period.

#### 4.6 ***Traffic Management***

The Contractor has submitted the Traffic Management Plan. The plan is being implemented and monitored. No personal injuries were recorded in this reporting period.

A further vehicle movement plan for Separable Portion 2 Apron works has been implemented.

#### 4.7 ***Bio-security Plan***

The Contractor has been working on submitting a finalised Biosecurity Plan to the acceptance of Biosecurity and the Principals' Representative. Revision 8 of the Plan is being implemented and monitored. The returning barge point of entry requirements have been stipulated requiring lifting points be fitted on all plant and equipment, lifting plans are being investigated.

#### 4.8 ***Emergency Response Plan***

The Contractor has met with Norfolk Island Emergency Responders and has submitted an Emergency Response Plan to the acceptance of Emergency Services and the Principals' Representative. The plan is being implemented and monitored. A follow up meeting with Emergency Responders was held on 29th January 2020. No further meetings are planned at this stage.

#### 4.9 ***Method of Works Plan (MOWP)***

Method of Works Plan has been developed and circulated for the project. A further revision is likely to amend forecast dates should the trans-shipment continue to be affected by inclement weather, and further COVID 19 delays eventuate.

#### 4.10 ***Approvals***

Council has obtained all the necessary approvals for the project. The conditions of approvals have been provided to the Contractor for implementation.

Maintenance activities are continuing on the Ball Bay Groyne and are being monitored, and reported, as required under the Marine Parks Permit issued to the NIRC.





#### 4.11 **Community Engagement**

The Contractor remains concerned by potential hostilities on Norfolk Island. In terms of community engagement, the Contractor has met the community in small groups to provide them with information, Question & Answer factual summary sheets have been posted on the Council Website. The client representative has implemented a social media strategy.

#### 4.12 **Public Relations**

With respect to Complaints, the Contractor shall:

- Maintain a record of any complaints received from the Principal, landowners or the public. This will also include documentary evidence that complaints have been addressed and attended to, to the satisfaction of the Principals' Representative.
- All complaints must be discussed with the Principals' Representative without delay.
- A summary sheet of the complaint register shall be provided to the Principals' Representative upon request and at each site meeting.
- One noise complaint received relating to screening of materials on Site 44A. Equipment moved as a consequence.
- The Principals' Representative shall be notified of the circumstances in writing by the Contractor if any complaint is unresolved after 7 working days.

With respect to Notification to Residents and Businesses, the Contractor shall:

- ensure that all residents and businesses affected by the works, including those that may be unduly affected by noise, are notified at least forty-eight (48) hours prior to the commencement of work.
- The notice shall be submitted to the Principals' Representative three business days prior to the notice being issued. The form and content of the notification shall be approved by the Principals' Representative.
- In the event that the Contractor finds dispute with the property owner and/or the owners' wishes, the matter shall be immediately referred to the Principals' Representative.
- If the work does not commence as per the notice, then a further notice shall be issued following the procedure as set out in the three paragraphs above.
- The importance of good relationships with the Community is stressed. Any agreements with property owners shall be in writing.

#### 4.13 **Site visitors**

Any subcontractors, contractors and visitors to site are undertaking the NIA/Boral induction prior to the site-specific induction. There have been no visitors to site that aren't directly involved with the project attended the site during this period.







#### 4.14 **Weather conditions**

Rainfall records are now being received from the Bureau of Meteorology weather station at the Norfolk Island Airport. Trans-shipment works were delayed due to inclement weather these claims are being worked through with the Contractor and Principals' Representative.

#### 4.15 **Trans – shipment records**

Trans-shipment records are now being received from Wave Shipping.



