



SPT171819NIRC

Design and Construct – Norfolk Island Airport Pavement Repair and Resurfacing

Progress Report for Quarter 5 ending 30 June 2020

Aileron Edge Pty Ltd ABN 91617180042

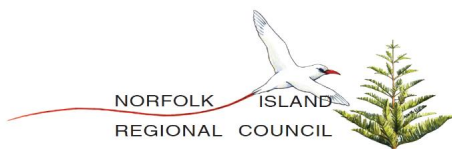
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Contents Amendment Record

This report has been issued and amended as follows:

| Issue | Revision | Description | Date | Signed |
|-------|----------|------------------------------|----------|--------|
| 01 | DRAFT | Progress Report Q5 June 2020 | 06/07/20 | KM |
| 02 | REV 02 | Progress Report Q5 June 2020 | 12/07/20 | KM |





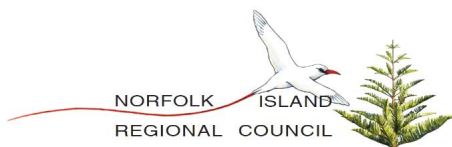
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1 Introduction

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.

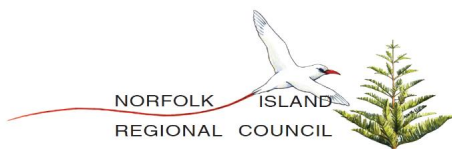
The tender for the Airport Pavement Repair and Resurfacing (D&C) Tender was released in September 2018 to an open market and a site inspection was planned for 7 October 2018, with all submissions to be received before close of business on 11 December 2018 (subsequently extended until 18 December).

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.

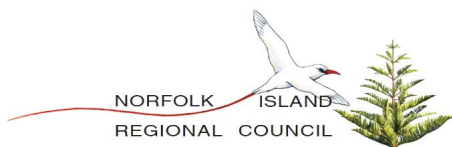
2.2 *Main Contract*

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 9th April 2019. The contract for the Main Contract was signed by each party (NIRC/Boral) was signed on the 18th 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. Subsequent and ongoing delays have been experienced with pavement works and further inclement weather extension of time to the contract period have been sought and a **17-day** extension





of time for **Separable Portion 3 – Pavement Works** has been granted at this stage. The new date for Practical Completion of Separable Portion 3 – Pavement Works is 1st September 2020.

Critical activities on the contract programme are the completion of Separable Portion 3 including Electrical works in ALER building, Runway 04/22 pavement works, and flanking(verge) pavement works. Separable Portion 4 - Runway 11/29 grooving, and finalisation of the return journey Bio-security Plan Separable Portion 5.

The contractor is currently still on target to complete the airfield scope of works on Monday 31st August 2020 subject to no further inclement weather delays.

4 Progress

4.1 *Main Contract*

Many project activities have been and continue to be impacted by the State of Emergency on Norfolk, specifically the travel restrictions, and isolation requirements for contractors travelling to the Island. This was in addition to inclement weather conditions experienced by the contractor, Boral Resources.

Despite these issues Boral, with Council support, have endeavoured to maintain momentum on the works, and remain on target to complete the airfield scope of works by the end of August 2020. Achievement of these dates remain subject to weather and COVID19 conditions. The projected practical completion date for the whole project, including demobilisation is the 27th October 2020.

The Contractor is nearing completion of Separable Portion 3 – Airfield Ground Lighting (AGL) and Pavement works. The following works are required to complete Separable Portion 3:

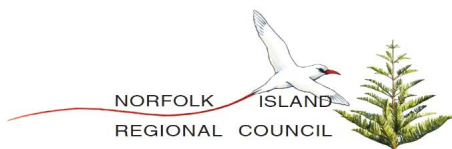
- ➔ eight (8) more asphalt wearing course pavement construction shifts to complete the runway pavement works,
- ➔ three (3) weeks of flanking (verge) works to complete,
- ➔ four (4) weeks of airfield lighting works to complete.

The three weeks of civil works are dependent on favourable weather conditions.

