

SOUTH PACIFIC INDUSTRIAL LTD

**CAPABILITY
STATEMENT**



SPI
ENGINEERING



SERVICE • QUALITY • SAFETY - OUR COMMITMENT

1.	Company Overview	1
2.	History	1
3.	Products And Services	1
	3.1 Fabrication.....	1
	3.2 Process Equipment Manufacture	2
	3.3 Machining	3
	3.4 Piping And Specialised Welding.....	3
	3.5 Stainless Steel.....	4
	3.6 Construction.....	4
	3.7 Plant Maintenance	4
	3.8 Instrumentation And Electrical.....	5
4.	Employees	5
5.	Why Do Business With Us	6
	5.1 Customer Testimonials	6
	5.2 Survey Feedback.....	7
6.	Quality Management.....	7
	6.1 Quality Statement.....	7
7.	Safety	8
	7.1 Statement.....	8
8.	Staff Training	8
	8.1 Safety Training	8
	8.2 Management And Supervisory Training.....	8
	8.3 Apprentice Training.....	8
9.	Management Structure.....	9
10.	Key Personnel Contact Details.....	9
11.	Significant Projects And Achievements.....	10
	11.1 Significant Projects Include:	10
	11.2 Significant Achievements.....	11

1. Company Overview

South Pacific Industrial Limited (SPI) is a medium-sized engineering company, based in Ruakaka, Northland, New Zealand with a current workforce of over 100 personnel.

SPI is a company founded and run on strong ethical principles, and we are guided and driven by our clear statement of:

Service • Quality • Safety – Our Commitment

SPI provide three main services:

- Heavy and light fabrication (mainly workshop based)
- Supply of site maintenance personnel (mechanical, instrument and electrical)
- Supply of project personnel

We service the marine, dairy, timber, oil, chemical, farming, fishing, transport and construction industries.

2. History

South Pacific Industrial began as an instrument contracting company nearly 40 years ago.

Approximately 20 years ago, SPI moved into mechanical engineering and over this period this aspect of the business has grown significantly, so that today we now provide services and products that are 90% mechanical-based.

3. Products and Services

SPI can provide the following range of services:

- Fabrication (heavy and light)
- Process equipment manufacture
- Machining
- Piping and specialist welding
- Stainless steel
- Construction
- Plant maintenance
- Instrument and electrical

3.1 Fabrication

SPI have a reasonably new 3,000m² workshop complete with modern machinery and is capable of carrying out a large range of fabrication jobs, from major contracts such as ship modules for the New Zealand Navy, to minor work for small businesses. The workshop is sited on a fully-fenced and graveled 1.6 hectare section.

The main workshop is made up of 3 main bays, with a separated clean shop attached to the outside of the west wall.

The work areas have good access and most are supported by gantry cranes (see table below).

	Bay 1	Bay 2	Bay 3	Clean Shop
Dimensions	36m X 10m	72m X 20m	72m X 10m	18m X 6m
Door Sizes	9m (w) X 4m (h)	16m (w) X 6m (h)	9m (w) X 4m (h)	4m (w) X 3m (h)
Gantry Cap	N/A	2 X 5t	1 X 2.5t	1 X 0.5t
Lift Height	N/A	6.5m	5.8m	3.6m

Below is a list of fabrication machinery that is available in the workshop:

- AC/DC welding machines
- MIG welding machines
- STT welding machines
- Buggo (units and track)
- Profile cutter (programmable)
- A guillotine (cut 12mm X 3.1m long)
- Heavy rollers (16mm X 2.4m long capacity)
- Brake press (180 tonne)
- Punch and shears (80 tonne)
- Power hacksaws
- Band saws
- Radial arm drill
- Drill presses
- Hydraulic press
- Hydraulic Benders
- Hydraulic roller – small (50 x 50 x 5EA – can roll down to 1,000 dia.)
- Hydraulic roller – large (100 x 100 x 10EA – can roll down to 1,500 dia.)

