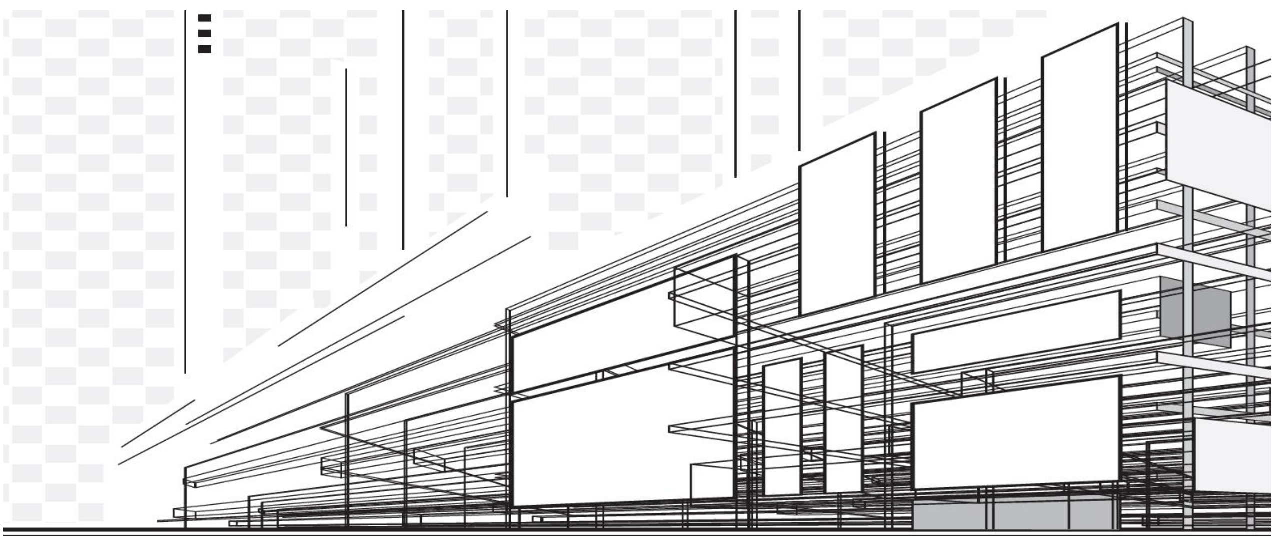
COMPANY ENTERPRISES, INC. PROCEDURES, POLICIES, AND METHODOLOGIES



Prepared with PMI and PYMBOK Principles
Tailored for Construction Projects and Specifically for
Company Enterprises, Inc.
Batavia, Illinois
Authorized By; Bart Lynam
Director of Operations

Contents

Introduction

Welcome to Company Enterprises, Inc.
By having this manual, you have committed tojoining our team in the pursuit of maintaining and pursuing not only our philosophy but also our reputations of a solid General Contractor building quality and on-time projects.

Since 1955, Company Enterprises, Inc. has been deeply entrenched in the greater Chicago construction marketplace. Our **mission** to this day has remained intact, do the very best we can to construct our projects to the highest quality and deliver them on time. In doing so, it has been our experience and belief that our clients become our most prominent advocates for referrals, and repeat business is the key to our continued success. We instill into our employees that the Client and Project are our number one priority.

It is not our goal to vastly increase our annual dollar volume but rather be the best at a controlled volume. Our approach and expertise give us the capability to construct virtually any type of project relying on sound judgment, experience, teamwork, and a solid subcontractor base.

Every employee will do everything in their power to provide a high-quality product, built promptly, within the budget constraints, and always with the highest levels of professionalism. By participating in our vision, it is our goal not only to complete outstanding projects but also to have the company's team members grow along the way.

This manual has been developed to introduce you to the company. We provide this manual as a reference guild in our policies, procedures, and our methodologies. All employees are at-will employees. Periodically you will receive updates and or additions to the employee manual and this company policy plan.

This plan describes the required integration between the company's business departments and an operational plan for the effortless, efficient operation of the Project Management Office.

The following plan is designed to achieve optimum performance from the Project Management Office and uplift employee morale while minimizing effort, nonsense, issues, lost revenue, lost resources, mini-crises, employee fatigue, and aggravation.

The goal is to produce a profitable construction project with less effort, pleasant work experience, and commensurate employee compensation.

