

THE

Executive Committee

During a recent informal survey, we polled Heery staff members in various locations about how the company is organized. While most respondents were clear about Heery's regional structure, business strategy and full-service capabilities, they had some questions about the function and the make-up of the executive committee at Heery.

The executive committee performs an important advisory role for Heery President and CEO Jim Moynihan. Since the creation of a Heery executive committee in 1988, it has always included roles and positions that have only recently become fashionable in other industries for inclusion—groups such as human resources, accounting, technology, legal, at-risk business sectors and communications, in addition to the more traditional regional managers who represent the company's six primary profit centers.

The executive committee provides a vehicle for gathering information from staff, clients, areas and markets, as well as a forum for discussing it. To help Moynihan make informed decisions on key issues that the organization faces, the executive committee engages in open discussion forums at least four times a year, providing different perspectives and out-

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Bob Silverio, vice president and controller, and Jack Hill, executive vice president and chief financial officer, have worked together for nineteen years keeping Heery's financial house in order. They introduced the Oracle-based business management information system to improve access to financial information, allowing Heery staff at all levels to make better decisions. With these two in charge, Heery has enjoyed glowing reports from our outside auditors for years.



Jim Moynihan, president and CEO, brought in Richard Nikonovich-Kahn, senior vice president and general counsel, in 1989 to help reduce the company's litigation and create a "litigation mitigation" mindset. Today, the company has reduced its at-risk litigation by 90 percent, even while our revenues have quintupled.



◀ Vice president and director of construction services at risk, Jim Patterson, is the youngest of the group, in terms of Heery years. He joined the company in 1994.



Martha Pacini, vice president and director of corporate communications and strategic initiatives, and Dan Wise, vice president and director of human resources, hold positions that aren't commonly seen on executive committees or company boards. Martha and Dan are also birthday buddies.



John May, vice president and central region manager, Bill Heitz, senior vice president and east region manager, and Ted Sak, vice president, west region manager and chief information knowledge officer, all started their careers with Heery in Baltimore more than twenty years ago as project managers in the company's fledgling construction program management group. Heitz started first in February 1979, Sak arrived next in May 1979, and May came along in July 1983.



Greg Peirce, senior vice president and southeast region manager, Graham Rice, managing director and European region manager, and Jim Isaf, vice president and northwest region manager, have all worked extensively in Europe. Graham has lived in the UK all of his life, while Greg pulled two separate tours of duty in Heery's London office for a total of five years. Jim was Heery's longest running expatriot with 16 years in the London office, until he relocated to lead the Northwest region in 1998.

TIME TO GROW

For the last two years we have been playing defense, treading water and pulling together to get through extremely tough economic times, coupled with client uncertainty and indecision in nearly all of our markets. The good news is that we have remained financially stable, made money, paid our bills, maintained staff levels and further developed our business fundamentals—cost controls, excellent staff, superior systems, solid backlog and strong positioning in multiple markets. Now, it's time for us to grow again.

We are launching a new growth oriented program, similar to our successful 6M/2K growth plan. Our future success will be measured by growing the size of Heery's staff level. Over the next four years, our goal will be to add a minimum of 300 full-time equivalent, direct staff positions.

How are we going to do this? Growth will come from a combination of internal, organic expansion and selected external acquisitions, if needed. As the number of K-12 and government assignments has expanded, we have enhanced our reputation in these primary markets for our high standards of service. Our service delivery has been client-focused and reflects Heery's high level of professionalism and project delivery innovation. These strong markets will reward our performance with increasing numbers of assignments. We also expect that the private sector clients will begin investing in capital expansion once again and Heery will benefit from that reinvestment. For our part, we will expand our capacity in these important markets through increased training and development.

Acquisitions are always challenging. It is extremely important that we conduct due diligence carefully on any firm we intend to acquire, that we be careful to look for an attitude and personality match with our existing organization and that we pay only what a firm is truly worth within the Heery model. These acquisitions will help us build our market share in markets we have targeted for aggressive growth, specifically our program management practice in the west and our healthcare practice nationwide.

I am excited about the potential of our new growth plan, and you should be as well. With growth comes the opportunity for Heery to invest further in all of you who will drive that growth. Enhanced benefit plans, expanded bonus pools, updated equipment and more extensive training are all possible when we are growing. I believe that at Heery, we can do anything we set our minds to. It's time to set our minds on growing.



Jim Moynihan
President and CEO
Heery International

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2003 EDUCATION ASSISTANCE PROGRAM Recipients Announced

The recipients of Heery's 2003-2004 education assistance program grants were announced in May. The education assistance program started in 2000 to help Heery professionals fund their continuing education in accredited programs that will enhance their skills and knowledge.

This year's recipients included East Region staffers, Carrie Linthicum, Stan Whatley, Linda Berchielli and An Nguyen; Northwest Region's Ian Kell, Mervin Larson and Anastasia Allison; the West Region's Kelly Macedo; Kimberly Urban and Marcus Swayzer from the Central Region; six Southeast Region employees, Cynthia Thedford, Barrington Kong, Elaine Glowatski, Jody Booth, Kynthia Mason and Catherine Martin; and Annabelle Avelino from Corporate Human Resources.

Executive Committee

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looks. In addition, regular telephone and e-mail exchanges contribute to on-going dialogue among the members of the group.

"The executive committee assists with an internal Heery version of 'listen, then respond,'" explains Moynihan. "Concerns of various members of the committee are put forth, we discuss them as a group, and then we respond to those concerns."

Moynihan credits the executive committee concept with helping to launch successful company initiatives. In 1995, the team decided that Heery's primary focus would be on K-12 education and that we needed to increase the company's share of this growing market significantly. Nearly three-quarters of the company's backlog added in 2003 has been in the education sector.