The fabrication workshop is supported by our fully-geared tool and equipment store. Additionally we have mobile plant from crane trucks and yard cranes, to mobile welders and generators.

3.2 Process Equipment Manufacture

SPI have significant process equipment manufacturing experience, successfully manufacturing equipment for the mining, gas and timber industries. Examples include:

- In the mining industry, the manufacturing of a 22 tonne fan housing and associated ducting, including a machined motor base, mill housings, silos etc.
- In the gas industry, the manufacturing of a 188 port heat exchanger, power pack skids, etc.
- In the timber industry, the manufacturing of in-feed and out-feed conveying systems, cutting lines, timber stackers, etc.

3.3 Machining

SPI have full in-house machining capabilities.

To complement our machining capabilities, SPI also carries out site services such as equipment and parts removal, installations and alignments.

The following precision machinery is available in our workshop:

- Scott centre lathe (100mm bore)
- Scott centre lathe (80mm bore)
- Elliot milling machine (1,140 table and 750 travel)
- Manford milling machine (1,460 table and 1,040 travel)
- Broaching press

3.4 Piping and Specialised Welding

SPI has a significant industrial piping capability and has successfully completed various major piping contracts. These include:

- Point Forward Project (NZRC)
- The Refinery to Auckland pipeline upgrade (NZRC)
- The hydro-cracker HPNA Project (NZRC)
- Fonterra Projects
- Wiri Oil Services Ltd (WOSL)
- BOC N₂ manufacturing facility
- And others

Our workshop has excellent prefabricated pipe spooling capabilities and our site crews are well equipped to carry out site fabrication and installation.

SPI fabricates and welds piping to all ASME and British standards and as part of our QMS has a complete in-house traceable welder qualification as well as weld quality control systems, supported by third party inspections.

The pipe welding procedures include, but are not limited to:

- Carbon steel to ASME IX
- Stainless steel ASME IX
- Super duplex stainless steel to ASME IX
- Chrome moly to ASME IX
- Stainless steel dairy tube to NZS 4703

SPI are able to efficiently qualify procedures and welders to all our customers' specification requirements for a particular job or contract.

The team is able to apply their welding skills to a wide range of tasks and requirements in any industry and also have experienced mobile field welding capabilities.

3.5 Stainless Steel

SPI is well established, with over a decade of experience in fabricating and installing stainless steel for the dairy, food, marine industries, and the health sector. For many years we have specialized in contamination-free and MAF-approved dryer shell welding.

Welders are NZ4703 and ASME IX qualified for welding stainless steel and 2205 / 2209 duplex tube and piping. We pride ourselves on the ability to produce well finished work that is both functional and aesthetically pleasing.

Completed dairy industry projects have included mechanical and piping installations of fractionation plants, powder dryers, evaporators, re-hydration plants, bulk powder packing, conveyor and palletizing construction.

3.6 Construction

SPI have a long involvement with the construction industry and have completed significant fixed price and unit rate construction contracts to a high standard that have also met stringent time constraints.

Construction work has included offsite fabrication of pipe spools, ducting, platforms, structural steel, and production machinery. The completed product has been transported to the site, installed and commissioned.

In addition to the above, electrical and instrumentation installations of a significant nature have been completed for the oil, dairy, timber, meat, cement and other production industries.

3.7 Plant Maintenance

Our teams are fully aware of the demands of industrial maintenance, including the requirement to have plant repairs completed to a formal program and having to meet our clients' deadlines and budgets.

Maintenance services can be provided for major shutdowns, regular operational maintenance, call-out maintenance or provision of a full contractor maintenance contract.

SPI have had a long standing working relationship with the New Zealand Refining Company and currently have a significant workforce on-site to provide an ongoing service of mechanical fitting, welding, and instrumentation/electrical, maintenance and project installations. This includes the supply of suitable supervision.

SPI also have similar arrangements on a smaller scale with other major industries, such as Fonterra and Carter Holt Harvey (CHH).

