



## STRATEGY, GROWTH

## and the Future

As part of Heery's yearly strategic analysis during 2003, Jim Moynihan and the Executive Committee assessed Heery's primary markets and developed a plan to acquire and sell assets to better position Heery in expanding existing and new markets that will be key to the company's future and employees' personal growth.

Throughout the recent three-year economic downturn, Heery has remained remarkably stable. The firm has enjoyed reasonable backlog growth, supported salary increases that keep up with inflation, maintained training and benefits programs and grown in established markets. But, if Heery is to continue to attract and retain the best kinds of clients and staff, it must again grow in staff size and market share to create new and ever-expanding opportunities to serve clients and provide a career path for staff. Maintaining the status quo is not an exciting strategy.

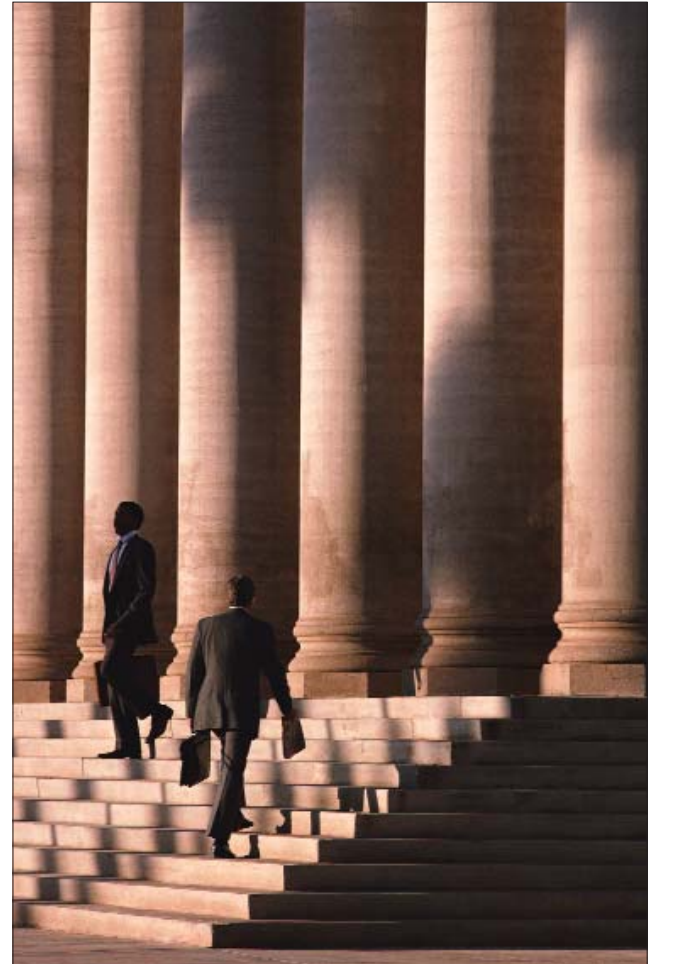
Heery embarked on four primary initiatives in 2004 as part of its strategic vision—launching a company, selling a specialty practice group and buying two companies.

## FEDERAL GOVERNMENT INITIATIVE

Heery's strategic plan identifies several core markets that are fundamental for our growth and development as a company, and the Federal government is one of these. Over the past 15 years, Heery's offices, led by the Washington, D.C. operation, have developed a strong reputation throughout the U.S. government for quality service delivery provided by senior experienced staff at competitive costs. This has been helpful for the company as a whole as the firm has secured a number of nationwide contracts, such as GSA professional services contracts, Federal Supply Service (FSS) contracts and national indefinite delivery /indefinite quantity (IDIQ) contracts, which have created opportunities in all five regions.

In July, as Heery's response to heightened security issues by all of our public clients, Heery America, a wholly-owned subsidiary of Heery International, was created to provide full service design and program/construction management services for clients that require clearances to conduct work on classified projects or within classified spaces—work we have previously been unable to pursue owing to our ultimate foreign ownership. Heery America's primary clients will be U.S. government agencies, such as our current Missile Defense Agency (MDA) client, Homeland Security, the State Department and other government agencies with non-advertised requirements.

Jim Moynihan selected Cynthia McClendon, a long-time Heery veteran who has led Heery's efforts for MDA and



several other large federal clients, to lead the new group and serve on its separate Board of Directors—another requirement of this special company.

Heery has transferred both its Federal Supply Service contract for Management, Organizational and Business Improvement Services (MOBIS) and its Court Services and Offender Supervision Agency (CSOSA) Office of Facilities contract from Heery's D.C. office to Heery America to provide a base for the subsidiary. The eight employees assigned to these two contracts transferred to Heery America in early September 2004. The entire process of receiving the facility clearance should be completed by Fall 2005. As this concept attracts substantial new work, the company may even establish Heery America units in other locations.

## FOCUSING ON FACILITIES

In September, Heery concluded an agreement to sell Heery's transportation group to Burns Engineering, an engineering firm that provides civil, structural, electrical and mechanical design services with a specialty in transit and transportation work. This action was based on Heery's strategic decision to stop performing or pursuing work in the rail market, specifically engineering design work on overhead catenary or traction power systems.

After reviewing many options, CEO Jim Moynihan and Senior Vice President Bill Heitz determined that Heery's work in transportation through its very talented, but very small, catenary design unit did not fit with Heery's emphasis on facilities design, engineering, facility services and program and construction management. They concluded that it was in the best interests of both clients and employees to transfer this unit to a firm that was interested in retaining the staff and committed to transportation. Heery will, in

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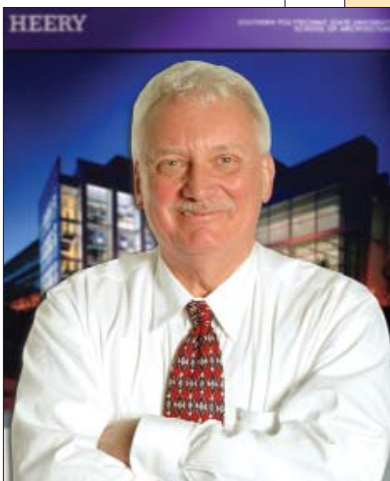
## CONSTANT IMPROVEMENT

As we finish 2004, I am struck by all of the accomplishments our firm can claim this year. Thank you for your spectacular efforts. We are well into our four-year (2004-2007) growth plan and have made great strides in achieving our strategic vision. When I reviewed this issue's cover story, I was impressed by the number of initiatives we have successfully juggled this year. We had many more balls than the proverbial "three balls in the air" at one time. It took a great deal of effort from all of you to keep our strategy moving forward.