We describe the Executive Management, Financial Management, and The Administrative Management Offices in detail necessary to clarify the interaction with the Project Management Office.

Executive Management Office

Mr. Andy J. Alexander President (CEO -President and Executive Officer)

- Responsible for the creation, implementation, monitoring, and control of all Company Enterprises, Inc. policies, procedures, and methodologies
- Ensures the overall health of the Enterprise
- Offers expert guidance, advice, expert judgment, and leadership to all persons within the Enterprise
- Offer necessary guidance
- Oversees the Financial Management and Financial Health of the Enterprise
- Oversees and engages marketing and sales
- Executive Management decides Bidding and Project Strategies. Decides which project to bid and accept as projects
- Actively engages and oversees all project estimates, budgets, and project execution
- Directs and Oversees the Project Management Office

Financial Management Office (FMO) and Administrative Management Office (AMO)

Ms. Jane J. Alexander (EVP -Executive Vice President), Ms. Andrea Casalino (Accounting Assistant), Beth Winters (Administrative Assistant)

- All activities to maintain the financial health of MEI
- All activities to maintain security within the Enterprise
- Manage all policy and financial matters regarding employees
- Ensure efficient financial and administrative integration between the FMO, AMO, and PMO
- Corporate Security, General Office security, Document security, and IT Security
- Cost Management – Executes, Monitors, and Controls MEI Corporate expenditures for Project subcontractor payments, payroll, general overhead, and the flow of monies for projects throughout the Project Life Cycle.
    - Executes, Monitors, and Controls Owner and Subcontractor Contracts
    - Executes, Monitors, and Controls Payment Applications
    - Executes, Monitors, and Controls Client Payment Applications, Schedule of Values, Sworn Statements, and subsequent waivers.
    - Monitors and Controls Subcontractor Payment Applications, Schedule of Values, Sworn Statements, and subsequent waivers
    - Executes, Monitors, and Controls Change Order Work – At the Owner and Subcontractor levels
    - Monitors and Controls Expense Report, Petty Cash and General Condition expenditures

- The Admin Office manages, monitors, and controls the enterprises Organizational Process Assets (OPA's):
  - Administrate Management of Contracts, Change Orders, and other legal assets
  - Computer and IT Data, hardware and Software
  - Computer and IT hardware and Software
  - All Digital and Database assets
  - All document template assets
  - All Database and Directory assets
  - All MEI documents template assets
  - Communications Management
  - Maintain all electronic / paper document management, historical records, and files
  - Monitors and Controls Subcontractor Insurance
  - Monitors and Controls Sub Licenses
  - Monitors and Controls Subcontractor Prequalification – Logs and Hard Copies
  - Hard Copy Permit Documents Control
  - Monitors and Controls Contract and PO log
  - Monitors and control original Signed and other paper documentation –
  - Maintain orderly files, control, secure records, and backup files
  - Plans and Contract Document management
    - Drawing Log – In SharePoint
    - Drawings into SharePoint noting current and superseded
    - Change Order Drawing Revision – Transmit, Monitor, and Control distribution to all subcontractors
    - Emails or other correspondence that states "no change in cost" are to be hard copied and placed in the change order file as documentation.
  - Monitors and Controls Sub Prequal – Logs and Hard Copies
  - Monitors and Controls the Project Subcontract Books - one to the Accounting office and 1 to the trailer with pricing whited out.
  - Monitors and Controls Bid Work Scope Book – leave intact behind her as a historical information
  - Monitors and Controls Cert of Ins Book
  - Monitors and Controls Sub Qualification Book – Stored and Maintained in the Front Office. Signed Contracts SCO's into Hard Files, SharePoint, copies whited out to the field
  - Maintain a historical Lessons learned file
  - All activities required for the orderly distribution, maintenance, monitoring, and control of documentation within the Enterprise while engaging in administrative efficiency
  - Control and Monitor Office equipment and inventory of Office Supplies (Main Office and Field Offices)
  - New Employee Orientation:
    - Employee Handbook for Company Policy Procedure, and Methodologies
    - Employee Manual for employment guidelines
- IT Management
  - Monitors and Controls IT Server file structure
  - License's for Software
  - IT Security
- Checks and balances PMO → FMO financial communications
  - Subcontracts to contain language that all subcontractors and vendors are to copy Jane@Companyenterprises.com on all communications regarding financial issues whatsoever
    - Payment Applications, Invoicing, T&M Tickets, change order requests, disputes, and retention