##### **CARGO REPORT**

|                   |                |                     |                            |
|-------------------|----------------|---------------------|----------------------------|
| Port Name :       | Norfolk Island | Berth / Terminal :  | Anchorage (various)        |
| Vessel Name :     | AC Sesoda      | Voyage No :         | 201903                     |
| Cargo operation : | Discharging    | Cargo Description : | Aggregate (various grades) |

##### **Event summary :**

Commenced cargo operations 1000 hours 27 February 2020 (Thursday)

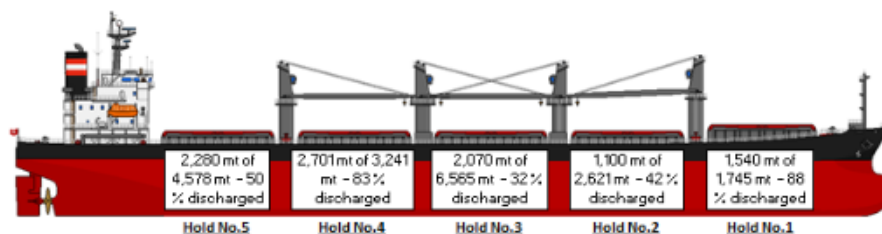
Actual discharging hrs in last 24 hrs : 0.00 hrs

Cargo discharged in last 24 hrs : No cargo discharged in the last 24 hrs

**Total cargo discharged :** 9,691.00 mt at an average (net) discharge rate of 295 mt / hr.

**Balance of cargo to discharge :** 9,059.00 mt of Aggregate (various grades) to go.

##### **Summary of cargo discharged:**



#### 4.16 **State of Emergency (COVID19) Declaration**

A State of Emergency Declaration by the Administrator on Monday 13<sup>th</sup> March 2020 has impacted the projects programme, construction methodology, and budget. The contractor is working through to quantify these impacts. Delays of between 29 and 49 days are likely, smaller work groups are proposed to try to reduce the risk to the Norfolk Islands small community with an aging demographic, and to mitigate the possible costs of having people in mandated self-isolation. These impacts are being worked through with the Contractor, and Principals' Representative, whilst keeping the COVID19 Incident Controller informed of any decisions being made.





## 5 Cash flows

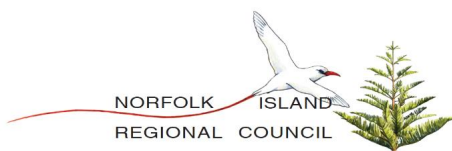
### 5.1 *Contract Administration of the Works*

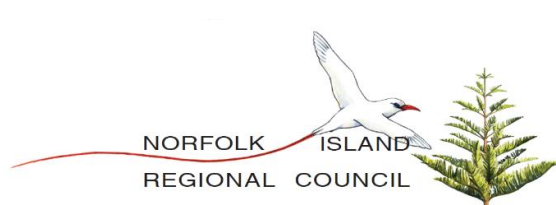
|  |              |
|--|--------------|
| Contract sum excl GST                        | \$ 201, 900  |
| Claims issued to date 31 March 2020 excl GST | \$ 171, 100  |
| Anticipated outcome cost excl GST            | \$ 340,700   |
| Completion expected                          | 31 July 2020 |
| Variations issued to Date                    | nil          |