And, while we are always focused on the future in so many ways, we've also taken care of business in the short-term as well. Our work quality is constantly improving as we identify ways to use technology and organizational tools to help us work smarter. Our backlog now includes a growing number of task order, framework and indefinite delivery-type contracts. We have seen an increasing number of clients move to this type of contract. This is good news for us—these contracts are usually given to known performers, people and firms that clients can trust to do the job time and time again. It appears that old-time values are again the sought-after commodity.

The economy is improving, but slowly, and our core markets are showing new signs of energy. The healthcare and justice markets—newly energized by the inclusion of HIM's talents—and the government market—with the additional promise of Heery America—are essential to our future. We will continue to develop and expand our K-12, higher education and sports work. The market for corporate work is starting to emerge from dormancy and we see improvement there as well.

As I look to 2005, I see incredible promise for an exciting future. We continue to improve our work and, as the economy maintains a steady growth, we will see a rise in opportunities for all of us. I am looking forward to the fresh challenges and expanded potential of the New Year.



Jim Moynihan  
President and CEO  
Heery International

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Kudos, Awards  
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Heery In The Community

**Design**  
**Engineering**  
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# Awards

- ▼ Heery's Carolinas Area has received a Gold Level Award in the "under 100,000 hours"

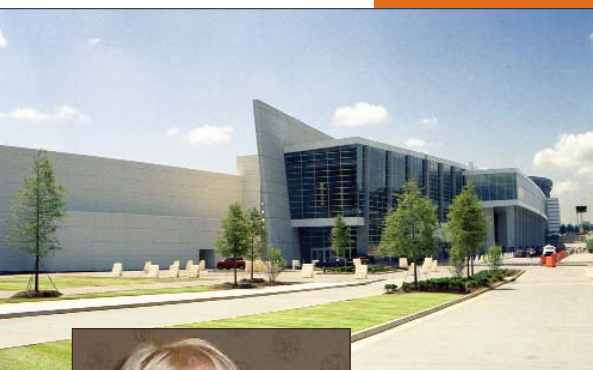


category from the Carolinas Chapter of Associated Builders and Contractors (ABC) for the Haywood County Justice Center project. This prestigious annual award recognizes Heery for excel-

lence in both safety and training programs. Congratulations to Ed Hilderbrandt, Butch Back and Edgar Rodríguez-Alvarez for their efforts on this project.

- Edgar Rodríguez-Alvarez also received the 2004 Supervisor of the Year Runner-Up Award from ABC.
- Rhonda Perdue (Heery-Carolinas Area) was selected by GlaxoSmithKline to receive GSK's U.S. Pharmaceuticals "Spirit" award. The award is in recognition for her hard work, diligence, flexibility and excellent teamwork in the completion of the Regional Service Center Project. GSK cited her significant contribution in helping GSK transition from 19 individual sites to 12 new Regional Service Centers.

- ▼ The Atlanta Urban Design Commission honored the Georgia World Congress Center West Plaza project at its annual awards ceremony for creating a plaza that serves as both a link and a destination for the convention center. Heery led the design team on the Georgia World Congress Center expansion, which included the new plaza. George Taft served as project director.



- ◀ Joanne Cole (Heery-Atlanta) received the IFMA Atlanta Chapter's first annual Community Service Award at its 2004 Awards Celebration in December. The award recognizes her extensive donations of both time and passion to many different charitable projects on behalf of the facility management profession this past year.

- ▼ Fire Station No. 3 - Five Points, part of the Heery-managed Athens-Clarke County SPLOST program, received a "Notable" award from Fire Chief Magazine as part of its Station Style Awards 2004 Program.

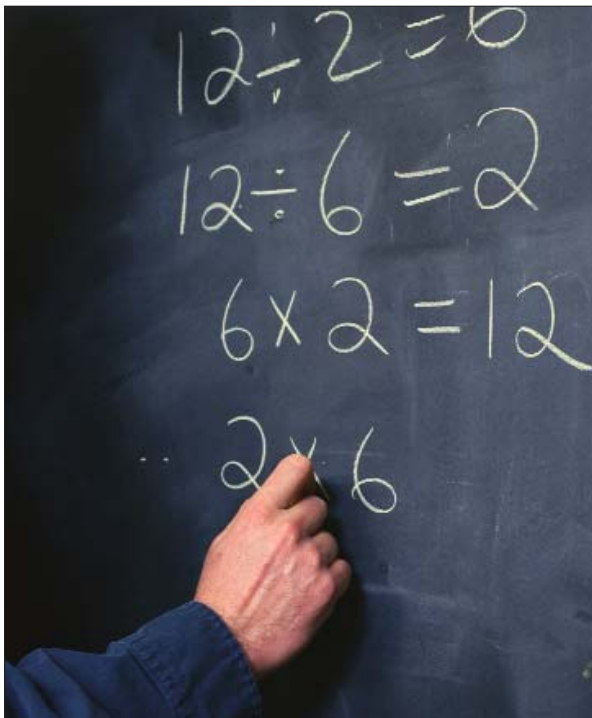


- The Crowe Fowler Project for GlaxoSmithKline in the American Tobacco Historic

District, Durham, N.C., received the 2004 award as the Best Partnering/Team Project from The Triangle Business Journal. Heery's Raleigh office served as the architect on the project.

# Strategy, Growth and the Future

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fact, provide project management, scheduling and estimating services to Burns. This is a situation where everyone wins.

## EXPANDING INTO GROWTH MARKETS

The acquisition of HLM Design's Denver, Iowa City, Orlando and Philadelphia offices brought Heery a tremendous new depth and breadth of experience in healthcare and justice markets nationwide—markets that continue to deliver industry growth and have been identified as crucial for Heery's long-term success. This acquisition provides a dramatic impetus for Heery's four-year growth initiative.

HLM Design—known originally as Hansen Lind Meyer—was started in 1962 and possessed an impressive track record with the design of nearly one billion square feet of projects representing an aggregate construction value in excess of \$30 billion. The downturn in the economy from 2001-2003, combined with the burdens caused by rapid expansion in the late 1990s, pushed HLM Design into financial difficulties. The four offices acquired by Heery in the asset acquisition, along with the projects that were assumed, include many long-term clients and highly qualified employees.

For HLM Design, Heery offers financial strength and stability, which is

increasingly important to clients. In addition, Heery is upgrading HLM's office technology, and HLM's 100+ employees are now able to attend many of Heery's training programs throughout the country.

The four HLM Design offices have been incorporated into Heery's regional structure as area offices, and they are now known as either HLM Design-Heery or HLM Design, a division of Heery International, depending on the situation. The new HLM Design-Heery offices are led by Michael Wass (Orlando), Brad Earl (Philadelphia), Scott Hansche (Iowa City), and Mark Johnson and Russ Sedmak (Denver).

## FUTURE PERFECT

As we go to press, Heery is negotiating to acquire another professional service company. This company would significantly bolster our presence in the western United States and brings a substantial higher education and medical facilities resume.