A new initiative is the launching of a facilities services task force comprised of representatives from throughout the company. The task force mandate is to determine the best way to identify and position

in our markets the variety of services that fall into this category—facilities planning, facilities management, computer integrated facilities management, commissioning, move management, transition management, medical equipment planning and management, equipment planning and logistics support—and to recommend strategies to increase Heery's share of this growing service.

One of the most unusual features, but strengths, of Heery's executive committee is each member's longevity with the company. The average years of employment with the firm is 20 years. And this particular committee has worked together since 1994.

Moynihan attributes the constant and on-going dialogue with the executive committee with helping Heery "buck trends, grow, analyze the best future course for the company and position the firm in new markets before the competition."

Awards

- ▼ The Georgia Chapter of the American Society of Interior Designers (ASID) recently presented Heery the **Design in Excellence Award** in Corporate Space over 10,000 SF category for the Equant project. Heery provided programming, space planning, interior design and furniture, finishes and equipment specifications for the 180,000 SF corporate headquarters located in North Atlanta. Equant is a leading provider of managed data network design and integration, equipment, installation, maintenance and support services, as well as software development for multinational businesses.

- ▼ Heery's Royal Bank of Scotland Doncaster team has been presented with a Gold Award under the Considerate Constructor program for its work on the construction of a new call center for **Royal Bank of Scotland Property Developments** at Doncaster. The award is in recognition of Heery's commitment to raise the standards of site management, safety and environmental awareness beyond statutory duties.



- ▼ Heery's Southeast Region construction management group received the 2003 Construction Management Association of America (CMAA) South Atlantic Chapter Project Achievement Award for Public Projects under \$10 Million for the **Dalton Public Schools Westwood Elementary School Renovation** in Whitfield County, Ga.



- Lora Riley, Atlanta planning & design group, received recognition for her participation on the AT&T team, which was awarded the **AT&T Global Real Estate VIP (Values in Practice) Award**. Since joining Heery in 2001, Lora has managed a major portion of the AT&T projects in the Atlanta area.

- Intofx, Inc. and Corporate Communications received the **Horizon Interactive Awards 2003** Silver winner in the Business-to-Business category for the Heery Transportation CD-ROM.

- R.D. Borders, one of Heery's owner's representative/project managers at **Los Angeles Unified School District (LAUSD)**, was awarded "Employee of the Week" by LAUSD for exemplary performance in shepherding the Ramona Elementary School project through the demolition process and creatively negotiating with the demolition contractor to save many of the community's sensitive nostalgic items from the wrecking ball.

- The Baltimore-based *Daily Record* listed the "**Top 50 Construction Projects in Maryland**," which included three Heery-managed projects: Montgomery County Correctional Center; the University of Maryland Medical Center (Harry and Jeannette Weinberg Bldg); and the University of Maryland, Baltimore Health Sciences Facility II.

- The **Nashville Public Library-Main Branch** won the Excellence in Development 2002 Award of Excellence. Since its inception in 1989, Excellence in Development has worked to recognize and promote high quality development in Middle Tennessee by raising the public awareness of exceptional design and construction. Awards are given to both the project's design team and its contractors.

- ▼ The American Institute of Architects, Middle Tennessee Chapter acknowledged the Nashville office's **Terrific Treehouse Exhibit** at Cheekwood Botanical Garden and Museum of Art by awarding it the Citation of Notable Contribution in February 2003.



- David Waggoner, Carolinas area manager, has received a **Council of Educational Facility Planners International 2003 Service Citation** in recognition of his many years of contribution to the organization.
- Lou Bacon, who retired from Heery in 1989, received the **Georgia Engineering Foundation Medal of Honor Award** at a dinner on November 5. Bacon was a vice president with Heery and directed the engineering practice for many years.

CLIENT KUDOS

► We finished up in good shape...With everything we're hoping to do over the next 10 years, it was good to bring this first big project in under budget. That's one less hurdle for getting the next project approved. Thanks again for all of your help.

Byron Hill
National Director
LifeWay Conference Centers

"By the way, if we haven't already said so, you guys did a super job on this investigation and report."

Jeffrey Hardin, PE, Deputy Director of the Medical Design Center of Expertise
Alexandria, Va.

I would like to commend Heery's staff for their assistance during the past two years. Although the company was hired to help prepare a study and survey and develop a conceptual design, their contribution has been considerably more than expected...They have served us very well, consistently demonstrating a willingness to listen, to respond to our ideas and priorities, and to help us work through the complexities of careful facilities planning.

Dr. Harry Carthum, Superintendent
Griffin (Wash.) School District

► As principal, I have been involved in the building construction program for over two years. I have worked with the on-site project managers of Heery International for the duration of my tenure in this position. I have always found the firm's representatives to be knowledgeable, helpful and dedicated to completing our building project on time. Heery consistently worked to monitor the project in a way that served the best interest of the client.

Cheryl DeSpirt, Principal
Van Sickle Middle School, Springfield, Mass.

Before Heery was hired, the project was nearly \$1 million over budget. Heery brought technical expertise and sound advice and worked closely with the Town, the Architect, and consultants to direct a redesign process that produced a successful re-bid in November of 2001.

Ken Wertz, Director of Maintenance and Operations
The Public Schools of Sharon, Mass.

In the beginning, I was a little reserved [about] hiring a Construction Manager to oversee the project and make sure the construction of the project was on time, on budget and well maintained...Overall, Heery International saved the City millions of dollars in potential increases and even a possible delay in the opening of one of the schools. I would also like to point out the great working relationship Heery International maintained with the school architects and construction firms to assure a positive outcome for the City. When I walk through Frederick Harris School and peer inside the newly constructed Gymnasium, I am glad that this job was not only done on time and on budget but also... that Springfield taxpayers can send their children to a newly renovated school that saved them money.