### 5.2 *Main Contract*

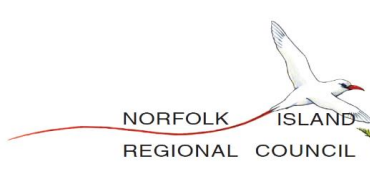
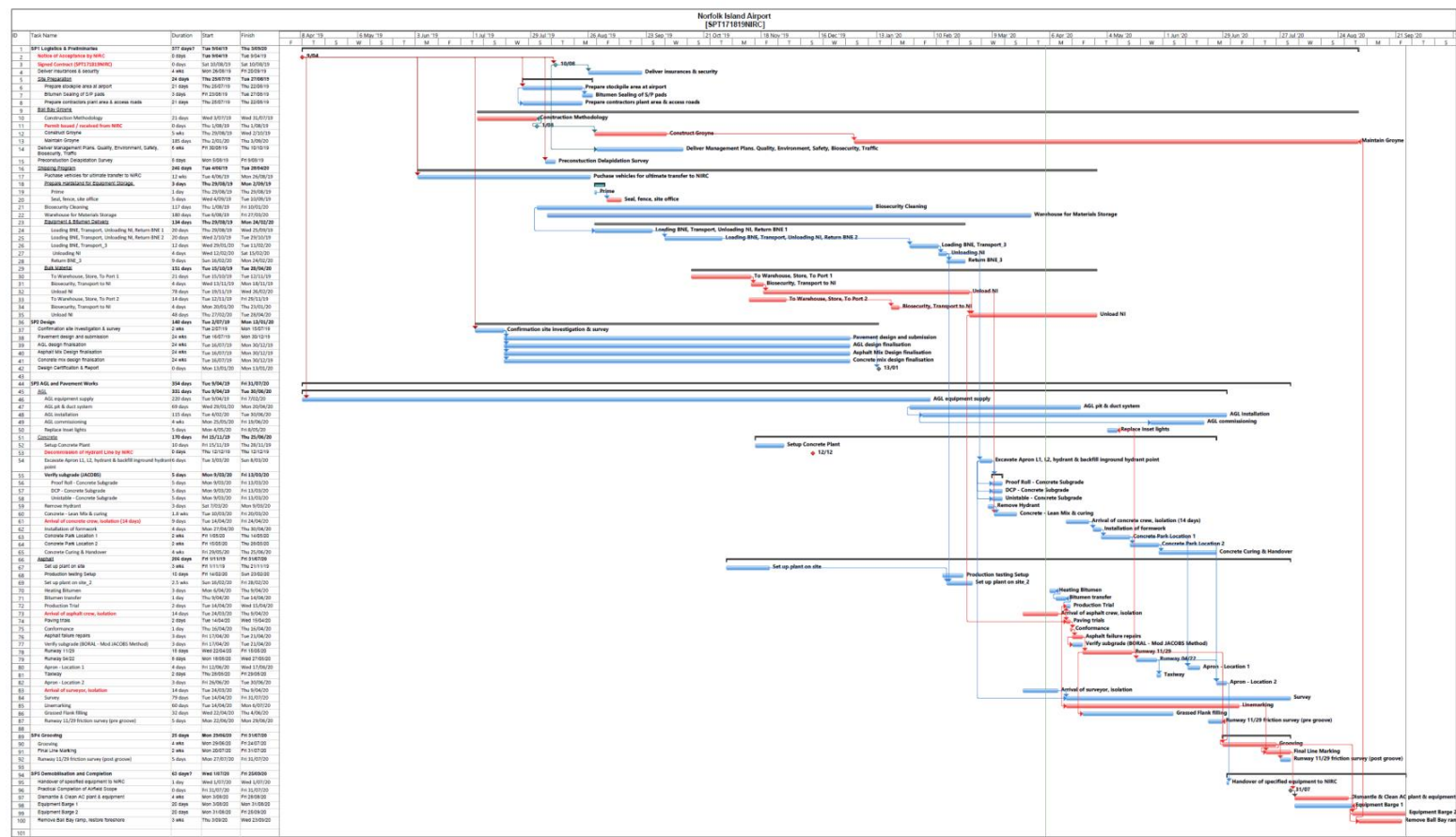
|  |                           |
|--|---------------------------|
| Contract sum                             | \$ 44,898,007 (excl. GST) |
| Payments certified to date 31 March 2020 | \$ 17,772,169 (excl. GST) |
| Anticipated outcome cost                 | \$ 49,581,820 (excl. GST) |
| Completion expected                      | 31 July 2020              |
| Practical completion                     | 10 October 2020           |
| Variations issued to Date                | \$ 2,111,438 (excl. GST)  |
| Variations under assessment              | \$ 1,124,567 (excl. GST)  |

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# Appendix A – Contractor's Program





## Appendix B – Minutes of meetings

Minutes of meetings;