Demographic studies indicate that higher education is a dramatic growth market. Consider all of the K-12 schools Heery has been building for students for the past 10 years. These students are now headed toward college.

In his recent update message regarding the strategic plan, Jim Moynihan put it this way: "These acquisitions are opportunities for each of you and I'm counting on you for your commitment and professionalism to make the most of this, as we all have done many times in the past."

## CERTIFICATIONS, REGISTRATIONS, PROFESSIONAL POSITIONS

- **Harris Sheinman**, Heery Atlanta, has been elected president of the Atlanta Chapter of ASHRAE.
- **Bill Griffin**, Heery's Washington, D.C. office, received his LEED accreditation in February 2004 and **Gordon Smith**, Heery Atlanta, received his LEED accreditation in August 2004.
- **John Furman, Dueane Dodson and James Rodgers**, all from Heery's East Region, have been designated as Certified Construction Managers (CCM) by the Construction Management Association of America.
- **Sarah Rueb**, Heery's Washington, D.C. office, has passed the NCIDQ exam and is now a Certified Interior Designer.
- **Teresa Sword**, Heery Atlanta, was awarded an ASID award in October 2004 for her distinguished service and dedication to the industry for the year 2003 - 2004. She has also been elected Vice President for the Georgia Chapter of ASID, responsible for membership for the 2004 - 2005 year.
- **Joe Bruscia and Don Green** (both Heery Atlanta) have received recertification for another three years in the Association for the Advancement of Cost Engineering.

## Safety Soars

Safety statisticians calculate Heery's Accident Frequency Rate (AFR) by looking at both the incidence rate (the total number of recordable incidents) and the severity of the incident. By both measures, Heery's safety awareness campaign is well on its way to helping the firm achieve a zero AFR.

Based on OSHA requirements, which base accidents on more than one day away from work, Heery achieved an Accident Frequency Rate (AFR) through November of 2004 of 0.09. This is phenomenal record, indicating that we have had no fatalities, major injuries or dangerous occurrences. To date, we have had five minor occurrences—one minor injury with one lost work day and four minor incidents with no lost work days.

To indicate how we're stacking up against national averages, consider that for 2003, the national incident rate baseline average was 5.9 for construction and 1.4 for architecture, engineering and related services. For 2003, our average was .48, and now for 2004, we're on target to achieve a 0.09.

Heery also received two prestigious safety awards: one from Carolinas Chapter of Associated Builders and Contractors, Inc. for excellence in safety and training programs (see Awards section, on this page) and the other from Churchill Casualty Ltd., who recognized Heery for outstanding achievement in risk control with its Safety Award of Merit.

# CLIENT KUDOS

*"The space really does look good. Your group did a very nice job on this one!"*

Robin Jones  
Vice President of Space Planning and Design  
SunTrust Banks, Inc.

*"Any project successes accomplished have been, in large part, due to Heery and the abilities of Mr. [John] Longfellow...Without Mr. Longfellow's superintendence and guidance, the project would have failed."*

Darren M. Durbin, P.E.      H. Skip Maginniss, AIA      Gary London  
Senior Project Manager      Vice President      President  
Arlington Public Schools      BMK pc      ACME Mechanical

James Coley  
President  
Coley's Electric

*"Peter Barron displayed outstanding organizational skills and his attention to detail was invaluable!"*

Bobbie C. Ely  
Court Administrator  
Magistrate Court of Cobb County

*"Cramton Bowl opened the season on time with rave reviews...I want you to understand that this would not have happened without the extraordinary dedication and spirit of co-operation from Kynthia, Bill and the entire...operation."*

Wiley Steen  
Director, Parks & Recreation  
City of Montgomery, Alabama

*"Heery's performance has been outstanding. The individual employees as well as Heery as an organization all deserve congratulations...You have been easy to deal with, provided professional and experienced staff fully capable of meeting any need, and have worked with us to meet all of the requirements."*

Patrick Alexander  
Project Manager  
National Archives & Records Administration

*"The experience working with Heery has been very positive...We basically couldn't be happier with the projects that Heery has done for us and feel fortunate to have them on our team."*

Greg McGarity  
Associate Athletic Director  
University of Florida

*"[We] started with Heery in '95; we've gone back to them on other projects. They've just shown that they were really committed to college athletics and I think that's their strong point."*

Jim Baker  
Associate Athletic Director  
University of Texas

*"The football complex that we're involved in right now is being done by Heery International. And I could not be more pleased."*

Mal Moore  
Athletic Director  
University of Alabama

*"I would like to thank you for the outstanding support that you and the Heery project management team have provided to the Department of Treasury on the (\$200 million, 500,000 SF) Historic Building Renovation and Restoration Project...The commitment and dedication of Anna Putze serving as the on-site assistant project manager...has been exemplary."*

David B. Porch  
TBARR  
Director, Project Management  
Department of the Treasury

# Training

More than 260 students attended Heery University in the southeast region and corporate on October 7-8, 2004 at the Marietta Conference Center in Marietta, Ga. With the largest variety of classes ever offered and a theme that focused on business development, professional image, networking, sharpening presentation/public speaking skills and improving client relations, this year's program was the highest rated Heery University ever conducted based on student evaluations and sets a new standard for the upcoming programs in 2005. Other improvements included the new on-line course registration system that was eagerly embraced by the students and the new on-site email kiosk that allowed students to conduct business between classes.

Jim Moynihan, President and CEO, and Greg Peirce, Senior Vice President and Southeast Regional Manager, opened the program by announcing the acquisition of four HLM Offices located in Orlando, Denver, Iowa City and Philadelphia that increased our market penetration into the healthcare and justice markets.

With 33 distinct classes covering a broad perspective of courses like The Human Connection: Bringing Your Presentations to Life, Facilities Condition Assessments, Balancing Work and Home, Contract Essentials, Dining with Ease, and Improving Your Golf Swing, this year's program provided everyone with great choices that met the needs of those attending.

A fun time was had at the evening dinner reception when Anet Willingham and Glenn Jardine presented the "Great Karnack" routine from the old Johnny Carson Show using Heery staff and situations as a foil for their jokes. This was followed the next day with an after lunch program with Donna Speaker presenting "The Heery Yearbook". Special staff recognition went to such categories as the grumpiest, the friendliest, the most accident prone, the messiest desk and was capped by the crowning of Debbie Coats as the Southeast's Homecoming Queen for the Day.

Heery University continues to be a unique venue that allows an entire region to come together every 18 months to share project experiences, interact with colleagues, meet new staff and learn something new that can be applied immediately to improving our deliverables and services to our clients. As one student wrote, Heery University "contributes to the staff's sense of worth" which underlies the foundation of this continuing education program across the U.S.