The following works are required to complete Separable Portion 4 - Grooving:

- ➔ four (4) weeks of grooving

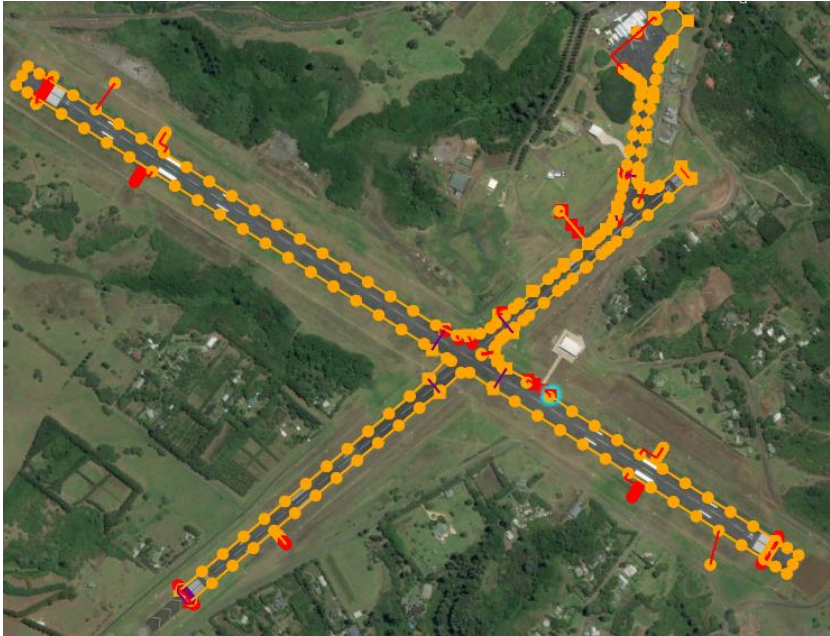
These works are dependent on favourable weather conditions.





4.2 **Airfield Lighting Installation**

The Sub-contractor (Avionics) has continued construction of airfield lighting installation with all of pit and duct installation now complete. The figure below shows overall view of pit and duct and cabling installation orange indicating where works are ready for lighting connection once the ALER building works are complete.



4.3 **Quality Management**

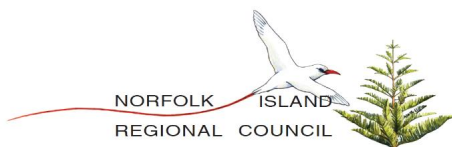
The Contractor have been regularly submitting lot packs with associated Inspection and Test Plans that have recorded works as installed in accordance with the Quality Management Plan as works are complete. Quality audits have been undertaken regularly throughout the project delivery by Aileron Edge.

Twelve (12) Corrective Action Requests (CARs) have been issued where works have not been completed in accordance with design or the quality required by the contract. Boral have been redressing these non-conformances and closing out the Corrective Action Requests.

4.4 **Environmental Management**

The Contractor's Environmental Management Plan (EMP) have been implemented and monitored on an ongoing basis. Environmental audits have been undertaken regularly throughout the project delivery by Aileron Edge.

Three (3) Corrective Action Requests (CARs) relating to hydrocarbon spills have been raised and corrective measures taken.





4.5 **Health & Safety**

The Contractor's Health and Safety Management Plan has been implemented and monitored on an ongoing basis. Health & Safety audits have been undertaken regularly throughout the project delivery by Aileron Edge.

No personal injuries were recorded in this reporting period. No Lost Time Injuries (LTI's) have been recorded for the entire project.

4.6 **Traffic Management**

The Contractor's Traffic Management Plans have been implemented and monitored on an ongoing basis. No personal injuries were recorded in this reporting period.

A further vehicle movement plan for Separable Portion 2 Apron works was implemented without incident.

4.7 **Bio-security Plan**

The Contractor's Bio-security Plan has been implemented and monitored. The returning barge point of entry requirements have been stipulated lifting points be fitted on all plant and equipment, lifting plans are being investigated.

4.8 **Emergency Response Plan**

The Contractor met regularly with Norfolk Island Emergency Responders and the plan was implemented and has been monitored. No further meetings are planned at this stage.

