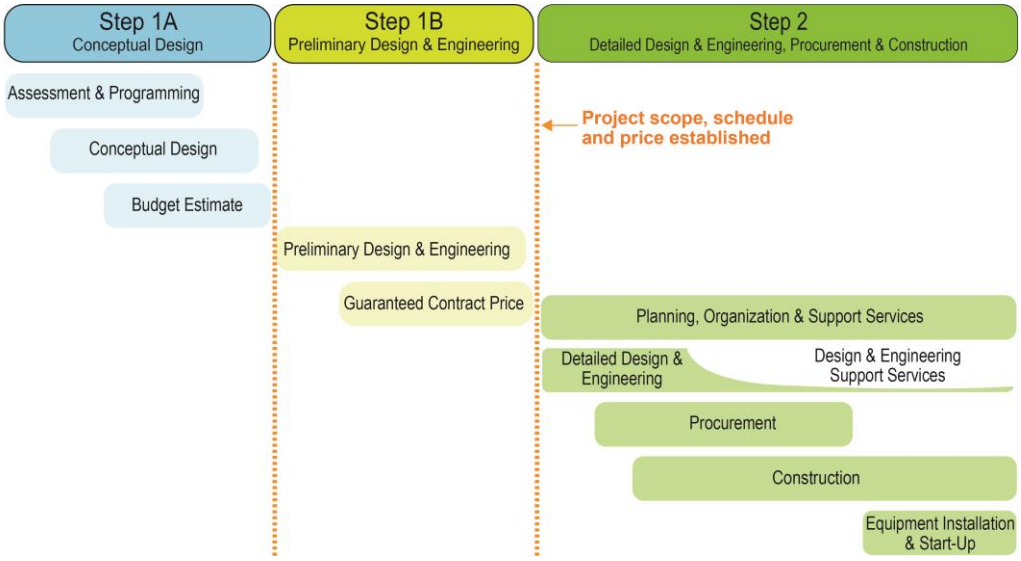
The Austin Company offers a variety of approaches in implementing a project. These generally can be classified into either a "design-bid-construct" or "design-build" project approach. In addition, Austin offers ***The Austin Method*®**, which combines the advantages of "design-bid-construct" and "design-build" approaches into a competitive-bid, cost-effective and accelerated schedule project implementation.

The following information specifically describes how Austin implements a typical project within ***The Austin Method*®**. It details the steps and services Austin provides to satisfy your facility requirements.



Step 1 – Preliminary Design and Engineering

Phase A - Programming and Conceptual Design

Austin works closely with you to review your conceptual design efforts and, as required, assist with establishing the facility's "Program of Requirements." This program generally addresses:

- Project Goals and Objectives
- Background Information
- Product and Production Projections
- Future Growth of Space and Personnel
- Workflow and Adjacencies
- Equipment Requirements – Present and Future
- Future Expansion
- Evaluations of Existing Facilities

Austin's staff continues to work with you, as the client, to develop Conceptual Solutions, which respond to your Program of Requirements. The Conceptual Solutions that provide the best alternatives are compared based on cost, advantages and shortcomings, as well as alignment with your long-range facilities plans. This comparison forms the basis for establishing a Master Plan for your operations and facilities.

Phase B – Preliminary Design and Engineering

After you are satisfied with Austin's design solution and provide an authorization to proceed, Austin will develop: preliminary design documents consisting of site plans, floor plans, elevations, equipment general arrangement drawings and building sections that further define the solution. In addition, Austin will perform Preliminary Engineering to determine requirements for the building structural, mechanical and electrical systems.

Outline specifications are then prepared, which describe the project, including the types and quality level of materials; the mechanical, electrical, plumbing and fire protection systems; interior design and site development.

Austin's Estimating Department provides ongoing Value Engineering input during the Design Development Phase, and then using the Drawings and Outline Specifications developed, will generate the detailed cost estimate. This interaction ensures that the Materials and Systems chosen are the most cost-effective. It is important to note that the best time to exercise Value Engineering or Cost Containment is during Design Development and the Preliminary Engineering Design Phase.

The Construction Department is responsible for developing the Project Schedule. This includes defining Milestones and "key activities" during the Engineering, Procurement, Construction and Start-up Phases. Austin's Manager of Construction works closely with all disciplines to ensure that the materials and systems selected are available in the market to meet schedule and that work activities are scheduled in the proper sequence to assure orderly and timely completion of the project.

The Construction Department is also regularly consulted by our designers, architects and engineers on issues of constructability, site development, seasonal delivery and installation problems, construction sequencing, overtime premiums, et al. All critical items that may affect the Schedule and Completion Date are identified. Procedures are then initiated to closely track these items. A computerized system is utilized to develop a Detailed Project Schedule based on a Bar Chart or Precedence Diagramming/Critical Path Method.

Step 1 Report

Upon completion of the Preliminary Design and Engineering phase, Austin presents the results, complete with a bound report, to you for review and approval.

Austin's presentation and bound report addresses and includes:

- Site Development and Master Planning
- Services, Utilities and Environmental Resolutions
- Codes and Regulations
- Preliminary Drawings
- Equipment Layouts and Special Requirements
- Outline Specifications
- Project Schedule
- Project Cost

The completed report serves as the decision and control document for all further work on the project as approved and authorized by you.