        - Issues relating to extended general conditions and claims
    - Immediately copy any financial emails to and from Director of Operations, PM's, Supt's, etc. are to Jane@Companyenterprises.com

Reference Company's Employee Manual

- Employment guidelines
- Time Off
- Expenses and Expense Reports

Project Management Office (PMO)
Mr. Bart R. Lynam, (Director of Operations)

- Work in unison with the Executive Officer, Andy Alexander, to achieve the company's goals and expectations throughout the Enterprise.
- Engage and execute Company's Policies, Procedures, and methodologies to ensure a successful project with effortless integration with The Financial and Administrative Offices.
- Control and Monitor ongoing projects and their staff to ensure successful Projects
- Assist in the bidding process of all projects.
- Monitor and Control Project Managers and Superintendents for adherence to PP&M's.
- Assists engage, monitors and controls projects from project bidding, project execution, project closeout, and warranties
- Establish, monitor, and control Professional Project Management Policies, Procedures, and Methodology (PP&M) to ensure a successful project.
- Where necessary, seek expert guidance from the executive officers to ensure success with the company's corporate philosophy and mission.

Cash Allocations

- Monitor and Control of Petty Cash and Travel expenditures
  - For accurate accounting and tax purposes, we fund employee expenditures thru accurate Millage and Expense Reports
    - Need to be turned in timely – within seven calendar days of the expense.
    - Petty Cash may be forfeited if not turned in within 21 calendar days of the expense.
    - Enter Your Name, Project name, Project number, and other pertinent information required in the forms
    - Millage - Fill out the millage and or expense report in its entirety – Dates, Job Names / Numbers, descriptions, and your Signatures.
    - Millage is paid on the difference only, between your ordinary round trip from home to work and back, and the introduction of a required corporate vehicular stop.
    - We pay Expenses on original receipts only.
    - Original receipts must be attached to the expense report.
    - With extended out of town trips – scan and email the expense report with receipts
    - Include the required original expense report and within 14 calendar days, deliver original receipts in the next mail drop to the primary office
    - Big Box credit cards, expenditures, MEI maintains ownership of returns, in-store credit vouchers, rebate vouchers, etc.
  - Travel
    - Flights are to be scheduled as early in the am or late in the pm as possible.
    - Out of Town expenses is allocated thru the daily per diem
    - The company determines Daily per diem by corporate policy and regulated by federal Tax Laws
    - Daily per diem does not include the purchase of any alcoholic beverages
    - Flights are to be scheduled as early in the am or late in the pm as possible.
    - Travel other than business or economy class is discouraged to the highest level.
    - The travel plan is to be attached to the appropriate expense report.
  - Timecards – To be turned in weekly on MEI timecards. Filled out in their entirety and included your and Signatures.
    - Reference Company's Employee Manual for Policies and Procedures regarding Sick Leave, Time Off, and another employee time off issues
    - Accurately label timecards with any time off
    - Time Off – Prepare and submit to your immediate manager any leave of absence requests.
      - Time off is requested promptly thru an email thru your immediate manager
      - The FMO keeps track of allowed time off relative to each employee's employment agreement.
- **Project Cost Control**
  - Project General Condition Expenditures
    - Paid thru Purchase Order

- Purchase Orders are initiated in the PMO office and executed by an Executive Officer