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

Method of Works Plan was developed and circulated for the project. Revision 5 is the current circulated version containing amend forecast dates affected by inclement weather, and further COVID 19 delays.

4.10 **Approvals**

Council obtained all the necessary approvals for the project. The conditions of approvals have been adopted by the Contractor. The Desalination Plant is being plumbed at Cascade Pier. The Desalination plant will provide water for multiple project activities, reducing demand on local supplies and providing an ongoing resource for the community once the project is completed.

Maintenance activities on the Ball Bay Groyne 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**

No complaints were received during this reporting period.





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 Four (4) visitors including the Mayor, and three councillors, to 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. Works were delayed due to inclement weather. 17 inclement weather days were claimed and granted during this reporting period

4.15 **State of Emergency (COVID19) Declaration**

A State of Emergency Declaration by the Administrator on Monday 13th March 2020 has impacted the projects programme, construction methodology, and budget. The contractor has quantified these impacts and NIRC agreed to a variation of \$1,003,558.

Smaller work groups were adopted 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.

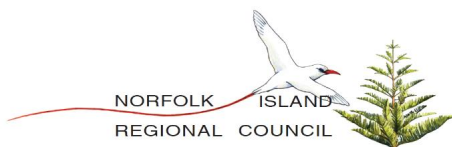
5 **Cash flows**

5.1 **Contract Administration of the Works**

| | |
|---|-----------------|
| Contract sum excl GST | \$ 201, 900 |
| Claims issued to date 30 June 2020 excl GST | \$ 315, 100 |
| Anticipated outcome cost excl GST | \$ 393,600 |
| Completion expected SP 1-4 | 31 August 2020 |
| Practical completion | 27 October 2020 |
| Variations issued to Date | \$ 191,700 |

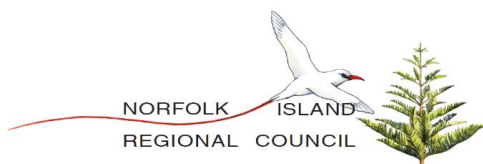
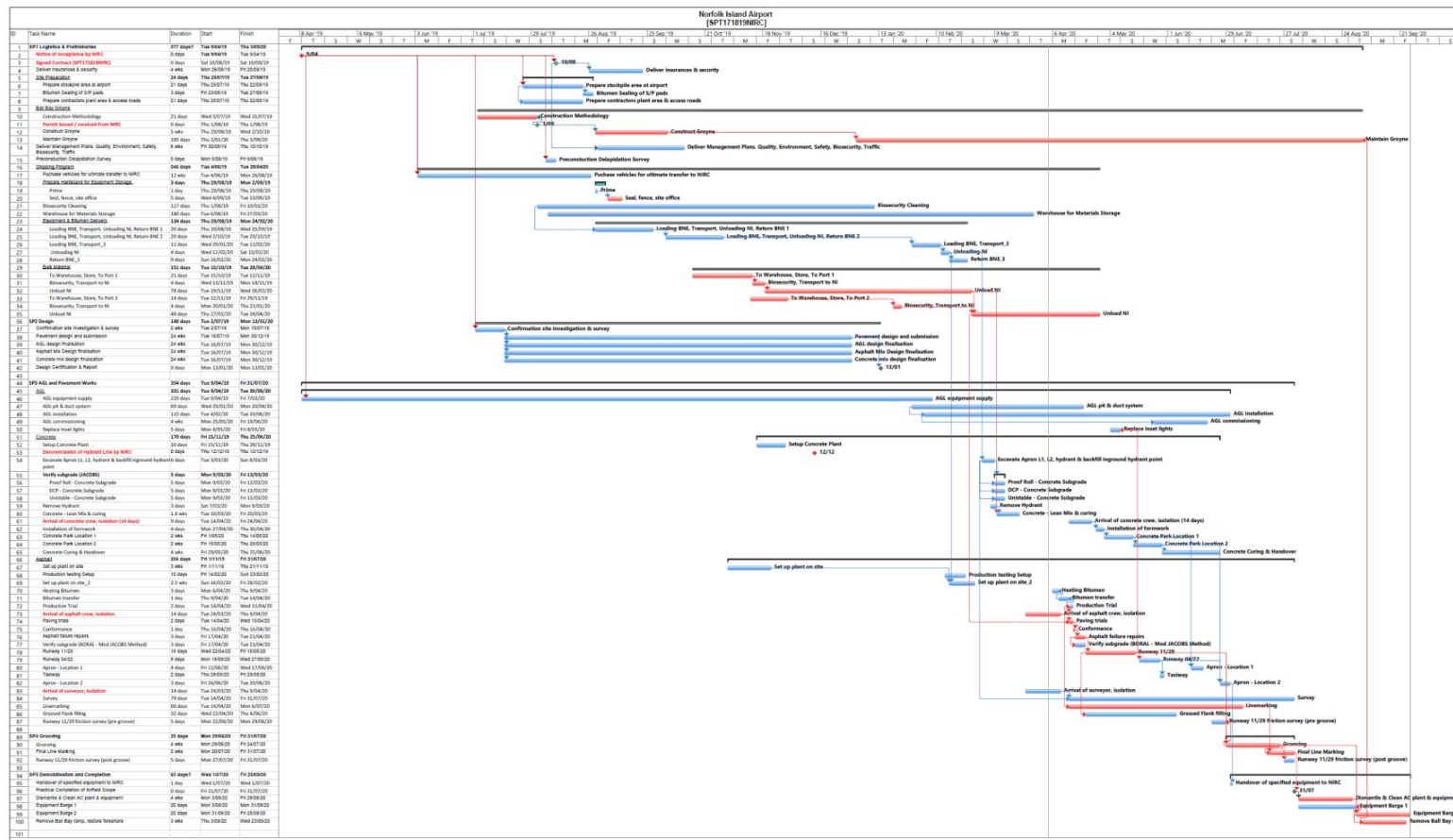
5.2 **Main Contract**