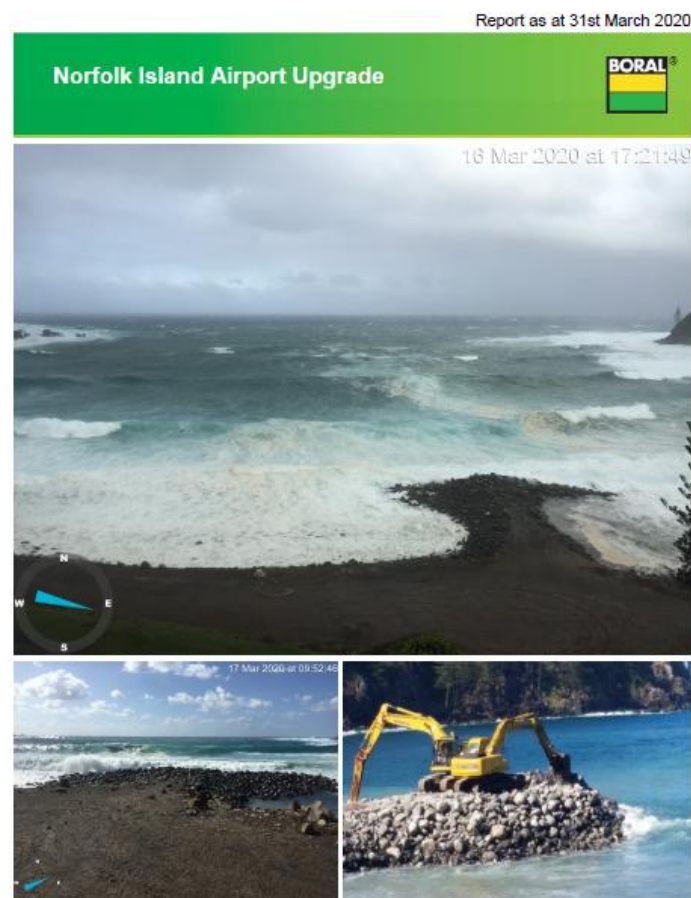
- a. Air New Zealand Stakeholder Meeting 15 January 2020,
- b. Progress Meeting held 16 January 2020,
- c. Air New Zealand Stakeholder Meeting 29 January 2020,
- d. Progress Meeting held 30 January 2020,
- e. Progress Meeting held 13 February 2020,
- f. Progress Meeting held 27 February 2020,
- g. Progress Meeting held 12 March 2020,
- h. Progress Meeting held 26 March 2020.

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## Appendix C – Boral Monthly Report



### Project Details

|                       |   |
|-----------------------|---|
| Division/Business     | BCM Asphalt Qld   |
| Project Name (Number) | Norfolk Island Airport Repair And Rehabilitation (SPT171819NIRC)  |
| Client                | Norfolk Island Regional Council   |
| Project Manager       | Chris Jeffery   |
| Brief Overview        | This project consists of approx. 30,000t+7,000t of high quality asphalt supplied from a mobile plant onsite; the installation of new lighting; concrete apron works; line marking and grooving for the upgrade of Norfolk Island Airport. |