SPI specialize in the provision of a competent multi-skilled workforce whose capabilities include services such as:

- Management
- Contract supervision
- Fabrication
- Certified and specialized welding

- Machining
- Pipe fitting
- Mechanical fitting
- Control valve overhauls
- Tube fitting
- Instrument and electrical maintenance

3.8 Instrumentation and Electrical

SPI provides installation and maintenance of instrumentation to a number of industries in Northland.

SPI has completed significant contracts, including:

- New Zealand Refining Company's control room upgrade
- Upgrade to the pipeline running from the New Zealand Refinery to Auckland
- Revenue metering installations throughout New Zealand for Transpower

SPI have a small team of 6–10 personnel permanently carrying out some of the instrumentation/ electrical maintenance requirements at the NZRC, via the contract with Transfield Worley.

4. Employees

To fulfill our main business service requirements, SPI has a very competent and skilled workforce of approximately 100 personnel, of which over 75% are tradesmen (qualified or time-served).

SPI recognise that our staff are the company's most valuable asset and the welfare and development of the staff are of utmost importance to ensure the continued prosperity of the company is sustained. Ongoing staff training and development, emphasis on good human resource practices and compliance with quality and safety requirements are integral to the company's philosophy, leading to continued growth and stability.

The company has a highly skilled and dedicated management team, comprising of ex-craftsmen mechanical engineering personnel who have a realistic insight and understanding of the field work requirements involved. They bring with them a wealth of industry experience, with a combination of over 80 years experience.

SPI also have access to a small number of reliable contractor's and casual employee's who provide supplementary and specialist skills when required.

5. Why do business with us

Listed below are some good reasons why our customers or potential customers should do business with SPI:

- Well-established business with an enviable reputation for service.
- Excellent and competent staff portfolio base, with a high proportion of skilled personnel.
- Committed to meeting or exceeding the customer expectations.
- Able to provide specialized engineering services and products which are of a high quality and standard.
- Highly skilled management team with a wealth of industry knowledge.

5.1 Customer Testimonials

The New Zealand Refining Company and South Pacific Industrial (Formerly South Pacific Instrumentation) (SPI) have enjoyed a long and successful working relationship. SPI have had a presence on our site since circa 1984, initially providing instrumentation contracting services which has since evolved to include electrical and mechanical contracting services. They have provided ongoing routine maintenance services and key support during turnarounds and plant shutdowns, supporting our maintenance and projects teams. In recent times their services have extended into major project contracting, working with us working toward successfully delivering our “Point Forward” expansion project. The delivery of their service has been of a high standard and is aligned with our doctrine of ensuring we all go safely home, everyday.

SPI are a local Northland company and like NZRC, have been positively influencing the region for many years being prepared to lead by example; particularly through the development of high quality tradesmen and supporting a co-operative environment for good industrial relations. SPI staff support and share our passion for health, safety and the environment which is demonstrated in their performance initiatives, audit compliance and management of incidents. They have always taken a proactive approach in investigating and implementing corrective measures following incidents and near misses, this also extends into new and innovative ideas around productivity and work practices. Our current and continued success is underpinned by our partnerships with our contractors. We look forward to continuing our excellent relationship with SPI in the coming years.

Together “ Fuelling New Zealand’s Future “.

Vaughan Wykes - NZRC
Engineering Manager

Transfield Worley and SPI have worked together for over 10 years predominantly in a long term maintenance and construction arrangement. SPI have proven themselves to be a highly reliable and skilled partner in fabrication, construction and maintenance, delivering consistently to high standards of quality.

SPI are an exceptionally customer focussed organisation, who take the time to truly understand their customers requirements. They have shown themselves to be flexible, responding to tough and changing customer requirements with the minimum of fuss, while continuing to deliver their work. SPI have a strong culture of Health and Safety in their company, delivering work safely and always being open to new ways improving their safety performance. SPI consistently produce a high quality of workmanship and have demonstrated an ability to get work completed right first time, which is extremely important to Transfield Worley and our customers.

Transfield Worley look forward to continuing and building our long term relationship with SPI.