| | |
|---|------------------------------|
| Contract sum | \$ 43,799,793 (excl. GST) |
| Payments certified to date 30 June 2020 | \$ 31,174,046.97 (excl. GST) |
| Anticipated outcome cost | \$ 47,891,881.44 (excl. GST) |
| Completion expected SP 1-4 | 31 August 2020 |
| Practical completion | 27 October 2020 |
| Variations issued to Date | 4,092,088.44 (excl. GST) |





Appendix A – Contractor's Program



APES





Appendix B – Minutes of meetings

Minutes of meetings;

- a. Progress Meeting held 9 April 2020,
- b. Progress Meeting held 24 April 2020,
- c. Progress Meeting held 4 May 2020,
- d. Progress Meeting held 18 May 2020,
- e. Progress Meeting held 1 June 2020,
- f. Progress Meeting held 16 June 2020,
- g. Progress Meeting held 29 June 2020.

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Appendix C – Boral Monthly Report

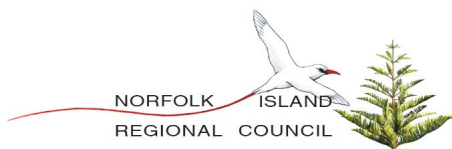
Report as at 8th of July 2020

Norfolk Island Airport Upgrade



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. 37,000t 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 8th of July 2020

