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Boral Resources (Qld) Pty Ltd
Construction Materials & Cement
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17th November 2018

The Chief Executive Officer
Norfolk Island Regional Council
New Military Barracks,
Kingston
Norfolk Island

Dear Madam,

RE: Airport Pavement Repair & Resurfacing SPT171819NIRC

Boral is pleased to submit its conforming Tender for Option 2, Imported Crushed Aggregate, to carry out the Airport Pavement Repairs & Resurfacing at Norfolk Island Airport.

As outlined in detail in the submission, Boral is well positioned to carry out this work.

Airport Surfacing Experience - resurfacing projects at a number of airports have been successfully completed in recent years. The safety and technical compliance standards have been outstanding. Our proposed team, led by Chris Jeffrey is ready, available and committed.

Supply Chain Logistics - having successfully completed the most recent airport resurfacing works at Norfolk Island in 2005, utilising a complex supply chain, Boral fully understands the risks involved and the treatments required to deliver the project.

We have offered two valuable alternatives in our submission;

1. **On Island Rock** - Boral is Australia's largest quarry operator and has the resources and experience to implement an 'On Island Rock' solution utilising the Cascade Quarry. Boral would assist with obtaining the Development Approval by NIRC. In the interim, Boral would properly investigate the geology and prepare a professional mine development plan, in preparation for developing the quarry. This option would not only save a considerable amount of money but leave Norfolk Island Regional Council with a useful, commercially viable, working asset to continue with island infrastructure

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works and community development. The full saving of this option would be determined after the investigations are completed, but would be in the order of \$1,700,000, and potentially up to \$5,900,000 depending on the biosecurity requirements for the import of rock.

2. Concrete Pavement Parking Pads – A deep asphalt pavement design could replace concrete for the aircraft pavement parking pads. A fuel resistant surface coating would be applied to the asphalt surface to mitigate the risk of fuel spills and material degradation. The savings for this alternative would be in the order of \$3,000,000. This alternative would also shorten the work program by 10 weeks.

The alternatives are not interdependent and cumulative savings could be made by adopting both alternatives.

Additionally, while the asphalt plant and equipment are on the island, Boral is open to negotiate with NIRC for a road maintenance program. This would be a considerable saving to a separate campaign and, again, would properly secure the safety and amenity of the road asset for the Norfolk Island Community into the long term future.

In summary Boral has a strong, experienced and reliable team ready to safely deliver the Scope of Works plus two very attractive alternative which save considerable money.

We look forward to discussing our tender offer in detail.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "ABZ", followed by a short horizontal line.

Andy Boyd

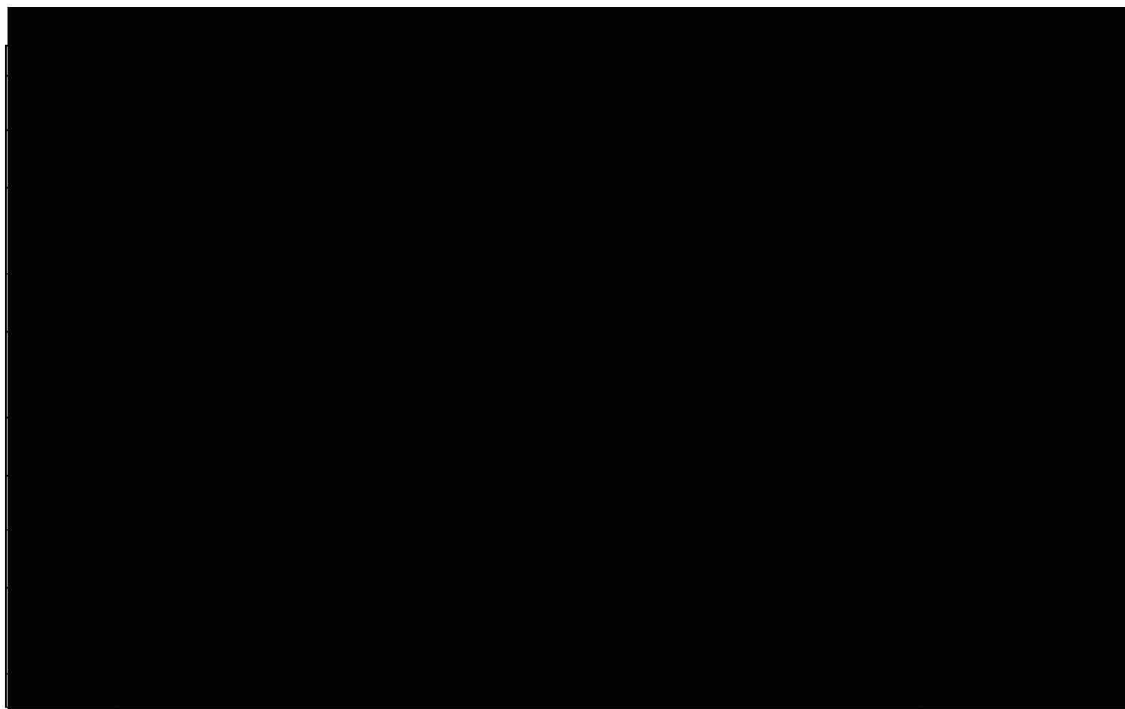
General Manager - National Project Management Office