Peter Garvey
City of Springfield School Building Commissioner
City of Springfield Housing Code Enforcement
The City of Springfield, Mass.

I'm writing you to let you know how much help Mark Mills has been with the TBI [Tennessee Bureau of Investigation] facility in Memphis...Last month, when we were in a time of crisis, he spent countless hours helping out with a myriad of building issues. He was here late, and on Saturday assisting. He is a great liaison between General Services, TBI and Mayer Construction. It would have been extremely difficult for me to deal with all of the building issues during that time if he had not been available to help out.

Samera Zavaro, Supervisor, Memphis TBI Crime Lab
State of Tennessee

The Heery staff in the SP/TS [Strategic Planning & Tactical Services] group act as an extension of our own internal GSK staff, and we are very pleased with the professional and responsive manner in which [the staff] conducts business with our internal customers. This reflects positively on GSK Corporate Engineering, and I would highly recommend Heery to any other company considering such service arrangements.

David G. Bishop
Manager, Strategic Planning & Tactical Services
GlaxoSmithKline Corporate Engineering, NA



CERTIFICATIONS, REGISTRATIONS, PROFESSIONAL POSITIONS

- Raleigh-based Andrea Sexton has successfully passed the NCIDQ exam and is now a Certified Interior Designer.
- Heidi Sadler, Northwest Region business development director, has been elected President Elect of the Washington State Chapter of IIDA (International Interior Design Association) for 2003-2004. The Washington State Chapter region includes Alaska, Idaho, Washington, Alberta and British Columbia.
- Heery's health care veteran Bob Guinn served on the 2003 Health Facilities Review Jury in Phoenix to evaluate projects for publication in Health Facilities magazine.
- Atlanta-based engineer Richard Kesselring has passed his LEED Accreditation exam.
- Bob Monser was elected to the Mid-Atlantic Construction Management Association of America (CMAA) Board of Directors.
- Mike Wolf, Atlanta CM project superintendent, has completed the Corps of Engineers training course "Construction Quality Management for Contractors."

Leader of Heery's Washington, D.C. area office Alex Johnston led the way as Heery's first employee to earn the Certified Construction Manager (CCM) designation through Heery's sponsored certification program, but there were several others close behind. Other recent CCM designees include Woody Gregory, Bill Heitz, Jack Ward, Stan Whatley, Don Green, Cynthia McClendon and Bill Slaybaugh.

The CCM designation is awarded to those who have met the professional standards, have the experience, and have demonstrated a commitment to and interest in providing the highest quality professional CM services available.

The CCM is a relatively new certification process that is managed by the Construction Manager Certification Institute (CMCI), which is sponsored by the Construction Management Association of America (CMAA) and is being increasingly required by clients on project and construction management assignments. The Executive Committee has instituted Heery's \$3,000 CCM Incentive for each program or construction manager who can meet the CCM stringent eligibility requirements. The initiative rewards employees at the executive associate level and below who successfully navigate the certification process and pass the final exam.



REGIONAL REPORT

EAST

▼ One of Heery's premier projects in Washington, D.C., the **National Archives**, re-installed the Charters of Freedom in the Rotunda in the presence of a guest list that the *Washington Post* reported had a "very high motorcade quotient." The heads of all three branches of government were at the National Archives building in September to celebrate the 216th anniversary of the U. S. Constitution, and the re-opening to the public of the Rotunda. The Rotunda houses and displays the nation's documents of freedom—the Declaration of Independence, Constitution, and Bill of Rights. Heery managed both the renovation of the Rotunda and the design of the encasements in which the documents are displayed. Heery is also managing the renovation of the entire building, which will be completed late 2004.

■ **Baltimore Gas & Electric Company** has retained Heery to provide program management services for modifications to their headquarters facility, which involves splitting the existing headquarters facility and consolidating operations into one building.

■ Through an indefinite quantity contract with the Commonwealth of Pennsylvania, Heery will be providing preconstruction and construction management services for a major utility and infrastructure upgrade at **Lincoln University**. Lincoln, chartered in 1854, is the oldest institution in the world specifically founded for the higher education of blacks. This \$23 million construction program includes a new water tower, sewer plant, water and sewer upgrades, new fire alarm systems, boiler and steam distribution replacements, and electrical, communications and cable TV.

■ Heery has been selected to provide project management for the renovation of the **Lynnfield (Mass.) Senior Center**.

■ Heery's consistent and successful work with Pennsylvania colleges and universities through an on-call contract with the Department of General Services has provided a launching pad to work independently with **West Chester University**, a 9,400-student arts and sciences school located about 20 miles from Philadelphia. The university has retained Heery to provide on-call, task order cost estimating services under a one-year contract that can be renewed for up to five years. The work covers the full range of university facilities, such as classrooms, laboratories, offices, athletic facilities, and dormitories, with construction values of \$10,000 to \$25 million.

■ The **Federal Bureau of Prisons** has hired Heery as a subconsultant for the design/build construction of a Federal Correctional Institution located in Butner, N.C. This medium security institution will have a capacity of 1,152 inmates, along with a firing range and a warehouse. Heery will provide document review, onsite inspections, estimating, scheduling and other related construction management services.

■ The Heery Transportation Group is part of the winning team that will be providing design and construction support services to **New Jersey Transit** for upgrading its important "Lower Hack" drawbridge in Jersey City, N.J. This three-phase project will rehabilitate the 75-year old bridge and its surrounding infrastructure to meet modern safety and functionality standards. Under two additional contracts, Heery has been selected as a subconsultant for task order services for New Jersey Transit providing architectural, engineering and construction management services through June 2006.

■ Heery has been selected to provide project oversight services for the construction of the **Federal Deposit Insurance Corporation's (FDIC)** new two-tower office building and multi-purpose facility to be located on the Virginia Square Campus in Arlington, Va. Created by Congress in 1933, the FDIC insures deposits at the nation's 9,354 banks and savings associations and promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed.