Austin is then fully prepared to implement and immediately execute Step 2 of ***The Austin Method*** ® as approved and authorized.

Step 2 – Detailed Design and Engineering, Procurement and Construction

Upon approval of the Step 1 Report, Austin integrates all design, procurement and construction activities to assure total control of the project under a single responsibility agreement. The following outlines Austin's approach to the execution of this phase.

Detailed Design and Engineering/Construction Documents

Austin prepares final detailed construction documents and detailed specifications for the following elements of the project:

- Architectural
- Civil
- Structural
- Mechanical/Plumbing
- Process
- Fire Protection
- Electrical
- Interior Design

Procurement Expediting and Subcontracting

As the various engineering bid packages are completed, the award of the subcontracts, materials and equipment for the project proceeds simultaneously with the detailed engineering work. Austin's primary objective is to procure the project in the most economical manner and to manage and direct the specialty subcontractors to achieve common goals, including adherence to schedules and quality workmanship. The procurement services that Austin provides include:

- Bidder Prequalification and Bidding – All bidders on the project are prequalified for financial stability, present ability to perform work, technical expertise, past quality of work and/or material and on-time completion of past projects. The prequalified bidders' list is developed by Austin and submitted to you for review. All subcontracts, materials and equipment for the project are bid on a competitive basis.
- Bid Evaluation – As each part of the project is competitively bid, thorough bid review meetings are conducted with the apparent low bidders to assure that the scope and schedule of work is understood by both parties.

Construction

- Supervision – All construction activities are performed under the direction of an experienced Austin Project Construction Manager, who is assigned to the project through the duration of the work. Austin's Construction Manager is supported by unit superintendents, field engineers, project managers, construction managers and a project accountant on an as-required basis. The field staff is responsible for the direction, coordination, scheduling and quality assurance of all subcontractors engaged on the project.
- Quality Assurance/Quality Control – In addition to Austin's construction management team, Austin's architects and engineers will make regular field inspections to assure that the construction and workmanship conforms to the construction documents.
- Daily Construction Reports – Daily construction reports are prepared by the field management personnel. These reports summarize the progress, manpower levels and construction activity on a daily basis.
- Start-Up – Austin supervises and coordinates start-up of all electrical, mechanical and equipment systems. Ample time is allowed in the project construction schedule for this often overlooked and underestimated activity.

Project Control Systems

Upon the commencement of the Implementation Phase, Austin prepares control documents and procedures to plan and control the reporting, scheduling and cost control aspects of the project. These documents include:

- Project Construction Schedule – Projects are scheduled using Microsoft Project to generate Critical Path Method (CPM) schedules. The project construction schedule integrates the engineering, purchasing, construction, equipment delivery and start-up activities for the project. This schedule is updated on a monthly basis and more frequently when necessary.
- Construction Control Schedule – A Construction Control Schedule is prepared based on the project construction schedule. This document tracks the progress and status of engineering bid packages, bid package releases, bid due dates, subcontract awards, material and equipment purchases, shop drawings, fabrication and delivery of materials and equipment for the project, and is updated on a monthly basis.
- Project Status Meetings – Austin's Project Manager schedules and conducts project status meetings on a regular basis through the duration of the project. The objective of these meetings is to maintain communication between you, as the client, and the Austin team.
  - There are a number of areas reviewed in these meetings, including: detailed engineering, competitive bidding and awards, and construction activities.
  - Austin also meets with your representatives during these meetings to close information gaps, distribute requested information and coordinate Austin's work with your schedules and other requirements.
- Cost Control – Monthly cash flow projections and a recapitulation of the project's financial statement are submitted to you on a monthly basis for review. This cost report provides the project team with the necessary information to control the current and projected final costs of the project.
- Monthly Status Reports – Monthly status reports are prepared by Austin and submitted to you. These reports summarize the status of engineering, purchasing, estimating, construction, scheduling, projected cash flow and cost forecasts.
- Quality Assurance/Quality Control – Austin's Quality Assurance (QA) and Quality Control (QC) Program is designed to assure that the Design, Engineering, Equipment, Materials and Labor comply with the intent of the Contract Documents, and that the quality of work meets or exceeds the required standards. Each member of the project team, including all Austin Personnel, is responsible for implementing the QA/QC Program in the areas of their expertise, consistent with their job description.

Austin has a proven system of controls to assure quality of work. The requirements are reviewed with each subcontractor and supplier prior to the start of work to ensure that all work is performed according to the specified standards of quality.

The QA/QC Program includes the following activities and procedures:

- General Inspection and Testing
- Configuration Control of Construction Documents
- Shipping and Handling of Materials
- In-Plant Inspections
- Calibration of Instruments and Equipment
- In-Progress Inspection and Tests
- Installation Inspection
- Final Inspection and Testing
- Non-Conforming Materials Procedures
- Corrective Action
- Documentation and Record Keeping
- Final Client Acceptance and Approval

Summary

Austin is proud of our long list of satisfied clients and our total quality management system, which controls every aspect of a project from preliminary design through detailed design, competitive procurement, accounting, construction and start-up. We are excited about this opportunity to demonstrate our capabilities to you.

Austin is a recognized industry leader in delivering the completed project in the shortest possible time, while maintaining quality and cost controls at the critical levels expected by you.

Austin is committed to **Results, not Excuses®!**