Project Dashboard - June 2020

| Project Aspects | Summary comments |
|-----------------|---|
| OHS | <ul style="list-style-type: none"> • MOWP stage 2 & 3 initiated. • Site management plans submitted with NIRC for formal approval. • Damage to prime mover turntable 5-6. |
| Scope | <ul style="list-style-type: none"> • Approved Variations - Halogen light package (\$95.5k), Emulsion Sprayer (\$70.7k), Powerscreen (\$258k), Desalination Plant (\$345k); ACO drain (\$98.5k); Linemarking for airport carpark & Cascade Rd r/bout to be made in adjustment to quantities of asphalt (nil additional cost but valued at \$33,383); Viewing fence around terminal (\$19K); Airport boundary fence replacement (\$22k); Asbestos removal of ALER (\$19k), Airport Furniture (\$38k). • Original contract signed 18th Oct, original signed copy with each party (Boral / NIRC). • Final agreement of volume and price reached for valuation \$43,799,793 excluding any variations. |
| Time | <ul style="list-style-type: none"> • Weather conditions were average for June 2020 with the commencement of rainy and cool weather conditions. Claim for EOT (10 days - 3, 4, 9, 17, 19, 21, 23, 24, 25, 26th) • EOT_1e (8 days) Approved. Further claims pending for June. • EOT_1f pending (10 days) approval received. • Main Runway 11/29 completed 14-06-2020; Friction testing 11/29 (Pre groove) 14-06-2020 - good results achieved; Main Apron completed 22-06-2020 • First arrival of aircraft using new apron 27th of June 2020 (2 planes Toll Freighter and Air New Zealand flight from Brisbane). • Desal unit installation delayed until after unloading of cargo vessel at Cascade (29-06-2020 - 02-07-2020) |
| Cost / Claims | <ul style="list-style-type: none"> • 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 revised \$1.98 ; Claim #9 (Apr'20) \$4.74M rev \$4.08; Claim #10 (May'20) \$10.1M rev \$7.34M; Claim #11 (Jun'20) \$8,180,117.13 rev \$6,775,152.66 (Progressive total \$37,979,199.63 - 79%) • Claim under clause 49.6 - change in statute laws submitted 20-03-2020. Response received from PMCA in agreement of claim 20th of March. Claim under clause 50.1 - Qualifying cause of delay associated with the claim under 49.6 with PMCA. Valuation of COVID-19 submitted to PMCA on the 16th April \$1.94M revised and resubmitted with PMCA comments on the 26th of April to a revised value of \$1.0M. Claimed and approved by NIRC. • Clarification provided by Boral, meetings with NIRC representatives scheduled and completed regarding Biosecurity and sent through on the 15th including Senior Management. No further progression of claim received by Boral. |
| Quality | <ul style="list-style-type: none"> • Quality plan - with NIRC for approval. • NCR's 44 raised - closed out 75%; 1 segment of rework - AC/007 750t due to localized bitumen failures on surface. Samples of asphalt sent back to NSW laboratory for analysis. 1 more potential failure for replacement due to hydraulic spill from roller on the • Process Control charts provided to PMCA. ITP's, conformance lot packages to PMCA weekly. |
| Environment | <ul style="list-style-type: none"> • First claim of biosecurity costs included in Feb'20 claim (\$1.262M) second claim Mar'20 (\$1.125M) rejected and resubmitted in Apr'20 claim at \$606,310 May'20 claim for biosecurity claimed \$614,068 reject, revised claim submitted \$463,615.53. PMCA removed 'time related items'. Total claim still circa \$3.7M. Only approved \$2.3M with the balance outstanding. • RORO facility - unknown status. • Hydraulic spill on asphalt from leaking hose - rework to be completed on runway 04/22. • Desalination unit permit received 9th of June 2020. |
| HR | <ul style="list-style-type: none"> • COVID-19 restrictions proposed to align with Qld open border on the 10th of July'20. Permit for entry system proposed to be established. No increase in flights - 2 per week until Oct. |
| Design | <ul style="list-style-type: none"> • AGL 90% design at agreement submitted and reviewed by NIRC. AGL spares list submitted & is awaiting agreement by PMCA. • Boral provided basis of design report FINAL submitted. • MOS139 compliance report FINAL to be submitted. |
| Community | <ul style="list-style-type: none"> • Local business value estimated at approx. \$2.4 M. |



Appendix D – Photographic Record



Paver placement of Asphalt wearing course on Runway 04/22



Roller compaction of Taxiway Asphalt wearing course



Placement of Asphalt wearing course on Runway 11/29



Roller compaction, survey pick up and rolling straight edge testing
Runway 11/29 Asphalt wearing course



Line marking of Runway 11/29





Placement of Asphalt wearing course on Runway 11/29



Transfer of all aggregates for asphalt and concrete production from Runway 04 stockpiles



First aircraft on new Bay 2 concrete pad



First aircraft on new Bay 2 concrete pad





First aircraft on new Bay 1 concrete pad