Stuart Mockett - TW
Regional General Manager

SPI have been supporting the dairy industry for many years now and we’ve developed a very good working relationship. Their ongoing support to site has always been strong with good tradesmen that we now deem to be part of our own site engineering team. Responsiveness to urgent requests and a can do attitude ensure SPI remain as our first point of call when outsourcing engineering work.

Rowan Hartigan
Engineering Manager – Fonterra (Kauri)

South Pacific Industrial (SPI) delivered value for money by providing a high quality product and service during the Point Forward Project (PFP) at the New Zealand Refining Company. High productivity was maintained throughout the project even though at times, there were demanding conditions with some inherent physical constraints and tight timeframes during the tie-ins.

Jack Ariel
PFP Project Director
The New Zealand Refining Co

5.2 Survey Feedback

A customer survey of our major customers was carried out by an independent consultant; some of the feedback included:

What do you like the most in dealing with SPI?

- Responsive, open, easy communication.
- Easy to contact.
- Their attitude towards working to find solutions as required.
- Good people to talk to and get on with. That goes for everybody I talk to there.
- SPI is willing to work with the customer to obtain the best outcome for both parties.
- The yes we can help.
- Their plant knowledge and welding skills.
- The people.
- Responsive, quick, decisive.
- Service

6. Quality Management

SPI have a fully compliant quality management system that has been certified by Telarc SAI Ltd to AS / NZS 9001 : 2008 to the following coverage clause:

- The carrying out of manufacturing to engineering designs, including pressure equipment, in compliance with PECPR requirements. The provision of general engineering services and maintenance, including the provision of certified welding services.

Our ISO registration number is 2468.

6.1 Quality Statement

All members of the SPI staff are committed to continuously improving our methods and systems, to meet our customers' as well as statutory and regulatory, requirements, both now and in the future.

7. Safety

South Pacific Industrial Ltd has been certified to Tertiary Level - ACC Workplace Safety Management Practices (WSMP).

7.1 Statement

The management of South Pacific Industrial Ltd is committed to providing and maintaining a safe and healthy working environment for its employees, visitors and all people using the premises as a place of work.

8. Staff Training

Three categories are identified when considering the types of staff training offered by SPI:

8.1 Safety Training

SPI is engaged in ongoing compliance to maintain the safety standards that are expected within the engineering industry.

SPI are one of the main member companies of the Northland Training Alliance (NTA), a group comprising large industrial enterprises and other main maintenance contractors. In conjunction with NorthTec (the local polytechnic institute), NTA have established SafeTrades North, a health and safety training centre based in Whangarei and run by NorthTec.

SafeTrades North was set up to provide high quality, affordable safety training to NZQA standard for the engineering industry. All our employees attend safety training, with several aiming for level 3 National Certificate in Applied Safety Practices. It is our aim that our employees complete the 50 credit programme.