Report as at 31st March 2020

**Project Dashboard - March 2020**

| Project Aspects | Summary comments  |
|-----------------|---|
| OHS             | <ul style="list-style-type: none"> <li>• MOWP revised with new stage 2 and 3 dates distributed.</li> <li>• Site management plans submitted with NIRC, additional information requested and supplied to PMCA. With NIRC.</li> <li>• Complaint - 23rd Mar noise from the operation of the powerscreen at 44A.</li> </ul>  |
| Scope           | <ul style="list-style-type: none"> <li>• Additional roadworks - signed contract provided by Boral to NIRC. Scope with NIRC.</li> <li>• Delivery of Power Screen, tanks for Desal plant and final NIRC equipment as per the contract.</li> <li>• <b>Approved Variations - Halogen light package (\$95.5k), Emulsion Sprayer (\$70.7k), Powerscreen (\$258k), Desalination Plant (\$345k).</b></li> <li>• <b>New variations: Supply and install 35m of fencing for Airside / Landside boundary; Supply and operation of sideloaders for the unloading of upcoming NIRC barge (20/4/2020) external to SPT171819NIRC contract.</b></li> <li>• Price to be submitted for ACO drain, fencing and sideloaders works. With Boral.</li> <li>• Original contract signed 18th Oct, original signed copy with each party (Boral / NIRC).</li> <li>• Boral desal unit delivered by Dept of Defence on the 17th (no communication to Boral about its arrival).</li> <li>• AGL works commence 4th Feb around the ALER with trenching starting on the 5th of Feb and continue with primary pit and conduit installation GA/taxiway/RWY 04/22 thereafter 11/29.</li> <li>• Final agreement of volume and price still to be finalized. With Boral.</li> </ul>   |
| Time            | <ul style="list-style-type: none"> <li>• Poor or unsuitable weather conditions have continued to impact the Island in March 2020. Out of a total of 31 days we were unable to unload aggregates a total of 25 days which equates to about 80%. This was primarily due to a large and significant weather system of TC Gretel passing within 100kms of NI on the 16th of March and the subsequent impacts involved rebuilding of the Ball Bay rock groyne which was completed in a total of 11 days by local contractors.</li> <li>• With the poor weather two (2) rebuilding events of the rock groyne were carried out including the full rebuild stated above.</li> <li>• Apron earthworks works commenced on the 3rd of March followed by concrete lean mix work commenced on the 9th of March with the lean mix works completed on the 13/03/2020.</li> <li>• The existing fuel hydrant was removed and back filled on the 7-9/03/2020 by Burnt Pine.</li> <li>• AC SESODA arrived on Norfolk Island on the 24th of Jan, first day of cargo discharge 27th of Feb</li> <li>• EOT_1 approved by PMCA 39 days. SP 1 is now 10 March 2020.</li> <li>• EOT_1 update_c submitted for client review and approval, inclement weather total now 48 days.</li> <li>• EOT_1 update_d submitted for 13 days and with client for review and approval, inclement weather total now 61 days.</li> <li>• Commonwealth imposed COVID-19 isolation delay is likely to impact by 29-49 days depending on the finalisation of the resourced levelled program.</li> </ul> |
| Cost / Claims   | <ul style="list-style-type: none"> <li>• PO #8700 claimed, claim #1 approved \$79,900.93; Claim #2, \$357,000 approved; Claim #3 approved \$5.3M; Claim #4 approved \$3.4M; Claim #5 approved, paid \$2.9M, Claim #6 (Jan'20) approved paid \$2.45M; Claim #7 (Feb'20) approved paid \$3.34M; Claim #8 (Mar'20) \$3.11M (Progressive total \$20,878,877.12 - 43%)</li> <li>• Commonwealth imposed COVID-19 restrictions from the 17th of March.</li> <li>• Claim under clause 49.6 - change in statute laws submitted 20-03-2020. Response received from PMCA in agreement of claim 20th of March. Mitigation of delay costs are occurring and will be submitted with the associated EOT mid-April.</li> <li>• Claim under clause 50.1 - Qualifying cause of delay associated with the claim under 49.6. With PMCA.</li> </ul>  |
| Quality         | <ul style="list-style-type: none"> <li>• Quality plan - with NIRC for approval.</li> </ul>  |
| Environment     | <ul style="list-style-type: none"> <li>• Meeting with Cube, AAT regarding use of port facilities for unloading equipment at POB.</li> <li>• First claim of biosecurity costs included in Feb'20 claim (\$1.262M) pending second claim Mar'20 (\$1.125M)</li> <li>• Biosecurity costs resubmitted to NIRC indicating return costs. Circa \$3.7M. Costs for the demobilisation through an approved BEP are still being progressed and it is likely that Boral will have proposals available for review by end of April.</li> </ul>  |
| Design          | <ul style="list-style-type: none"> <li>• AGL 90% design at agreement submitted and reviewed by NIRC and Avionics.</li> <li>• Pavement linemarking drawings submitted to NIRC for review.</li> <li>• Boral reviewing a basis of design report for submission to PMCA.</li> <li>• RFI's - submitted ALER room</li> </ul>  |
| Community       | <ul style="list-style-type: none"> <li>• Local business value estimated at \$1.0 M.</li> </ul>  |





## Appendix D – Photographic Record



Establishment of Concrete batching plant



Unloading of aggregates for asphalt and concrete production





Installation of Airfield Ground lighting twin 80mm conduit along Taxiway





Profiling of concrete pad for Bay 1



Placement of lean mix layer for RPT Parking Bay 2



Profiling of concrete pad for Bay 2



Application of curing membrane on lean mix layer for RPT Parking Bay 2