



OM Engineering Pty Ltd

14th January, 2015

Foreign Affairs, Defence and Trade
Committee Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600

To Whom it May Concern,

Export Finance and Insurance Corporation Amendment (Direct Lending and Other Measures) Bill 2014 – OM Engineering Submission to the Inquiry

OM Engineering (OME) is a Queensland-based engineering company that specializes in the design and supply of custom-designed formwork systems. These systems range from building, bridge and industrial tank jump forms right through to major temporary works projects. OME services the building and civil infrastructure sectors within the construction industry, placing a strong emphasis on building long-term relationships with its clients and suppliers. In addition to many major contracts completed in Australia, the company has also completed contracts in Dubai and Vietnam. OM Engineering is planning a major expansion into the North American construction market.

Tappan Zee Bridge in New York, USA

In 2013, OME's close relationship with a prestigious Canadian bridge design company helped OME win an important contract on the new Hudson River Crossing Project in New York. Replacing the existing Tappan Zee Bridge, a new twin-span bridge is being designed and built by a consortium of design, engineering and construction firms. The first span of the bridge is due to open in 2016, with full completion by 2018.

OME's contract involves the design and supply of jump form systems for the construction of the bridge's 8 main span concrete pylons. The company's custom designed systems will help increase the efficiency of the overall construction process, while reducing labour and crane costs.

To secure their involvement in what is currently the biggest bridge contract in North America, OME's client, Tappan Zee Constructors, required a US\$500,000 performance bond. While OME's bank, CBA, was supportive of this exciting opportunity, it was not prepared to issue a performance bond without full collateral in the form of cash or assets. Unfortunately OME did not have sufficient working capital to finance this bond.

Efic

Fortunately, Efic were able to step in and provide a performance bond for US\$500,000 to OME's customer, Tappan Zee Constructors LLC, which allowed OME to finally secure this project.

This project is a major milestone for OME, because it gives the company major exposure in the US, a target for future growth and expansion. In addition, having a relationship with an Australian Government organization like Efic gives OME credibility and financial strength with prospective customers in the US. As a result of the Tappan Zee Project, OME is already involved in negotiations on two other major bridge projects in North America, with hopefully more to follow. These projects all have similar performance bond requirements and OME will be relying on Efic to assist. This will allow OME to retain enough working capital in order to finance the growth of the company.

"We worked hard to win this important contract. Without Efic, we would have stumbled at the last hurdle due to financial constraints. The major contractors that we are working with in North America like our technology and experience, so this presents a major opportunity for us. However, without having Efic's efficient performance bond capabilities, we would not be able to compete."

Oliver Mork

Managing Director, OM Engineering

Links:

www.omengineering.com.au

www.newnybridge.com