Boral Australia

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TOTAL	TOTAL	\$44,898,007



Signature of Authorised Officer of Tenderer:

ds



Airport Pavement Repair & Resurfacing TENDER NO: SPT1718NIRC

Schedule - Tender Qualifications

Boral's offer is subject to the following conditions:

Ref	Area	Qualification
1	Biosecurity for aggregate & sand	<p>The conforming offer allows for the bulk transport of aggregates and sand without treatment, because Biosecurity, Department of Agriculture and Water Resources are unable to confirm any specific requirements at the time of tender. Boral has costed the full heat steralisation, and subsequent bagging, of imported aggregate and sand and that treatment is valued here.</p> <p>Valuation: \$4,200,000</p>
2	Groyne Construction Environmental Impact Statement (EIS)	NIRC are responsible for obtaining all required approval for the installation of the groyne in Ball Bay. Boral's price is to establish the groyne at Ball Bay is subject to the conditions of the Development Approval. At the time of submitting its offer, Boral assumes there will be no additional requirements or work arising from the conditions of the Development Approval. Any work to be done in order to comply with the conditions of the DA will be priced by Boral as a variation.
3	Asphalt Plant Development Approval	NIRC are responsible for obtaining all required approvals for the development and operation of a mobile asphalt production plant. At the time of submitting its offer, Boral assumes there will be no additional requirements or work arising from the conditions of the Development Approval. Any work to be done in order to comply with the conditions of the DA will be priced by Boral as a variation.
4	Performance Guarantee	The Performance Guarantee in the AAPA Specification in its current form is not clear. Boral's offer is subject to further discussion and agreement as to the quantification of performance and clarity on the methods of measurement.
5	Importation of Raw Materials	<p>If for any reason, the imported raw materials are unable to be unloaded onto Norfolk Island due to external factors beyond Boral's control (including but not limited to Stevedore or biosecurity issues), Boral is to be entitled to:</p> <ol style="list-style-type: none"> 1. full reimbursement of all of Boral's costs incurred up until that date; and 2. the right to terminate the contract without any penalty to Boral.



6	Biosecurity Compliance	<p>The biosecurity compliance requirements are currently unclear. Boral has assumed the following:</p> <p>Coarse Aggregates</p> <ul style="list-style-type: none"> • Quarry products will be produced, transported and placed in stockpile at a staging area; • The material will then be tested to confirm compliance; • The material will be transported from the staging area to the marine barge in clean trucks; • The material will then be loaded onto the marine barge and transported to Norfolk Island. <p>Any requirements which deviate from the above will constitute a variation and may require repricing.</p> <p>There is no pricing for any biosecurity compliance for quarry products and natural sand in Boral's conforming offer.</p> <p>When biosecurity compliance requirements are fully known this will be assessed and priced as a variation.</p> <p>Boral have allowed for cleaning of plant & equipment as specified in the "Preliminaries" document.</p> <p>Boral have provided for full heat sterilisation and bagging of sand and aggregates as an alternative offer.</p>
7	Decommissioning of Hydrant Line	A date for taking possession of the apron after decommissioning of the fuel hydrant line will be nominated in the contract. Any delay in handover will constitute "Principal Caused Delay"
8	Tender Program	The program provided at the time of tender assumes contract award at the end of February 2019. Any later date of award may require a revision of the program.
9	Areas for use by the contractor	Boral's offer relies on NIRC providing suitable areas for site compounds and material storage at no rental (or other) cost. Boral's requirements for compounds and storage are included in the schedule Methodology, item 4.
10	Equipment supplied under the contract	Boral will supply the transfer paperwork for the plant and equipment to be supplied under the contract. Any registration fees, stamp duty or other costs associated with the ownership transfer will be at the cost of the new owner, NIRC.