Look for upcoming Heery University programs in the east region on April 28-29, 2005, and the northwest and west regions in Fall 2005.

# Benefits

UPDATE

Rising health care costs are a constant challenge for companies like Heery that want to provide the best possible coverage at the lowest possible cost to employees. This year, Heery joined with the Balfour Beatty's U.S. rail and construction companies to leverage our buying power by seeking coverage as a collective group. At all times, the team kept top-of-mind the importance of offering the most comprehensive coverage at the best value with the maximum amount of flexibility possible.

Please note that some details of the health coverage plans have changed, but that United Healthcare continues to be our insurance carrier for medical. New companies have been introduced for the dental and vision aspects of our coverage, so remember to give your providers your new insurance information and claim forms if they file for you.

Packets arrived in early November and reports indicate that the enrollment process—on-line or by phone—was efficient and user friendly.

# REGIONAL REPORT

## CENTRAL REGION

- ▼ **Bainbridge Township, Ohio**, celebrated the completion of their new police station with an open house, tours and demonstrations on August 21. Heery began working with the Township trustees in 2003 as the owner's representative, monitoring the construction and representing the trustees throughout the construction process. Created to serve the community for the next three decades, the 25,542 SF facility features a computerized five-bay shooting range, sophisticated evidence processing rooms, new line-up area and holding cells, and a state-of-the-art communications center serving police, fire and rescue.



- Heery's Dallas office successfully completed a nationwide program to retrofit all established Kinko's locations with full service **FedEx Pack and Ship Locations** and incorporate FedEx services into all Kinko's stores. This was one of the first programs to result from the Federal Express acquisition of Kinko's earlier this year. The Heery team was responsible for managing the construction phase of the rollout program, which involved adding and relocating fixtures in over 1,000 existing stores throughout the U.S. Heery staff also assisted in the architectural surveys performed at each location and provided procurement services for the new fixtures.



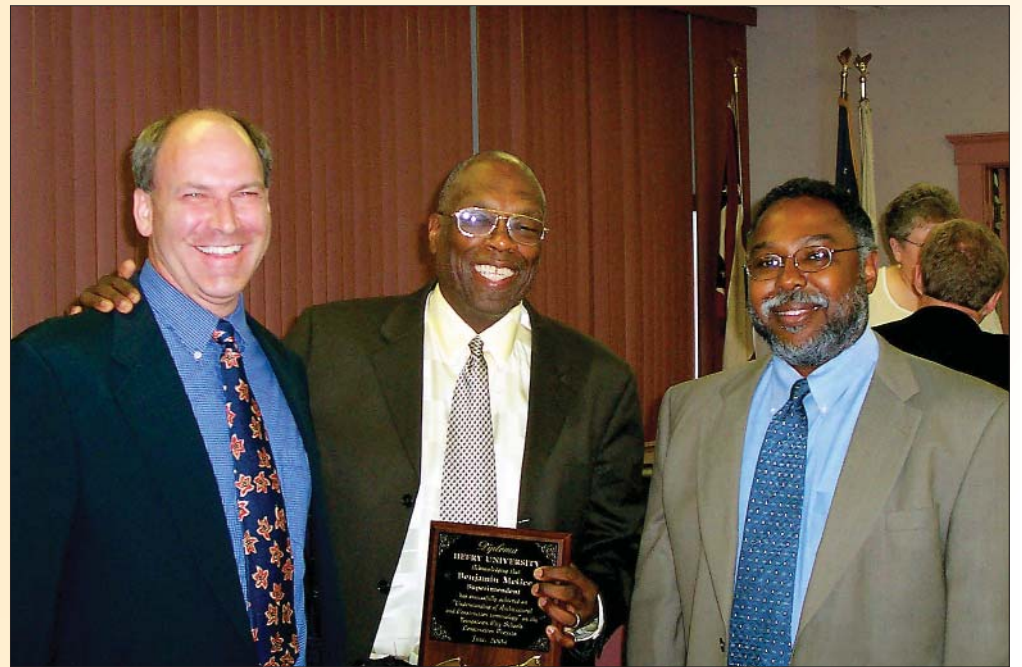
## EAST REGION

- **HLM Design** - Heery's Philadelphia office is considered a national expert on wellness center design, having given annual seminars on planning, developing, designing, financing and managing medically-based wellness centers for the past several years, including hosting two seminars this past October in Atlanta and Los Angeles. Attendees included healthcare executives from around the country, who attended sessions that were held in HLM-designed wellness centers.

- Heery continues to keep the **Rebuild HISD** program moving along smoothly. In total, Heery is managing construction of seven new schools and the renovation/expansions of 18 elementary school campuses. Groundbreaking celebrations for three new elementary schools kick started their construction this fall. Nine of the renovation projects are in the bid and award phase and await construction, while the remaining projects are at various stages of design. This program is expected to be complete in 2006.



- Steve Ludwinski and Brad Adams from Heery's Youngstown City Schools project presented retiring **Youngstown City Schools** Superintendent Ben McGee a diploma for "Achieving an Understanding of Architectural and Construction Terminology" at his retirement party. Superintendent McGee mastered such jargon as POR, CPM, SD, DD, CD while working with Heery and the Ohio School Facilities Commission on the District's \$204 million construction program. *Pictured left to right: Steve Ludwinski, Ben McGee, Brad Adams*



- ▼ The Heery team at Youngstown also reports that they are making progress on **Youngstown City Schools** program, which calls for rebuilding or renovating 15 schools. The program, now in its third year, is hitting a number of milestones. Two new elementary schools that replaced existing schools—Taft Elementary and Harding Elementary—opened their doors this fall. Two additional elementaries are scheduled to open next year, and a new middle school and new high school are also under construction. The new Harding lobby features a drinking fountain from the original circa 1921 Harding School.

- ▼ The Houston office successfully completed all aspects of the HISD Rebuild 2002 bond program, for which we managed the new construction and renovation of 41 school campuses. A highlight of the program was the opening of Oak Forest Elementary School. This school was originally scheduled to be renovated; however, the savings realized from the bond program's original scope of work materialized into a new elementary school campus for Oak Forest.

- Continuing our tradition as one of the General Services Administration's preferred providers, Heery has been awarded a prestigious contract to provide construction management services for one of GSA's largest modernization projects to date. The **modernization of 1800 F Street, NW, Washington, D.C.**, located just two blocks from the White House, will include the renovation of 710,000 SF of existing office space and the addition of 105,000 SF of rentable office space.



The project cost is estimated to be between \$110 million and \$130 million. The building is listed on the National Register of Historic places, and will be designed and built to achieve the U.S. Green Building Council's Leadership in Energy & Environmental Design (LEED) Silver certification.