- Billing to the Clients:
    - The FMO converts the project Budget into an AIA Payment Application in the FMO
    - The FMO submits monthly Payment Applications to the clients.
    - Subcontractors and Vendors submit their monthly billings per the attached billing instructions with a detailed schedule of values to the FMO as directed by the FMO in a time frame allowing adequate time for MW review and timely submission to the Client.
    - Subcontractors can only bill for approved subcontractor change orders
    - The PM and Project Superintendent work in concert to approve subcontractor payment applications (%) percent completed and for each trade and line item on the Client's payment application
    - The PM approves the subcontractor and vendor billings as they relate to the (%) percent base contract work completed and % of fully executed Sub-change order work completed.
    - The FMO is responsible for the procurement of all Lien Waivers, general releases, sworn statements, and other financial documents protecting the financial health of MEI and the Client.
    - The FMO transmits the payment application and all required financial documents to the Client. The FMO and PM work in concert for any changes required by the Client or Architect.
    - The FMO actively engages the Client for the procurement of funding to MEI and may look to the PM for assistance.
    - After funding from the Client, the FMO controls, monitors, and disperses payments to the subcontractors and vendors.
    - **Only the FMO can communicate availability timetables for payments** to subcontractors and vendors. No one in the PMO has the authority to discuss payment timetable with any client, subcontractor, vendor, or others.
- No Subcontracts, PO's, or other financial engagement is to be entered into or executed without executive management approval.
- Contingency Control
    - Project contingency is MEI's purse and to be spent with great reluctance.
    - We use contingency in the event of project shortfalls and requires the approval of executive management.
- Control of Home Depot or other credit Card Expenditures- Sample REQUIRED Home Dept Voucher attached
    - Used for minor expenses only no to exceed $500, unless approved by senior management
    - Clearly labeled receipts – Project name and number
    - Note the area of the project, the need, the use, and reason for the expenditure.
    - Excess materials, tools, other purchases remain the property of MEI
    - Properly label new tools promptly after purchase
    - Return vouchers or in-store credits remain the property of MEI
    - Rebate Vouchers remain the property of MEI
    - The company does not purchase materials for subcontractors.
- Time and Material Work – **HIGHLY DISCOURAGED**

- T&M Tickets / Tags are henceforth termed T&M Contract elevating their significance.
- Immediately and without delay, forward any T&M tickets presented to the site Superintendent to the Project Manager.
- Company Enterprises does not sign time and material contracts.
    - The company will authorize the initiation of time and material work thru written direction from the PM clearly defining the Project, Date, Area worked, first and last name of each worker, the Jman status, the limits on time, and extent of material included in the directive.
    - The subcontractor must keep track of the work, the time required, and material used within their T&M tag and transmit to the PM via the site superintendent.
    - To close the Time and Material event, the PM needs to close the T&M contract with the subcontractor's PM thru a written documented email containing the language to close the event, including the agreed final work description, the final time required, and final material used. The PM may reference the T&M tag number and its contents; but not sign any subcontractor's T&M contract.
    - The PM will forward the finished directions to the subcontractors' PM or another person of authority with instructions to promptly bill MEI within the 5-calendar time frame outlined in the subcontract and cc Jane.
      Cc copy of the final directive must be immediately forwarded to the FMO office – Jane.
- The site Superintendent does not have the authority to execute Time and Material Tags
- The assigned Senior Project Manager is the only one who has the authority to authorize Time and Material Tags thru an MEI written project directive
- Authoritative Limits expenditures
    - T&M Directives more than $2000 require approval by the Executive Project Manager.
    - Collective time and the Material Tag value is a significant concern.
    - Signing multiple tags less than $2,000 and exceeding a value of $6,000 require senior management approvals.
- Immediately and without delay, forward T&M Contracts presented at the site by subcontractors in the field to the PM and copy Jane. If there are extensive T&M issues, we initiate and enter into the risk register. T&M issues remain in the risk register until resolution thru an SCO.
- Highlight the Who – Company, Journeymen vs. Apprentices, union non-union, What, When, Date, and Time on the Material Contract presented for clear and concise accounting.
- The description of work must be detailed and explain the reason the T&M work is required, specific areas where we completed the work, including Rm. Numbers – down to locations like "rear closet, or Bathroom South Wall."
- Subcontractors forfeit their funds for tickets presented later than five calendar days after completion of the work. To obtain full closure, the PM

is to transmit a copy of the delinquent T&M contract to the PM, DOO, and the FMO.

- Before presenting to the PM circle and highlight the date
- Note to the PM the urgent timetable issue
- The PM shall send correspondence to the subcontractor detailing "Void – beyond contract time limits for submission," immediately scanned, and emailed to the PM and FMO@Companyenterprises.com

- If the PM is not available – Time and Material Contracts are to be forwarded to the EPM or Executive Officer and cc'd to Jane
- The T&M Contract is resolved only by a written direction from the PM or other Executive Management
- All communications related to T&M Contracts are to be immediately communicated with the subcontractor's office and MEI's FMO **even when they are of Zero Value**
- All resolution of T&M Contracts is to be immediately communicated with the subcontractor's office and MEI's FMO **even when they are of Zero Value.**