8.2 Management and Supervisory Training

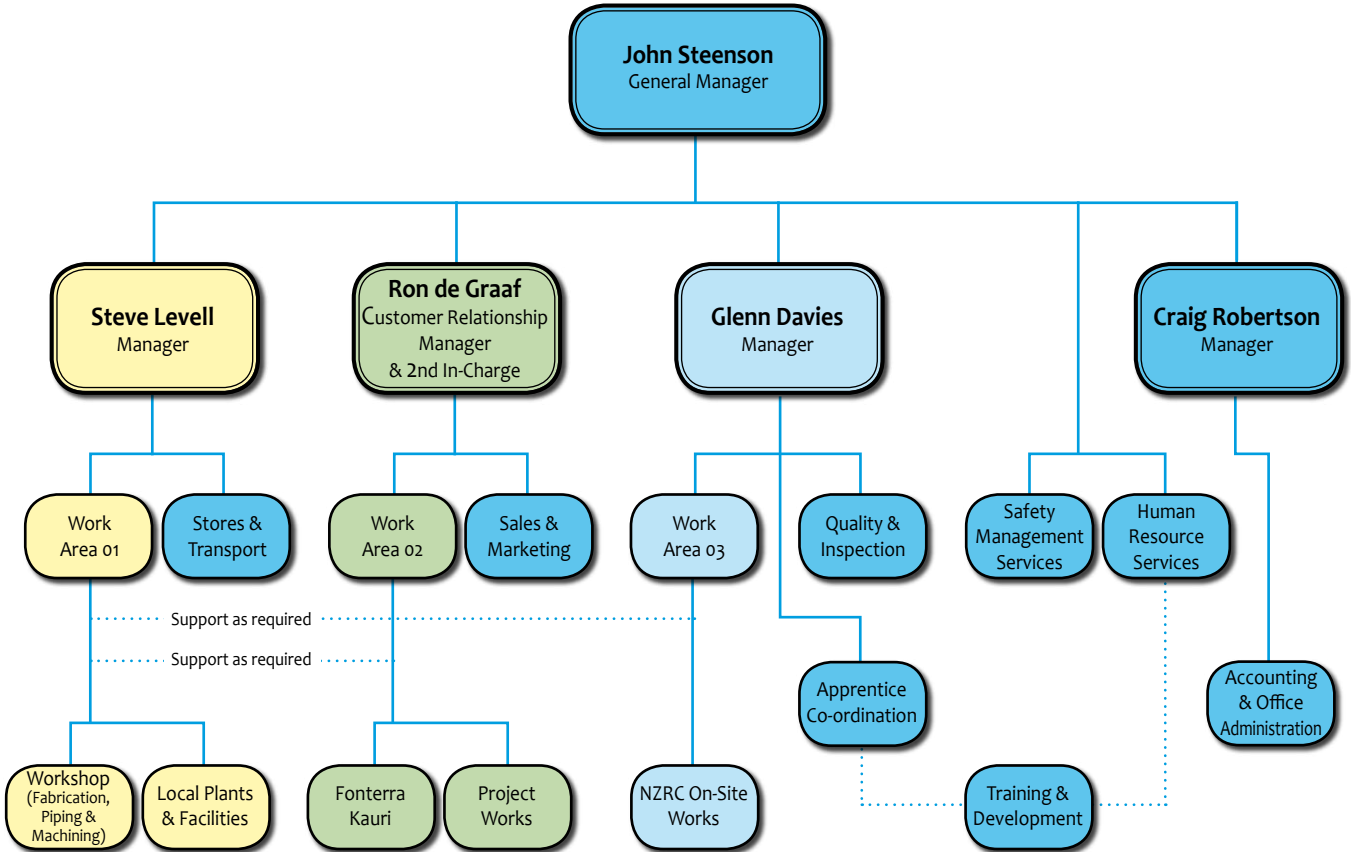
SPI provides internal and external training opportunities for management staff. Staff attend seminars when available, relative to their core functions. This has been a great advantage for their personal development within SPI.

SPI is in the process of having all our regular supervision personnel (down to leading hand level) to attend training in First Line Management (to NZQA Level 3).

8.3 Apprentice Training

It is very important to the company and we take a proactive role by ensuring that we have a continuous flow of apprentices being trained (currently we have 10 apprentices). We ensure that the necessary training is followed through and reviewed continuously, based on the apprentice's Employment Training Agreement.

9. Management Structure



10. Key Personnel Contact Details

<p>John Steenson General Manager</p> <p>DDI 0064 9 4325780 Cell 021 427606 Email jes@spi.co.nz</p>	<p>Ron De Graaf Customer Relationship Manager</p> <p>DDI 0064 9 4325786 Cell 021 364 225 Email ron.d@spi.co.nz</p> <p>- Customer and project inquiries</p>
<p>Steve Levell Workshop Manager</p> <p>DDI 0064 9 4325787 Cell 021 243 2072 Email steve@spi.co.nz</p> <ul style="list-style-type: none"> - Workshop (fabrication, piping and machining) - Site maintenance services 	<p>Alistair Mcrae Business Development</p> <p>DDI 0064 9 4325798 Cell 021 898 290 Email alistair.m@spi.co.nz</p> <ul style="list-style-type: none"> - Customer and project inquiries