▶ As a continuation of our landmark contract with the **National Archives & Records Administration (NARA)**, where Heery managed the renovation of NARA's historic headquarters building in downtown Washington, D.C., Heery has been awarded a second, five-year contract with the agency to provide on-call services. Under this contract, Heery will provide construction management and design/build services to support existing and future NARA facilities in the U.S., including upgrades to the Archives II building in College Park, Md., and Presidential Library projects to be determined at a later date.

▼ Heery has been retained to provide construction management services for **West Chester University's** new \$24 million **Swope Music Building and the Performing Arts Center**. The new facility will provide faculty and students with modern studios, teaching laboratories and recital halls and will host both campus and community events. The facility features a curved wall of windows that highlights the building as a new campus landmark. In addition to the Swope Music Building, Heery's five-year contract with West Chester University to provide on-call cost estimating services was also renewed for a second, one-year term. West Chester University is located in West Chester Borough, outside of Philadelphia.



■ The 57,000 SF **Wellness Center for Queen of the Valley Hospital**, part of the St. Joseph's Health System in Napa, Calif., is under construction, scheduled for completion in early 2006. This program mirrors that of the RWJUH model, but adds an integrated 15,000 SF cardiology practice on the upper level overlooking the sports venues. The HLM Design-Heery Philadelphia office is responsible for the design of this project.

■ Heery was recently awarded a three-year extension of an indefinite quantity contract to provide pre-construction services throughout the State of Pennsylvania. Heery has held this type of contract with **Pennsylvania Department of General Services (PADGS)** since 1998.

■ Heery was recently awarded its second task in two months for the **GSA's Realty Services Division**, this time to provide construction management services for the U.S. **Department of Education Relocation Project** in New York. Under this task, Heery will provide construction management, construction document and proposal reviews, site inspections and administrative support services. Heery's first task order was to provide a complete inspection of 99 Tenth Avenue for the **Drug Enforcement Agency**. The report provides a complete building analysis and cost estimate to assist GSA in budget planning and maintenance. Activity in Manhattan seems to be picking up again.



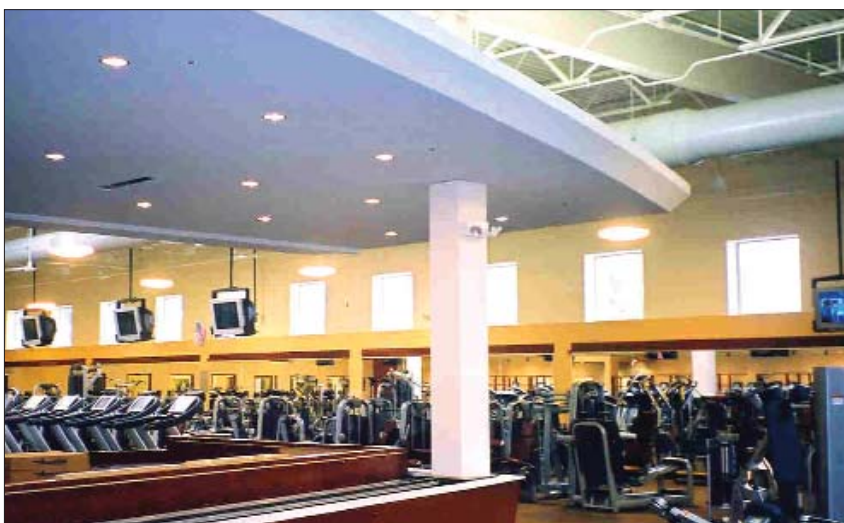
▼ The HLM Design-Heery Philadelphia office's latest wellness center—the **RWJ Hamilton Center for Health & Wellness for The Robert Wood Johnson University Hospital/Hamilton, Hamilton, N.J. (RWJUH)**—opened in late August and already boasts more than 10,000 members. The 90,000 SF center houses programs for cardiopulmonary rehabilitation, orthopedic rehabilitation and nutrition, while offering members a strength & resistance training floor, a four-room aerobics/Pilates/yoga/spinning complex, five-lane 25-yard lap pool, a therapy pool, a spa pool, a European-style spa, a café, medical resources library, pharmacy, child care area and administrative cluster.

▶ For the past two years, Heery has been managing the upgrade of a huge utility program at **Lincoln University**, the oldest historically black college in the country. Having recently completed \$23 million in upgrades, including a new water tower and electrical and telecommunication systems upgrades, among other projects, the University is now moving on to the next phase of improvements. Phase II will include upgrading the boiler plant and construction of a new sewage treatment facility. Heery will continue to provide construction management services for the **Pennsylvania Department of General Services** on these projects.



■ The **GSA Public Buildings Service, Mid-Atlantic Region (Region 3)** recently awarded Heery a five-year construction management services indefinite delivery/indefinite quantity contract. Under this new contract, Heery will provide on-call construction management services for GSA projects in Pennsylvania, Delaware, Southern New Jersey, Maryland, Virginia and West Virginia, calling upon the resources of three different Heery offices.

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# REGIONAL REPORT

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▼ Heery was selected to provide construction management and owner's representative services for two parallel projects – a **Courtyard by Marriott and the Capitol Hill Tower**, an apartment building, both located on the same block in southeast D.C. The project site is extremely congested, as it is merely one block from the active Navy Yard Metro Station and one block from the new Department of Transportation Headquarters construction site. The Courtyard by Marriott will consist of 14 stories and 204 suites, while the apartment building will also be 14 stories, but will be divided into 344 units. Underground, there will be two floors of parking to be shared by both facilities. The hotel is scheduled to be complete in January 2006, with the apartment building completion closely following just one month later.



■ Heery was selected to provide **Loudon County, Va.**, with cost estimating and construction support services under two open-ended contracts, one for each discipline respectively. Heery was the incumbent for the cost estimating contract and was awarded a second term. Under the second contract for construction support services Heery will perform constructability and construction contract claim reviews, schedule analyses, design reviews, report preparation, and construction observation and inspections for the capital improvement program.

■ Heery is designing a new \$11 million, 84,600 SF central maintenance garage, which will allow the **City of Baltimore** to relocate 5,500 vehicles. Heery developed the designs to meet both the city's maintenance needs, with a 69,600 SF high bay facility with clerestory natural lighting, and its administrative program needs, with an attached 15,000 SF office structure. The design takes into consideration future needs, by leaving room on the north side of the site for potential expansion. The site includes a 60-foot wide landscaped front yard that is provided as an amenity for the neighborhood and employees.

■ Heery is providing move management services to **Marlin Leasing's Northeastern Division** to relocate their headquarters office in Mt. Laurel, NJ. Approximately 225 employees will be relocated into 50,000 SF of renovated office space. The new location will consist of an open office area, private offices, a cafeteria, a training room and a data center.