■ Since 1974, Heery has worked with the **Baltimore City Public School System**, a relationship that will continue thanks to the recent award to Heery's Baltimore office of the school system's two-year on-call program and construction management services contract. Heery will assist with the school system's capital improvement plan, aging school program, federal school renovation program and other maintenance projects.

▶ Heery has been selected to provide construction management services for a new \$110 million, 3000-student **state-of-the-art high school in Lawrence, Mass.** The high school, which will be one of the largest of its kind in the country, includes a Grade Nine Academy for freshmen and a performance-based talent academy for regional students in grades 10 to 12. The new facility will have a 1,230-seat auditorium; a 3,500-seat field house with three basketball courts and an indoor running track; a media center/library; a community health center; a daycare center; baseball and softball fields and six tennis courts; a new running track and visitors' bleachers; and 443 parking spaces.

■ The Heery Transportation Group has been selected for an indefinite quantity contract with the **Federal Transit Administration (FTA)** to provide project management oversight services for a number of projects funded by FTA, with construction costs ranging from \$30 million to \$1 billion. Potential projects include rail modernizations, new rail construction and other major capital transit systems, such as bus or ferry. This win is significant – it increases Heery's visibility in the growing transportation sector.



Architect: Flansburgh Associates



▲ Heery International was selected by **Prince George's Community College** (Md.) to provide design services for the construction of a new 77,468 SF high technology center. This signature building will provide computer space, network administration and geographic information systems classrooms, as well as graphics/graphic art multimedia rooms and other high tech program spaces.

■ **Arlington (Va.) Public Schools** has contracted with Heery for project management of three school renovations. Heery will provide on-site management for the \$7.8 million, three-story, 31-classroom addition at Yorktown High School, the \$5 million addition and renovation at Arlington Traditional School, and the \$6 million renovation of Glebe Elementary School.

■ The Heery Transportation Group is part of the winning team selected by the **Metro-North Railroad (MNR)** to design a replacement for the 138/27 kv substation in Mount Vernon, N.Y. Heery's responsibilities on the team include feasibility studies, conceptual/preliminary and detailed design and construction support services.

SOUTHEAST

■ The **Federal Bureau of Prisons (FBOP)** recently awarded Heery several project assignments using the firm's five-year FBOP indefinite delivery contract for architecture and engineering services, not to exceed \$3 million per year and under \$25 million in construction, in the southeastern United States and Puerto Rico. Assignments include work at FBOP-Jesup, Ga., FBOP-Miami, FBOP Guaynabo Facility in Puerto Rico, and FBOP-Talladega, Ala.

▶ On June 4, 2003, Heery CEO Jim Moynihan and Program Manager Jeff Prine presented the **Athens-Clarke County Unified Government** with large, framed photographs of the newly renovated **Athens (Ga.) Welcome Center**, located in the historic Church-Waddel-Brumby House. The welcome center gives visitors their first impression of the area. This project was near and dear to Heery's heart—the firm's founder, C. Wilmer Heery, originally renovated the house in the early 1970s.

■ **Winston Salem (N.C.) State University** recently selected Heery to provide architectural and engineering services for the new A.H. Ray Health Center for students.

■ The **City of Pascagoula, Miss.**, retained Heery to conduct a community center feasibility study. Heery's services have involved facilities management, civil engineering, landscape architecture and program management specialists, who are evaluating new construction and renovation options for Pascagoula.

▼ On the **Atlanta Public Schools'** Inman Middle School project, the team found an unusual way to handle gym class during the occupied renovation of the 650-student middle school. A giant tent is serving as temporary home for the school's physical education program, as well as the site for the occasional school dance.



■ **SITA**, the world's leading provider of global information and telecommunication solutions to air transport and related industries, has retained Heery to design the consolidation of its existing Americas headquarters offices in Atlanta.

▶ **Reinhardt College**, a small liberal arts institution located in North Georgia, has hired Heery for its third consecutive project. The most recent assignment is design-build of a 200-bed apartment-style student housing complex. Heery is currently closing out the renovation and expansion of the **Baxter Brown Gymnasium**. Reinhardt hosted a hard-hat tour of its Heery-constructed **Hill Freeman Library** project on May 8, inviting library representatives from area colleges and municipalities to attend. Heery's construction management team, including Terry Campbell, Mike Roark and Todd Ballew, participated in the presentation of the project's goals, challenges and lessons learned, as well as providing Heery hard hats for the 12-15 attendees.

■ **Western Kentucky University** in Bowling Green selected Heery to conduct a study and develop schematic design for a new team facilities building for its football team, which has produced 17 first-team All-Americans, competed in the NCAA playoffs four times, and in 2002, claimed their first ever NCAA 1-AA National Championship. The \$6 million project will include football locker rooms, team meeting rooms, equipment rooms, treatment and rehabilitation, strength and conditioning, football coaches' offices and an academic study center.

■ For the third time, **Fulton County (Ga.) Schools** has retained Heery to help this growing district with its ongoing capital improvement program.

Under the latest assignment, Heery will quickly assess budgets and schedules for upgrading life safety systems (fire alarms, communications systems), handling HVAC renovations, improving ADA accessibility, enhancing electric power systems and improving architectural finishes at thirteen schools and nine administrative/educational support facilities. Following the initial assessment, Heery will implement the work using an informal design-build

approach. The three-year program will involve managing up to \$15 million in construction.

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REGIONAL REPORT

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- While undertaking a series of projects for medical and dental laboratory facilities for the European District of the U.S. Army Corps of Engineers, Heery and Dorsch Consult were asked to take on a new project under a separate contract: a dental clinic in Ramstein, Germany. This project for the Air Force Health Support Agency involves a two-story (plus basement) addition with 18 new dental rooms, dental instrument processing, squadron command offices and new parking. Undertaken with a highly accelerated schedule—the final documents were completed eleven months from the original notice to proceed—the project is nearing completion.