- Change Control Management Is outlined in the "Change Control Management plan" and summarized below:
  - At the beginning of a project, the PM engages the Client in establishing the process of CPR approvals.
  - Company requests to a subcontractor contain the language "an assessment of documents," and we do not communicate words like "change order" or "change in Costs," until after the subcontractor's assessment is complete, and the subcontractor presents their cost and schedule impacts from their assessment.
  - We realize "Changes to the work and schedule" thru:
    - Drawing revisions
    - Owner directive
    - Unforeseen Conditions
    - Weather
    - Labor, Government or other institutional issues
    - Acts of God
  - Company Project Managers processes any changes resulting in new costs to a project as CPR's (Change Proposal Requests) thru Corecon
  - A change order can be additive or deductive.
  - After a change in cost is identified →
    - Analysis of the impact on the schedule
    - Complete analysis and impact on the cost to general conditions
    - Taxes, permit fees, professional fees, legal fees, etc. must be analyzed.
  - Immediately after we identify a change in cost, a CPR is initiated in CoreCon, no matter the size or significance. Immediate initiating of a CPR is the checks and balances required to monitor and control project costs.
    - The FMO and executive management can look at their discretion to review the CPR log to look for mounting unrealized costs.
    - We can quickly delete CPR's later in the process

- Once a change in cost is identified, we initiate a CPR
    - The company can easily void CPR’s
    - Within a single project, a single Change Order to the Client can include multiple Owner CPRs
    - Within a single project, we can include multiple Subcontractor or Vendor CPR’s under a single SCO
    - INTERNAL CPR – When we identify stay costs, we immediately create a CPR to identify it.
        - Stray Invoices for small miscellaneous new vendors
        - Other internal stray costs.
    - The PM executes and compiles CPR’s for presentation to senior management. For approval
    - The FMO issues and administers formal Client Change Orders
    - The FMO issues and administers formal subcontractor Change Orders will be issued to subcontractors and Vendors once Owner Change Order is approved.

Risk Management is engaged in every office at Company Enterprises, Inc.

Issues that arise requiring ongoing attention are forwarded to Beth for placement in the project "Events File."

Enter risks as they become apparent into a risk register. At the company, the risk register was formally called the "Events File."

What is Risk:

> The likelihood (probability) of occurrence of an undesirable event that will have an impact (positive or negative) on objectives
>
> A possibility of loss – not the loss itself!

What is Risk Management:

> Rist management Is a systematic method of identifying, analyzing, treating, and monitoring the risks involved in any activity or process.
> Is to a methodology that minimizes the impact of risks

What is Project Risk Management?

A process that assists project managers in setting priorities, allocating resources, and implementing actions that reduce the risk of the project or specific tasks, not achieving its optimal objectives.
Research has shown that only one in eight projects can be considered truly successful.
It is describing failure as those projects that do not meet the original time, cost, and (quality) requirements criteria.

The initial risk identification takes place when the estimating process begins when we begin to define "Enterprise Environmental factors" (EEFs) that affect the Enterprise or Project.

Some examples:

- In the construction industry, EEF's includes might include culture, weather conditions, government regulations, political situation, market conditions, etc., which are usually out of one's control.
- Labor – Probable labor strikes or site picketing
- Culture Company may be working with persons from other cultures where their definition of business principles are different from ours.
- Weather – Working in Texas vs. Montana will offer different humidity conditions that may affect how fast paint dries or the number of rain days required in a project schedule. Alaska will offer fewer workdays in a year than Alabama.
- Political – Working in a liberal Democratic state will have different permitting laws than a more conservative Republican state. San Francisco will have different tolerances to the construction process than Atlanta.
- Market conditions – Illinois, where the economy is slower than Los Angeles, might find labor and subcontractors easier to find. In Montana or Long Island – the nearest Home Depot might be 2 hours away.

- We place EEFs at the top of the Risk Register with no dollar value. Later in the project, as we identify financial risks, there will be a maximum-minimum risk applied.

As the project executive sponsors a project, the Risk register needs to be started to assist in the accurate compilation of an estimate.

The risk register is a simple document outlining the known fact that could impact costs.
Risk can be negative or positive. Positive risks are issues that could result in "Positive Opportunities."

As risks are mitigated and no longer a risk, they are given a zero value and moved to the bottom.
Never remove mitigated or zero value risks from the register.

When a subcontractor presents a Time and Material Contract, it is a risk, and they must be entered into the risk register until they are fully and legally closed out.

Enter into the Risk Register any issues that come up during the project lifecycle.