■ Heery has been selected to provide program management services to **Infonxx**, the world's premier provider of directory assistance and enhanced information services. Infonxx is prepared to open three new call centers in locations across the United States, pending contract negotiations with their clients. Heery's specific services will include estimating, scheduling, budget management, design oversight, equipment and furniture delivery coordination and procurement of the architect. This will be Heery's second contract with Infonxx, following our performance on their San Antonio call center project.

■ Heery, as a subconsultant, is providing owner's representative services to the State of Delaware for the \$27 million **Delaware Veterans Home**, a 150-bed facility that will be constructed as a design-build program. Heery is preparing the solicitation for procurement of a design-builder, reviewing proposals, coordinating the required federal approvals by the U.S. Department of Veteran Affairs, as well as providing cost estimating for bridging documents and scheduling services. Heery will also assist with inspection services during the construction and acceptance phases of the project. Estimated construction completion date is 2006.

▼ Heery has several assignments underway for **Baltimore Gas & Electric (BG&E)/Constellation Energy**. Heery is providing project management services for BG&E's headquarters renovation and consolidation into one of its original two headquarters buildings. The circa 1960 building that will now serve as BG&E's headquarters required upgrades to the aging mechanical/electrical and plumbing infrastructure and there was substantial architectural and engineering renovation to vertically separate the two conjoined buildings. The project includes a new five-bank elevator system extending from the lower level garage up to the 14th floor of the existing building. Since the 1960 building only contained one stair tower for emergency egress, a second stair tower is being built up through the existing high rise structure. Additional upgrades include a new two-story lobby, as well as service and data rooms, among other items.



■ Heery staff has been assigned to handle **BG&E's** personnel and office relocations into the Candler Building, an historic 12-story office building originally constructed in 1911.

■ Heery is providing cost estimating services to the **Maryland Stadium Authority** for the design of a **Class A Minor League baseball stadium** in southern Maryland. The Southern Maryland Electric Cooperative donated an eight-acre site and funding for the architectural and engineering fees is provided by the Charles County government and Sports Management Services. The \$18 million stadium will include 4,000-5,000 seats, 12 skyboxes, a picnic area, wide concourses, restroom facilities, security, first aid stations, ATMs, a fan information center and concession stands.

■ Heery is providing project management services to the **Maryland Stadium Authority** for the complete renovation of the 45,000 SF **historic railroad station** at the gateway to the Camden Yards Sports Complex. Opened in 1856, the station was the main terminal of B&O, the country's first commercial railroad. Since the station has been unused since the 1980s, it was in serious danger of suffering substantial structural damage unless steps were taken to preserve its core and shell. When this \$8.5 million project is completed, the Babe Ruth Museum will occupy the basement and first floor, 23,000 SF will be used for a sports museum with exhibits featuring local sports legends, and the remaining 17,000 SF will be occupied by a commercial tenant.

■ Heery has been selected as one of three firms prequalified to bid on upcoming projects at **Montgomery College** in Maryland. Heery's services will include project management services on projects of various sizes for new construction, renovations and repairs. Throughout various phases of the projects Heery will be required to provide full service project management support.

■ Heery provided cost estimating support to **Jones Lang LaSalle** for the Army's analysis of the long-term maintenance needs of more than 75 officers housing and general's quarters at **Fort Myers and Fort McNair**. The facilities are semi-historic buildings located on two Army bases in the D.C. area. The maintenance work ranged from minor renovations and maintenance projects to major modernizations of existing facilities.

## NORTHWEST REGION

▼ The Boise project team is completing its work at Boise International Airport and focusing on creating new opportunities for Heery's services in Idaho with much success. In particular, the team has won three new commissioning projects in recent weeks, including the **Ada County Courthouse Development Services Space** and the **Front 5 Building**, an existing 15,000 SF warehouse to be renovated into commercial office space located in Boise's downtown central business district.



■ The Heery-managed Garfield High School project for **Seattle Public Schools** hit a milestone this summer with the submittal of the schematic design review package. The project team had to seek approval from the City of Seattle Landmarks Board to renovate the existing 1923 and 1929 buildings and add a new state-of-the-art performing arts center, 3-court 2,200-seat gymnasium and Teen Life Center. The project is on schedule to complete design in the spring of 2006 and start construction at the end of the 2005-2006 school year. At the start of the 2008-2009 school year staff and students will enter the renovated and improved Garfield High School.

■ **The Public Works Department for the City of Springfield (Ore.)** selected Heery to provide project management support and master scheduling services, including resource loading, for several departments. Significant assignments under this contract include developing the master land use planning schedule for City department work plans for the new \$380 million PeaceHealth Medical Center, which is the largest single project review undertaken by the City of Springfield Development Services or Public Works Departments. Heery is also providing project management support and schedule management for the \$11.4 million Martin Luther King Parkway project, which is the largest single project to be designed by the City of Springfield staff.

■ Heery is currently working on five different school construction/improvement projects for **Evergreen Public Schools** in Vancouver, Wash., including one new and one replacement elementary school, one new and one replacement middle school and the extensive renovation and expansion of the high school.

■ **The Oregon Department of Administrative Services** has selected Heery as the owners commissioning agent on a new 45,000 SF data center in Salem, Ore. The data center will consolidate data processing services for 9 state agencies into one Tier III compliant central facility.

■ **West Linn-Wilsonville School District (Ore.)** appointed Heery as its independent commissioning agent for its bond program energy upgrades to be completed in 2006. The bond allows for Energy Efficiency Modifications (EEM) of six primary schools, three middle schools and two high schools within the district.

■ One of the signature projects underway at HLM Design-Heery's Denver office is a 565,000 SF regional critical care hospital focusing on trauma and cardiac care at the **Medical Center of the Rockies-Poudre Valley Health System** in Loveland, Colo. In designing this project, HLM Design-Heery adopted the criteria of the U.S. Green Building Council's LEED guidelines as a minimum standard for design, with the goal of achieving a Silver LEED rating. The new hospital will include environmentally sensitive, sustainable design elements, such as natural day lighting, high efficiency mechanical and electrical systems and low water use landscaping. The building design will incorporate indigenous Colorado materials such as brick and native sandstone. Only one other hospital in the nation has achieved LEED certification.

■ Kaiser Permanente recently awarded Heery the contract for planning, coordination and implementation of commissioning services on a 3-year modernization and expansion of the **Kaiser Permanente Sunnyside Hospital Campus** in Portland, Ore. The project includes a new chiller plant, relocated medical gas tank farm, relocated cooling towers, new generator plant and electrical distribution, multiple air handling unit upgrades, and a campus wide controls upgrade from pneumatic to direct digital control (DDC), among other items. The team will also handle the commissioning of a 224,000 SF parking garage, a 158,000 SF phased occupation of the third tower building, which houses various medical departments, a 155,000 SF medical office building and a 19,000 SF emergency room and food service expansion building.