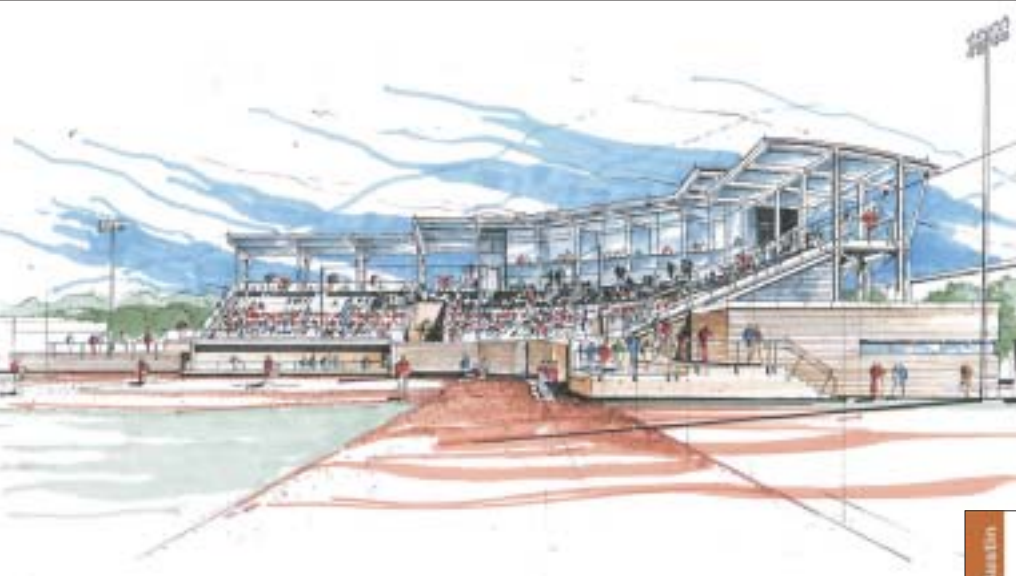
- At the University of Georgia, Heery was retained to design a new softball stadium around the existing playing field, which is part of a softball/soccer complex. Heery's assignment includes dugouts, grandstands, team locker room and lounge facilities, offices, visiting team locker room, press box and partial roof over the grandstands. Currently under construction, the project is scheduled for completion in early 2004.

- Heery was part of the winning team on three different U.S. General Services Administration construction management contracts. In the state of Georgia, Heery is part of the team that was awarded a construction management services indefinite delivery indefinite quantity (IDIQ) contract. In Tennessee, Heery is a major subcontractor for another IDIQ contract. In Puerto Rico, under Heery's national CM services contract, Heery has been selected to manage the repair of the existing clay tile roof system, including interior repairs, to the U.S. Bankruptcy Courts Courtroom at the Jose V. Toledo U.S. Courthouse and Federal Office Building in San Juan, which is registered with the Puerto Rico Historic Preservation Office.

- Heery was tapped by Atlanta's Shepherd Center to design its \$40 million, 130,000 SF expansion. The internationally recognized center treats patients with severe spinal cord and brain injuries. Ground breaking is expected in late 2003.

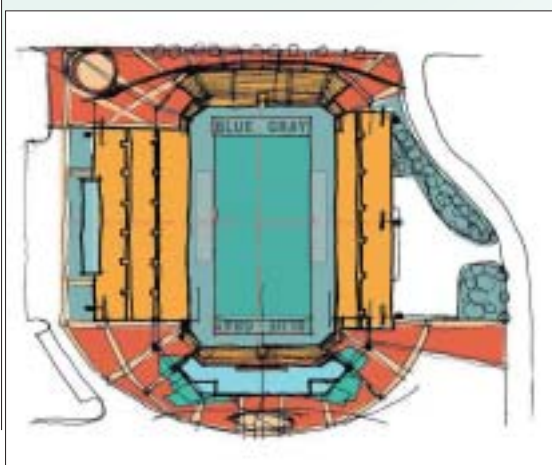
- Heery has won a four-year, indefinite delivery contract with the US Property and Fiscal Office to provide programming, planning, design (architectural, interiors and engineering), construction administration and commissioning for various facilities throughout Georgia for a total of \$2 million per year. Projects will include hangars, office and administration buildings and training facilities for the Georgia National Guard and Reserves.

- Forsyth County, Ga., has retained Heery to manage some of the growing county's Special Purpose Local Option Sales Tax (SPLOST) V projects, which are funded by a sales tax expected to generate \$60 million for capital projects. In addition, Heery will provide short- and long-term facilities planning, including space needs assessments, land utilization studies and existing facilities analyses of approximately 60 county-owned buildings. The five-year, \$60 million construction program is Heery's fifth SPLOST management assignment in Georgia.



- At the University of Texas at Austin, Heery was retained for its 10th consecutive assignment, this time to conduct a study to expand the swim facility for UT's winning swim team. Heery was commissioned to study site options for the addition of three outdoor pools.

- For the City of Montgomery, Ala., Heery has been asked to conduct a study of the existing Cramton Bowl stadium, to be followed by design and construction of improvements such as new stadium turf, grandstand renovation, new restrooms and concessions, new team facilities, press box, a new image for entries and possible new amenity seating. Cramton Bowl is an 80-year-old municipal stadium originally constructed for baseball and football, and later expanded and converted to football only.



- Heery was recently selected to provide architectural and engineering services associated with the fit-out design of 88,000 SF to be occupied by GlaxoSmithKline within the American Tobacco Historic District in downtown Durham, North Carolina.