11. Significant Projects & Achievements

11.1 Significant Projects Include:

- SPI was one of the main mechanical contractors for The Point Forward Project (PFP) for the New Zealand Refining Company. Our involvement in this project was the fabrication in our Ruakaka workshop, of approximately 4 kms of process piping (carbon and stainless steel) ranging from 15mm (½”) up to 900mm (36”) diameter. After coating, fabricated piping and associated platforms were delivered to site for installation and erection. The off-site work kept 24 personnel engaged for more than 12 months and our on-site work kept an average of 40 personnel (peaking at 80) engaged for over 18 months.
- The Laminated Veneer Lumber (LVL) project at Marsden Point saw SPI receiving and unloading more than 2,000 tonnes of processing equipment. The site works for this project included the erection and commissioning of the Dieffenbaccher LVL press, several hundred tonnes of in-feed and billet processing equipment for the Corvallis Tool Company and Raute equipment (both from the USA), plus installation of all hydraulic piping, hoses, pumps and control systems.
- The Oil Refinery to Auckland pipeline upgrade contract involved the mechanical, structural, electrical and instrumentation at the Wellsford green-field site, as well as the mechanical and electrical installation at Marsden Point, including installation of all piping, hoses, pumps and control systems.
- SPI are a preferred supplier to the dairy industry and have completed a number of significant projects, e.g:
 - 3 off 4,000 kg stainless steel crystallization silos and associated pipe work, flow plates, platforms and ladders.
 - Plant compressed air up-grade which included the installation of new compressors and 100mm carbon / stainless steel pipe work, valves and fittings.

SPI have an on-going relationship with Fonterra supplying maintenance cover, shutdown assistance, plant modifications and project installations.

- SPI secured the contract to build for Tenix (BAE) several in-shore and off-shore patrol vessel modules. SPI completed 2 off 28 tonne off-shore vessel modules, 3 off 22 tonne (aft modules) and 2 off keel and fuel modules. These were all successfully transported after hours (piloted) from our yard in Ruakaka up SH 1 to the port of Whangarei. SPI also fabricated all of the pipework for the fuel oil, lube oil, and cooling water systems.

11.2 Significant Achievements

1. Refinery-Auckland pipeline commissioning
2. NZ Refining Co, tank farm lighting
3. Afferco Moerewa, new works, electrical installation
4. Juken Nissho, stage 2 triboard mill, electrical installation
5. Northland Dairy, nutritional products, electrical installation
6. Wairau Falls power station, remote control installation
7. Wairau Falls power station, control gates, fabrication and installation
8. Northland Dairy, major contracts and shut-down maintenance
9. Transpower, Wilton substation, 110kv bus zone protection
10. Transpower, revenue metering installations
11. Northland Port Corporation, tug construction piping
12. Tenix, Anzac Frigate, mounts fabrication, jig fabrication & module piping installations
13. Tenix, Anzac Frigate, copper/nickel pipe fabrication and welding
14. CHH LVL plant access platform fabrication and erection
15. Golden Bay Cement, large ducting fabrication and installation
16. CHH LVL plant maintenance contract
17. NZ Refining Company maintenance
18. Marsden Deep Water Port piling fabrication
19. Northland Dairy stainless installations
20. Refinery tetraethyl lead storage tank and piping demolition
21. Marsden A power station re-commissioning
22. Northland Dairy silo installations 20,000 litre
23. Mercury Energy land fill gas fired power station electrical contracts – Rosedale, Greenmount and Wellington
24. 21 metre diameter oil storage tank jack-up and replace floor and rebuild of floating roof



SPI
ENGINEERING



SOUTH PACIFIC INDUSTRIAL LIMITED

Industrial Engineering Contractors
Mechanical • Instrumentation • Electrical

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Quality
ISO 9001