■ Heery was retained by **Umpqua Community College** in southern Oregon to conduct detailed HVAC investigation and perform retro-commissioning at 18 campuses. Years of deferred maintenance have led to occupant comfort complaints. Heery is conducting a full HVAC investigation to assist Umpqua Community College's own facilities staff in rectifying the operational issues. The investigation progress reports have already identified specific deficiencies in some of the worst environmentally performing areas and Heery outlined a remedial scope of work undertaken by Umpqua Community College facilities staff. This work has resulted in the occupants' being satisfied with their thermal comfort conditions, reducing complaints and stress for the Umpqua Community College facilities director.

■ **The University of Washington, Tacoma's** renovation of 133,000 SF in five historic buildings on its campus won a LEED Silver certification from the U.S. Green Building Council. Heery provided commissioning on this project.

▼ The recently completed 35,400 SF **Rio Grande Critical Access Replacement Hospital** in Del Norte, Colo., is the first project on a national basis funded under the Critical Access Hospital HUD 242 program. HLM Design-Heery's Denver office provided the planning, programming, design and construction administration for the project. The facility provides complete healthcare services for the San Luis Valley Region of Colorado, consisting of 14 medical-surgical and ICU beds; 24-hour emergency department; laboratory; imaging suite with CT scanner, X-ray and ultrasound capability; surgery department with one general service operating room and a special procedures room; central sterile supply department and other hospital support functions. Future projects include an 8,100 SF attached medical office building.



#### SOUTHEAST REGION

■ Heery's new project at the **Oak Ridge National Laboratory (ORNL)**—known as the Tennessee Office Building—is on its way. Heery is both the designer and the builder for this 211,039 GSF building, which will be immediately adjacent to our first ORNL project. Like our first project, this one is a public-private partnership and our client is Keenan Development, who has a contract with UT-Battelle, the management and operations contractor in charge of ORNL for the Department of Energy. The building is being planned for LEED Silver certification and will house many important functions for ORNL.

▼ Heery's name is etched in stone—or at least on a plaque—at the **Federal Courthouse** in Montgomery, Ala. The plaque recognizes all those who worked on the project.

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# REGIONAL REPORT

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▲ The **Georgia Aquarium** is on schedule to meet its late 2005 scheduled completion date. The Aquarium will have over 5 million gallons of water on display, containing over 50,000 animals representing approximately 500 various species. The project is now moving from its building core and shell stage into installing theming in various areas. In the final year, activities will include filling the tanks to check out systems and an extensive period of move-in for the animals. Heery is the program manager/owner's representative for all activities involving the development of the Aquarium.

■ **Forsyth County, Ga.** has renewed Heery's contract to assist with managing its Special Purpose Local Option Sales Tax (SPLOST) projects for another year. In the past year, three new construction towers, which are part of the County's \$12 million Emergency 911 Public Safety Radio System upgrade, have been completed and the system is now undergoing testing. The Coal Mountain Park Community Building is under construction, and the county now has completed designs for three different prototypical fire stations. Through our program management contract, Heery has been able to bring planning and design disciplines on board to assist the county in other non-SPLOST projects, such as planning and programming for a new public safety complex and creating bridging documents for a new sheriff's administration building.

■ The **Augusta-Richmond County, Ga.** SPLOST team has several projects underway, including conducting due diligence for a new judicial center and a library, managing design for a new county public works and engineering building and a new traffic control center, overseeing permitting for a planned new county traffic control center, and management of a moisture/mold facility assessment of the joint law enforcement center.

■ **UBS's** office in Ft. Lauderdale will be relocating at the end of January 2005 to a new Heery-designed 16,000 SF office in downtown Ft. Lauderdale. Heery's services include programming, design and furniture selection and construction administration.

▼ In **Athens-Clarke County, Ga.**, the Heery SPLOST team has broken ground on two new state-of-the-art police substations. The team is also nearing completion of the design of a new facility called the "Family Protection Center"—a comprehensive facility where a victim of abuse or sexual assault can be interviewed, forensic evidence gathered and the victim can receive counseling without having to travel to multiple facilities. This facility is unique in the state of Georgia. Heery has been organizing and managing projects for ACC for 10 years.



■ **UHS Pruitt Corporation** selected Heery to complete an interior design renovation on an existing building they purchased in suburban Atlanta. UHS Pruitt is a part of UniHealth Solutions, Inc. and provides home health care services and outpatient services at close to 80 service locations in Georgia, North Carolina and South Carolina. The 104,000 SF building will be renovated to house the corporate offices for UHS Pruitt, including their executive offices, and conference center, as well as an adult day health and pharmacy operation.

■ The NCAA II champion **Valdosta State University** Blazers are also dreaming of a new stadium. Valdosta State hired Heery to develop plans for a new stadium to seat 30,000+ fans, including suites, club seats and press facilities. Heery's plan calls for integrating an education center into the east grand stands, while a pre-game plaza on the west side will be shared by the stadium and the arena. On the south side, a multi-purpose end-zone facility provides game-day toilets & concessions, while on non-game-days, it functions as a secondary student center with food service and retail for students as they wait for the parking lot shuttle.

■ Heery was selected by the **City of Charleston** to provide a city-wide space utilization study. The study involves analyzing existing City operations and programs, functional relationships and space requirements for the purpose of developing a facility master plan that addresses space requirements for the next ten years.

▼ Heery recently completed facility condition assessments for conference rooms, video conference rooms and cafeterias, as well as design for one conference room, for **GlaxoSmithKline**. The assessments evaluated the condition/characteristics of life cycle, finish condition, building systems and FF&E of these spaces.



- ▶ The new **U.S. Courthouse** in Orlando is coming out of the ground. HLM Design-Heery's Orlando office is providing on-site construction administration for the \$80 million federal courthouse, for which the firm also served as architects and engineers of record, in a joint venture with lead design firm Leers Weinzapfel Associates from Boston. The 6-story courthouse will house 15 courtrooms, split between District and Magistrate Courts. Also included is a 160-space secure parking garage, a new link connecting the current courthouse with the new one and a two-acre semi-public park. Completion is scheduled for Fall 2007.



- ▲ **Southeastern Louisiana University** in Hammond, La., between Baton Rouge and New Orleans, retained Heery to develop a stadium masterplan to expand its existing stadium up to 30,000 seats and add suites, club seating and fan amenities, such as new concessions and restrooms, new press facilities and new concourses. Lions fans will also enjoy a game-day tailgating plaza in the end-zone that can double year-round as a place for concerts and student activities.