- One of the fastest growing cities in South Carolina, The City of Greenville has selected Heery to provide facilities master planning services to address public facility needs using planning time frames of five and ten years.

- Fayetteville State University has retained Heery to provide architectural design services for the renovation and conversion of Lilly Gymnasium.

- Heery was recently selected to provide comprehensive architectural/engineering design services for various upgrades to fire/EMS facilities across Wake County (N.C.). Specific facility upgrades included in the scope of work, encompassing 31 individual fire stations and 15 EMS/rescue facilities, are outlined in a facility assessment survey that Heery completed in March 2002.

- Eisai Pharmaceuticals has selected Heery to provide strategic facility master planning services to support a short-term direction for the firm at its current site. Additionally, Heery will consult to integrate a long-term solution into the planning process, incorporating facility and site requirements with Eisai's business plan.

- Heery has been commissioned to provide architectural design, programming/planning and interior design services for a new single-story, free-standing 12,000 SF internal medicine practice. The Class-A facility, to be located on a one-acre site in downtown Lancaster, S.C., will house multiple tenants including **Palmetto Tri-County Internal Medicine, Quest Diagnostics, and Diabetes Education.**

- Heery has added another federal courthouse to its growing list. The **U.S. General Services Administration (GSA)** retained Heery to provide construction management for its new U.S. Courthouse in Eugene, Ore. The \$70 million, 265,000 SF facility will start construction in Spring 2004, with completion scheduled for August 2005, and is being designed as a LEED-certified building.

- After contacting Heery to conduct an investigation into the underperformance of the process heating and cooling systems of its relatively new winery, **Domaine Serene Winery**, Dayton, Ore., had their wishes met this summer, courtesy of a very active group of Heery commissioning specialists. The team delivered a fully working system in ten weeks during the winery summer shut-down period just in time to allow the owner's 2003 harvest to be conducted without interference. Salute!

- **The University of Washington** has hired Heery on a staff augmentation basis to provide construction project management services on projects at the Health Sciences Center and Harborview Medical Center.

- Repeat client **Kaiser Permanente** retained Heery in late May to undertake an indoor air quality investigation and make recommendations for a Kaiser facility in Portland by September in order to allow repairs to be funded from 2003 funds. All disruptive investigation had to be accomplished outside of normal working hours and the building had to remain functioning. The Portland commissioning team not only accomplished the task, but also managed to get a terrific letter of reference in the process.



- ▲ Officials at **Oak Ridge National Laboratory (ORNL)** in Oak Ridge, Tenn., which is managed and operated by UT-Battelle Development Corporation on behalf of the Department of Energy, officially dedicated their new Heery-designed \$55 million facility with a "Party on Main Street". Heery Vice President Glenn Jardine attended, along with other members of the partnership and UT-Battelle. From left to right, Glenn Jardine, Heery; Norm Durfee, ORNL; Mike Penland, Keenan Development Associates; and Keith Dempsey, UT-Battelle.



- As part of its commitment to the Oak Ridge community, **UT-Battelle** has retained Heery to help envision a new high school for **Oak Ridge Schools**. Heery's assignment is to help develop the program, analyze the existing building, propose alternative schemes and facilitate public discussion about the new high school.

- ▲ On May 15, the 55-member staff of **Heery's Seattle office** celebrated their new space with an open house reception. The new 13,000 SF office, which is in the West Edge neighborhood, is bordered by downtown Seattle, Puget Sound, and conveniently located across the street from the Coleman Ferry Dock—the mode of transportation for many of Heery staff. Clients, consultants and invited guests were very complimentary of the new office and commented on the impressive views from the conference room windows.

- Heery's Denver staff has joined the team of **Oakwood Homes**, a Greensboro, N.C.-based developer, to provide equipment planning and logistics services for the **Green Valley Ranch Shared Facilities Complex**. The complex includes a new K-8 school, along with a shared-use recreation center, amphitheater, lake, and playing fields. Oakwood has a turnkey design-build contract with Denver Public Schools to construct the school and finance it with certificate-of-participation bonds from the development.

- **The Corvallis (Ore.) School District** has selected Heery to serve as commissioning agent to help a new middle school and a new high school achieve Silver Level LEED certification, as well as to check and commission the district's new direct digital control systems, which are part of Oregon's state-mandated energy efficiency grants process, for eight elementary schools, a middle school, a high school and the central work station at district's administrative offices. The 24-month assignment is scheduled for completion in Fall 2005.

NORTHWEST REGION

- **Tacoma Public Schools** recently hired Heery to provide construction management for the renovation and additions to Lincoln High School, which was originally built in 1913. The project involves modernizing the original building and demolishing and reconfiguring classrooms, administrative, corridor and specialty spaces to accommodate a modern high school program. The phased construction is slated to begin June 2004, with completion by June 2007.

- ▼ The new office space provided a front-row seat for employees to watch the arrival of **three new container cranes** into the Port of Seattle. They are the largest cranes on earth, weighing more than three million pounds, and can lift 65 long tons. When the boom is upright, they are nearly 400 feet high. Heery is providing inspection services on the foundations that will receive these cranes.

- Heery has won a construction program management contract from **Evergreen (Ore.) School District** to provide services for a \$110 million portion of its construction program. Heery will manage the construction of a new high school, two new middle schools, three new elementary schools, renovation/addition to one existing high school and the demolition of three existing schools. The program is expected to run through September 2007.



- **The State of Washington**, which retained Heery in fall 2002 to serve as Clerk of the Works at the **Monroe Correctional Facility**, has assigned Heery three major projects under the firm's contract. The new assignments include a \$1.7 million regional training facility for correctional officers, general staff and medical staff; a new two-building, 200-cell Intensive Management Unit (IMU) with security systems and other support facilities; and a new \$800,000 bio-solid removal and by-pass pumping station, which involves major, emergency maintenance and repair to the existing on-site water treatment plant.

