

**Royal North Shore Hospital &
Community Health Services Redevelopment**

Gate 1, Herbert St
Thiess Site Office Entry
Building 21, Royal North Shore Hospital
St Leonards NSW 2065

PO Box 97
St Leonards NSW 1590

Telephone (02) 9468 2100
Facsimile (02) 9468 2195



Thiess Pty Ltd
ABN 87 010 221 486

26 College Street
Sydney NSW 2000

Locked Bag 26
Darlinghurst NSW 2010

Telephone (02) 9332 9444
Facsimile (02) 9332 9482

22 March 2012

To whom it may concern:

Peter Kelly Flooring P/L (PKF) are currently contracted and have installed approximately 80,000m² of vinyl and carpet on the Royal North Shore Hospital Redevelopment PPP project.

Their performance on the project to date has been excellent. They are a professional company who believe in a two way arrangement and understand that they have to perform. We have used PKF on numerous projects over a ten year period and have a proven track record of delivering successful project outcomes.

We have also found them to be quite candid and honest, and happy to discuss the big issues the flooring industry is facing especially regarding the national skills shortage for vinyl layers.

It was this open and honest discussion that led us to procure PKF in an unorthodox contractual relationship which dealt with this skills shortage. This was a very important issue for us especially regarding the size and installation of this project.

In summary, we engaged PKF initially as a consultant providing them a target budget and then allowing them to represent us to the vinyl and carpet manufacturers to secure the best commercial outcome for our project. Once this was done PKF then negotiated with us a lump sum supply and install contract. Our past relationship allowed us to take the extra "leap of faith" required to effectively negotiate a circa \$6M subcontract (albeit with complete 'open book' information on the costs of the products).

This was done successfully and allowed PKF to secure labour resources from the commencement of the consultancy engagement rather than at the completion of the tendering process. This gave PKF, as well as ourselves, certainty and comfort that the labour resources were secured for the project.

I have no hesitation in recommending them to future potential clients.

Yours faithfully
Thiess Pty Ltd

Jim Tragotsalos
Project Director