- **The City of Tampa, Fla.** retained Heery to help evaluate several of its facilities regarding space usage efficiencies, as well as to assess the need for potential upgrades. There are approximately 50 departments located in the old city hall, municipal building and police headquarters, and Heery will tour the three buildings, survey individual departments to determine how they work, and evaluate whether current office arrangements increase or decrease operational efficiencies.

- Heery recently completed a new 2,200 SF Executive Dining Room for **SunTrust Bank** at its downtown Atlanta office. The space includes a private dining room for SunTrust executives, a pre-function area and a pantry/catering kitchen. Heery services included interior design and engineering.
- Heery has been selected to provide architectural and engineering services for a 15,000 SF building shell and interior fit up of a facility to accommodate a plastic surgery center, medical office space and spa for **Pinpoint Properties for Dr. Adam Stein** in Cary, N.C.

#### WEST REGION

- Based in part on our great performance on the Letterman Digital Arts Complex, **The Presidio Trust** has selected Heery for another project at the venerable former army post. Heery will be performing design and construction regulatory compliance reviews for the **Public Health Service Hospital Complex**. These projects are being performed under one of Heery's nationwide FSS contracts.



- ▼ The Cleveland office of Heery was asked by Superintendent Robert Lee to run the Kenston Foundation Golf Outing for 2004. **John May, Kathleen Smetana, Angie Peak, Ray Richards, Marcello Velotta and Jason McLeod** planned and organized this event that took place on June 14, 2004 at Punderson Golf Course in Geauga County, Ohio.



- ▼ The namesake of the new Ensworth Elementary School in Bend, Ore.—long-time educator and coach Jack Ensworth—was on hand for the first day of school on September 7, handing out popsicles at a lunch-time barbecue for 300 children, sponsored by Heery International. The new school, which received glowing reviews from students, teachers and parents, was officially dedicated in a ceremony on September 17. Heery has worked as construction program manager for Bend-La Pine Public Schools since 1992. **Scott Lund** is the program manager.



- ▼ For the 6th year in a row, Heery Nashville's softball team has raised the most money for the annual "Love Helps" softball tournament and once again the group won the biggest trophy. Unlike previous years which involved more fun than winning, however, this year the team also made it into the championship game.

- ▲ Heery's Houston office helped students at **Oak Forest Elementary School** celebrate the opening of their new campus this fall. Students dedicated their new school on August 27 and Heery team members Ernest Bruce and Daryl Bailes both received accolades from the principal for their outstanding performance. Student and attendees of the dedication were able to tour the exciting new campus for the first time.

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# HEERY IN THE COMMUNITY

- ▼ The Atlanta interior design group participated in the annual Boys and Girls Clubs of Atlanta's "We Care" event in December. Design firms in Atlanta are invited to develop a craft that the children can come and make to give to their friends and family members. The interiors group had eight volunteers who assisted children in making a snowflake decorated frame with a photograph of themselves.



- In May, a group of eight Northwest and West Region employees and their families volunteered with the King County Greenhouse and Nursery to help pot native trees and shrubs that will eventually be used in stream and wetland restoration projects. The group managed to plant 1740 treelings (red-osier dogwood, western red cedar, Sitka spruce, grand fir, and Nootka rose) into pots where they will grow for the next two years. After 3 hours, Erika Levin, Robyne Scott, Dodie Matthews, Michelle Sheldon, Dan Broggel, Ana Allison, Bruce Herr and Jim Isaf completed their assignments and enjoyed a pizza, chips and soda picnic! Andrea McLean also helped set things up for the event, but was unable to attend the actual planting.

- ▼ Led by Tanya Walker, Tom Woodward, Annabelle Avelino, Jean Hunnicutt, Laura Riley, William Bell and Steve Hart [all Heery-Atlanta] contributed money to purchase presents for five orphans living at the Carrie Steele Pitts Home. The Heery group collected \$375 to provide coats and toys for the children, then Tonya, Tom and Annabelle spent three hours wrapping the gifts. For more than 100 years, the Carrie Steele Pitts Home for Children has been housing Atlanta's children. This organization provides a home for 93 kids, including school support, meals, recreation and community involvement.



- ▶ Jim Moynihan may look like a bear, but when it comes to helping others, he's more teddy than grizzly. Which is why, with the help of a few Heery helpers, Moynihan recently delivered 50 bears to Atlanta radio station 94.9 Lite FM's Teddy Bear Patrol. Teddy Bear Patrol is part of 94.9's effort to place new or "lite-ly" used bears in every police car, ambulance, fire truck and emergency room in the city to support children during emergencies.



- Heery hosted a graduate level architecture class from Georgia Tech in November. Mike Holleman, Tad Shultz, Todd Ballew and Glenn Jardine (all Heery-Atlanta) walked the class through a "typical" Heery interview. The class spent an hour and half participating in the interview, during which they asked some outstanding questions, and then toured Heery's office.

- Heery employees participated in national Denim Day in October, raising over \$2100, including a corporate donation, for the Susan G. Komen Breast Cancer Foundation. Since Heery began participating, we have donated over \$13,000.

- Richard Nikonovich-Kahn, general consul, was among the more than 16,000 runners who completed the Marine Corps Marathon on October 31 in Arlington, Va. He finished the grueling 26 mile course in 4:41:04 and raised just over \$2500 for UNICEF in the process.



- ▲ Bill Slaybaugh and Gary Childe of Heery's Boise office participated in the Business Education Exchange, sponsored by the Boise Metro Chamber of Commerce's Education/Workforce Committee, Boise School District and Meridian School District. The two-day hands-on event provided the teachers with an up-close look at the operation of 21 local businesses in an effort to encourage teachers to develop connections between the content they teach and the real world challenges facing today's businesses.



- ▼ Andrea McLean (Heery-Seattle) participated in a conference in Denmark on education delivery based on learning styles. She visited several schools where the learning styles are used and a factory where educational furniture is made that helps support the learning styles. Learning styles identify how children learn, whether visually, orally, kinesthetically, in a group, quiet study, etc.



- ▲ Clay Ransone, Jannine Williams, Ronok Doolen, and Kharl Rodriguez from HLM Design-Heery's Orlando office participated in the Orange & Seminole County Public Schools' Teach-In 2004 in November. The team spent two hours teaching elementary school students, teachers and administration at Rosemont Elementary School what architects and engineers do, including going through model-building and design exercises. An interesting sidenote: Rosemont Elementary is one of four schools that Heery constructed as a construction manager for Orange County Public Schools in the mid-1990s.

- ◀ Heery's Denver office sponsored a card by child-artist and cancer patient Mackenzie Davis (pictured with Heery's Denver area manager Dave Peterson) to raise funds for the cancer center at The Children's Hospital (TCH) in Denver as part of TCH's 2004 Holiday Project. Cards with the child's art are created and sold, with all proceeds going to TCH's cancer center chapter.

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