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REGIONAL REPORT

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WEST

- Heery is a preferred commissioning consultant for **Santa Clara County's (Calif.)** capital programs. The newest of the projects is the **Morgan Hill Courthouse**. Heery has been contracted to do the balance of commissioning services from design through construction phases on the 5-story, 240,000 SF courthouse.
- The **County of Sacramento (Calif.)** has extended Heery's contract for construction-phase staff augmentation services on the \$9 million **Warren E. Thornton Juvenile Youth Center**.
- As a result of Heery's performance in providing additional services on the constructability reviews for both the \$29 million **Juvenile Hall** and \$23 million **Juvenile Courts** projects, the **County of Sacramento** has awarded Heery another contract to provide construction administration oversight on both projects.

CENTRAL

- The Houston office has been awarded a third program management contract by the **Houston Independent School District (HISD)**. The latest assignment, which is part of the district's \$808 million Rebuild HISD program, involves five new elementary schools, renovations and expansions at six other elementary schools and one high school, and renovations at 15 elementary schools and one alternative high school. Work under this new program will continue until the summer of 2006.
- While involved in the pre-planning for Rebuild HISD, Heery is also closing out all of its original projects from **HISD's Rebuild 2002** program. Heery managed over a third of this \$678 million facilities bond program. Because of HISD's strong management of the Rebuild 2002 program, the district was able to authorize **ten additional school renovations**, valued at \$46 million, which it awarded to Heery. Of those ten projects, six are completed and being closed out, three large high school renovations are under construction and scheduled for completion in late fall 2003, and one was re-scoped to involve building a new school, rather than renovating an existing building.
- Representatives from Geauga County (Ohio) and Munson Township officially broke ground on June 18 to celebrate the start of construction for the new **Gauga County Safety Center** in Munson Township, Ohio. The Geauga Board of Commissioners selected Heery to manage the construction of a new jail to replace the county's 43-year old facility. Heery has been serving clients in Geauga County since 1992, including Kenston Schools, West Geauga Schools and Chardon Schools.
- The **Bainbridge (Ohio) Township Police Department** recently retained Heery to provide owner's representative services for its new police station. Currently under construction and slated for completion next summer, the 25,500 SF facility will provide officers with updated technology and much needed space. This project reflects a growing national focus and increased construction spending at the local police level.

- ▼ The first of nine segments in the **Cleveland Municipal School District's** massive \$1.5 billion capital improvement program is well underway. Assisting the District as their owner's representative, the Heery team is guiding six schools through the design phase, with construction scheduled to start next spring. The team recently directed the transformation of a 28-year-old administrative center into **SuccessTech Academy**, a virtual high school specializing in computer and related high technology applications for the contemporary business marketplace. In addition, the team has tracked over \$32 million of Warm-Safe-Dry projects that address urgent repair needs at 60 schools.



- ▲ **Cuyahoga County** has renewed Heery's project management contract for its **Youth Intervention Center**, which is slated for completion in 2006. Construction is underway on a 12-acre tract that was once an urban brownfield. When complete, the 300-bed campus will feature an assessment center, detention and shelter care housing, as well as magistrate, food service, juvenile administration management information center and school spaces.

EUROPEAN OPERATIONS

- **Redevco** selected Heery International to take over the project management of its \$17 million redevelopment on Edinburgh's Princes Street, which will create 40,000 SF feet of retail space and 48,000 SF of offices. The development will be completed in early 2005.
- Heery has been retained as project manager for the proposed relocation of **Queen Margaret University College** from Edinburgh to a new campus on the edge of the city. The project will involve sale of existing properties in Edinburgh and development of a 35-acre site outside the city, creating the first entirely new higher education campus development in Scotland in 30 years.

- ▶ Heery has landed two major airport contracts in Scotland at Glasgow Prestwick International and Edinburgh Airports. At **Edinburgh Airport**, BAA has renewed its partnership with Heery for an approximately \$18.9 million expansion program, for which Heery will provide planning and management services. The project is currently in design, with construction to start in late February 2004. At **Glasgow Prestwick International Airport**, Heery is part of the team to provide master planning for a major international hub.

- Heery has won the construction management contract for the £6.3 million (\$10.5 million USD)

refurbishment and extension of the biomedical sciences campus of the **University of Southampton**. The project includes construction of a new 13,000 SF extension, plus phased renovations that will completely refurbish the existing buildings, designed by Sir Basil Spence. The new extension will include lecture rooms, seminar rooms and offices.

- Heery's Berlin office has been retained by music channel **MTV** to manage its relocation from Munich to Berlin. **MTV Networks GmbH** has leased a substantial unused warehouse on the banks of the river Spree to be converted over the next year into offices and television production studios.
- Heery has kicked off another major retail projects at Cwmbran in Wales. Heery was appointed by **Prudential** as project manager for the second phase of the redevelopment of Cwmbran Shopping Centre, where the firm began working in 1998 on the \$35 million first phase completed in January 2002. The \$16.5 million second phase will add six new retail units anchored by a 50,000 SF Matalan store.
- Heery UK is building a strong relationship with one of the US's leading providers of database and call-center services, **Infonxx**. The first project was the fit-out for Infonxx's new European headquarters building in Cardiff, followed by a project to identify and manage the fitting out of its second base near Plymouth. Both fast-track projects involved refurbishment and upgrading facilities for the company's growing UK operation in preparation for the deregulation of directory assistance services.



■ Heery opened a new office in **Glasgow, Scotland**, located at Turnberry House, 175 West George Street, Glasgow G2 2LB. Heery senior executive Mike Johnston will manage the new office. The launch of the Glasgow office coincides with Heery's celebration of the fifth anniversary of its successful Edinburgh office.

