

Commission of Inquiry

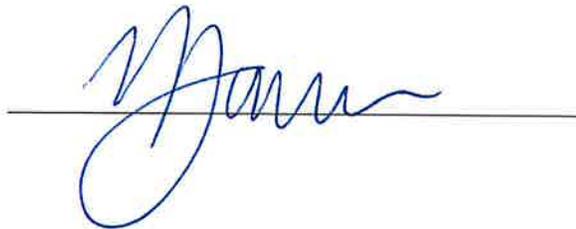
AFFIDAVIT OF NICHOLAS FARIES

I, **Nicholas Faries**, of Smith's Parish, in the Islands of Bermuda do hereby solemnly and sincerely swear as follows:

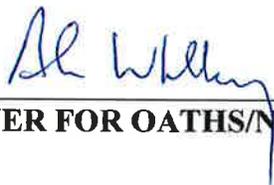
1. Insofar as the matters deposed to herein are within my personal knowledge, they are true and insofar as they are not within my personal knowledge, they are true to the best of my knowledge information and belief.
2. I am the Chief Executive Office of the East End Group, which includes East End Asphalt ("EEA").
3. I understand that the Commission is looking into the tendering process for the purchase by the Government of Bermuda of bulk aggregate. I confirm that EEA tendered for this contract.
4. I understand that the Government official, responsible for the tendering exercise, Mr Ball, has given testimony to the Commission in respect of the tendering and sought to explain why EEA's tender was rejected despite being the lowest price.
5. EEA is the largest private supplier of aggregate in Bermuda. EEA purchases aggregate in bulk which is typically shipped in from Canada. EEA then uses the aggregate for its own needs or sells on to customers like Government. Our prices for deliveries of aggregate from our own supplies are charged on a per tonne basis and are collected from our yard. We have occasionally supplied Government with aggregate out of our yard for their production of asphalt at the normal retail price. Material sold out of our yard has already been delivered to us from Penno's Wharf and includes significant trucking costs. Our prices vary but they have been in the region of \$85 per tonne.

6. Such deliveries are not bulk shipments and our pricing for bulk shipments is entirely different. For bulk shipments, our prices are of course much lower. We have only provided bulk shipments to the Government of Bermuda for the production of asphalt twice since 2007. Our prices on those two previous occasions, both in 2008, were \$55 and \$58 and I attach the invoices.
7. Accordingly when Mr Ball referred the Commission to the fact that EEA had charged \$85 per tonne for aggregate, he was not referring to bulk shipments but to retail sales from our yard which are entirely different.
8. Bulk prices also of course vary depending on the strength of the Canadian dollar (given the supplier charges in Canadian dollars) and shipping costs. We were able to quote \$46 per tonne, because the Canadian dollar was lower and we were at this time bringing in seven or more ships a year, approximately 150,000 tonnes of aggregate per year, and so we could negotiate low shipping rates and better terms with the quarry.
9. Our quote was therefore entirely genuine and I find it difficult to believe that Government could have concluded differently.

SWORN by the above named)
Nicholas Faries)
 In the City of Hamilton)
 In the Islands of Bermuda)
 on this 8th day of December 2016)



BEFORE ME

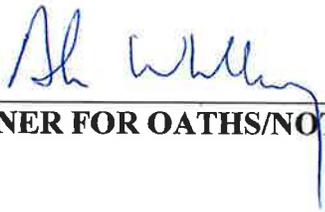


COMMISSIONER FOR OATHS/NOTARY PUBLIC

Commission of Inquiry

EXHIBIT TO AFFIDAVIT OF NICHOLAS FARIES

This is the paper writing referred to in the Affidavit of Nicholas Faries sworn herein before me
this ^{9th} day of December 2016



COMMISSIONER FOR OATHS/NOTARY PUBLIC



PO Box CR233
Crawl CR BX
Bermuda

East End
Asphalt

Invoice

Date	Invoice #
11/6/2008	21310

PAID
12/03/2008

Bill To
Ministry of Works & Engineering Baileys Bay Quarry PO Box HM 525 Hamilton HM CX ATT: Vernon Tankard/S. Outerbridge

Account #	P.O. No.	Terms	Due Date
		Net 30	12/6/2008

Description	Qty	Rate	Amount
Concrete Sand (by Metric Ton) Delivered to Wharf, to be picked up by customer 50% is due in advance of boat arrival.	4,626	58.00	268,308.00
On line payments to HSBC 010353902001. Please reference invoice/name. Payments are due within 30 days of the invoice date. Delinquent customers are responsible for all debt collection, legal and other related charges incurred by East End Asphalt in its attempts to recover overdue amounts.	Invoice Total		\$268,308.00
	Payments/Credits		-\$268,308.00
	Balance Due		\$0.00
Phone #	Fax #	E-mail	Web Site
(441) 236-1776	(441) 293-8551	accounts@eegroup.bm	www.eegroup.bm



PO Box CR233
Crawl CR BX
Bermuda

East End
Asphalt

Invoice

Date	Invoice #
5/9/2008	20274

PAID
05/29/2008

Bill To
Ministry of Works & Engineering Baileys Bay Quarry PO Box HM 525 Hamilton HM CX ATT: Vic Ball

Account #	P.O. No.	Terms	Due Date
	P17001252	Net 30	6/8/2008

Description	Qty	Rate	Amount
Aggregate Concrete Sand Concrete Sand ASTM-C-33 500 MT of washed sand	5,000	55.00	275,000.00
<p>On line payments to HSBC 010353902001. Please reference invoice/name. Payments are due within 30 days of the invoice date. Delinquent customers are responsible for all debt collection, legal and other related charges incurred by East End Asphalt in its attempts to recover overdue amounts.</p>	Invoice Total		\$275,000.00
	Payments/Credits		-\$275,000.00
	Balance Due		\$0.00
Phone #	Fax #	E-mail	Web Site
(441) 236-1776	(441) 293-8551	accounts@eegroup.bm	www.eegroup.bm