▶ A major milestone in the £26 million (\$43.2 million USD) Playfair Project, the refurbishment of the Royal Scottish Academy (RSA), was completed on schedule and within budget, and the building was officially opened by HRH the Prince of Wales. The project started in May 2001 with an August 2003 target completion date for this phase, when a major Monet exhibition was scheduled. Now, it's on to the second element of the project—the creation of the underground building linking the RSA and the National Gallery.



▲ Heery's new Glasgow office secured the project management contract for the second phase of outlets at **Gretna Gateway Outlet Village**, located south of Glasgow. The designer outlet mall's second phase involves adding approximately 50,000 SF of retail space in up to 20 new units varying from kiosks to larger 5000 SF units. Construction started in July 2003, with the units being complete in Spring 2004.



▲ **The University of Edinburgh** has selected Heery to provide project quality monitoring services for the construction of a new \$38.6 million Medical Research Institute adjacent to the new Edinburgh Royal Infirmary. The Institute will be completed in spring 2005 and will involve Heery as consultant to the University and design team during the construction, hand-over and fit-out of the new 3-story Institute, which will include laboratory and other research facilities and house around 600 staff.



▲ Heery recently completed the £1.3 million (\$2.2 million USD) construction management contract to redevelop a leading modern art venue, the **Hayward Gallery**, part of the South Bank Centre in London. The Hayward is a purpose-built modern art gallery and one of the largest temporary art exhibition spaces in Britain, with a reputation for presenting groundbreaking exhibitions. The project created a new main entrance area, meeting rooms and reception facilities, including a glass pavilion that was added to the roof of the existing building. The new space was designed by American installation artist Dan Graham, well-known around the world for his glass and steel enclosures.

Training

Heery University was held in the East Region on Friday, October 3. The University of Maryland Conference Center in College Park, Md., once again proved a great backdrop to the daylong training. More than 220 employees participated this year, including a handful of staff from the Central Region. The theme was "Back to the Basics," with classes focused on Heery fundamentals and standard practices. Some of the courses that received the most favorable reviews from attendees were "Litigation/Mitigation" by Senior Vice President and General Legal Counsel Richard Nikonovich-Kahn and a course on building relationships to win new clients and keep them for life, taught by East Region Director of Business Development Dick Kammann. Also rated very highly was a course on how to get qualified by CMAA as a Certified Construction Manager (CCM), taught by Washington, D.C. Area Manager Alex Johnston, who is a CCM, with Director of Training Stewart Shaw. (Clearly, the company's offer of \$3,000 for CCM certification hasn't gone unnoticed.)

Class reviews aside, the real success of Heery University is bringing together the entire region at once, under one roof. As East Region Manager Bill Heitz observed, "I couldn't help but notice the unmistakable buzz of people enjoying each other's company. It's a sure sign to me that we're doing something right – in the way we run our company as well as in the way we conduct Heery University."



HEERY IN THE COMMUNITY



- ▲ Seven of Heery's Seattle Public Schools team members, including two from Heery's subconsultant, volunteered to set up and teach a semester course of six lectures on topics such as building siting, construction budgeting, project costs vs. construction costs, construction scheduling, design consultant selection and construction bidding at **South Lake Senior High School**, an alternative school in Seattle. At the end of the semester, the student team presented their budgets, schedules and site plans to their teacher, their parents, the principal, the Heery project team and the District Superintendent. Heery rewarded the team with certificates of achievement and gift certificates from the University of Washington bookstore.
- ▼ High sodium and carbohydrates meet high fashion in this couture de force featuring designs by Eggssaac Mizrahi, Cocoa Chanel, and DKNrice in this year's CANstruction entry. CANSTRUCTION is a national charity of the Design and Construction Industry.



- Heery's Seattle office, spear-headed by Andrea McLean and Eden Maloney, raised over \$700 from Heery northwest employees and contributed their personal time to pay for and assemble hygiene kits for fifty 5th graders at Brighton Elementary School. This is the first in a series of fund-raisers that the group is planning for the school.
- Cheri Wooten, Jim Childs and Twila Mason, three brave Heery employees at the United States Penitentiary project in Hazelton, W.V., participated in the local Red Cross Blood Drive during the spring.

- Raleigh staff members Rusty Linhardt and Ed Kerber pitched in to help with one of Heery-client **GlaxoSmithKline's** community projects. The duo, with help from their families, installed televisions and mounting brackets at the Tuttle Community Center/Day Care Center. In thanking the two, the client commented that their "enthusiasm for these projects is a great model for all corporate engineering associates to follow."
- Daryl Bailes, area manager for the Houston office, is a member of the University of Houston (U of H) School of Technology Construction Management Program Advisory Board. This is a new Board consisting of local business leaders in the design, construction and management sectors. The Board's primary goal is to assist U of H in improving curriculum consistent with current business methodologies.
- Baltimore employees Scott Dimmick, assistant project manager, Sharon Pula, manager of marketing services, and Carrie Linthicum, marketing assistant, helped out at the annual Block Kids Building Program held at the Kennedy Krieger Institute. Sponsored by the National Association of Women in Construction, the Block Kids Program introduces students (grades 1-8) to the construction industry to promote interest in future careers.



- ▲ For five straight years Heery's Nashville office has participated in a softball tournament to raise money for **Love Helps**, a Nashville, Tenn., based charity working in Middle Tennessee's public schools to encourage student achievement and responsible behavior. For each year, the team has received a trophy for raising the most money. The team reports that their money-raising skills exceed their softball-playing ones.



- ▲ Recently a new site was created on Heery's Knowledge Net (HKN), "Giving Back to the Community". Many employees participate in local events to support various causes and charities in their communities. Go to the HKN site to view information about what Heery employees are doing for various causes. The site has information regarding the various causes and how to make donations, such as making donations to UNICEF to inspire Richard Nikonovich-Kahn during a recent marathon.

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