Some examples:

- Floor tiles start cracking in more than one location.
- Door hardware is failing
- Other materials, equipment, or other installed products show signs of unusual wear and failure.
- Union official begin work slowdowns or stoppages
- Labor Picketing
- Labor Shortages
- Inspectors start finding and tagging issues.
- Etc.

Enter risk issues into the risk register; they must be monitored and controlled on a daily / weekly basis to ensure they are not impacting the project.

How the PMO (Project Management Office) Operates

Project Management Office (PMO)
Andy J. Alexander Executive Officer, Bart R. Lynam Executive Project Manager, Tory Carthy PM, Pat Collins PM, Glen Perry Superintendent

General Overview

- The Project Management Office operates as a team where every team player wears many hats.
- A reliable winning team needs goals, procedures, policies, and methodologies (GPP&M) to function. Bring to the attention of executive management any person who defiantly and repeatedly steps outside of PP&M. Defiant and inappropriate behavior begins hurting or polluting the entire team. Bad attitudes, habits, and behavior are cancerous to the fellow team members; thus, dragging Company enterprises down from the professional level we have obtained and wish to maintain.
- Whether in the office or the field, the company requires Proper Professional Attire for each job-specific role.
- Company Enterprises displays the highest level of professionalism in our appearance, behavior, speech, and writing skills.
- Loose Lips Sink Ships
    - Never Ever disclose more than needs to be discussed – During formal or informal discussions!!! PERIOD
- Alcohol and Substance abuse
    - It is forbidden while actively engaged as representing Company enterprises and will result in executive management direct involvement.
    - Off work activities and behavior directly reflect on Company Enterprises Professionalism.
    - "engaged or representing" is defined as any time as it relates to the 24-hour clock, anywhere such that a Company Employee is representing Company Enterprises, including public areas of hotels and lodgings where one would reside during a per diem.
- When forwarding electronic communications, it is our policy to remove all unnecessary ccs to avoid jeopardizing stakeholder and communications management.
- To effectively and thoroughly communicate contracts, contract scopes, submittals, shop drawing, and other contract documents to the project management team:
    - Sr. managers will transmit Documents to the PM team requiring a Digital Signature.
    - The digital signature will include a statement that the undersigned has read and fully understand the documents.

How Communications at Company Work

- General – Communication with others thru visual, verbal, written, attire, and general behavior
    - The company has a Communications Plan at every XXXXX level
    - Every position at the company has levels of communication authority
        - The Project Superintendent
            - the Superintendent does not have the authority to discuss costs at any level
            - Owner, Owner Representative, Bank representatives, Architect, Engineers, and other persons at this
        - Is – The Project manager has the tier:
            - The Superintendent does not have the authority to discuss costs or other money-related business
            - Never bring up issues or problems related to the project
            - Does have the authority to discuss
                - Current project scheduling
                - Permitting
                - Material Procurement
                - Workforce
                -
- Written and Document Communications
    - Words have meaning – carefully write and have fellow associates proof all write letters, documents, and essential to avoid errors and miscommunications.
    - All project contract documents are transmitted, communicated, documented, logged, hard-copy filed, soft-copy distributed (electronic), and controlled via the Administrative Management Office Thru Beth Winters, which includes:
        - Blueprints, Specifications, and other contract documents
        - Owner and Subcontractor contracts.
        - Project paper files
        - Contract Scopes
- Verbal Communications
    - All verbal communications and confirmed in writing and copied to Corecon
    - Loose Lips Sink Ships
    -
- Digital Communications
    - When authoring or forwarding electronic communications:
        - When forwarding an email that contains ccs, carefully evaluate the cc's, and remove unnecessary GC's to Company representatives, client ownership, architect, subcontractors, architect, or other essential stakeholders.
        - Carefully determine who to cc and remove all unnecessary ccs to avoid jeopardizing stakeholder and communications management.
- Fiscal Communications
    - Confirm "Horse-trading" deals in writing and Cc Jane.
- Visual, Personal Attire and general behavior as a form of communication

  - Company Enterprises requires Proper Professional Attire is for each job-specific role.
  - The company's team displays the highest level of professionalism in our appearance, behavior, speech, and writing skills.
  - Never Ever disclose more than needs to be discussed – During formal or informal discussions!!! *PERIOD*
  - Alcohol and Substance abuse will communicate an undesirable image of individuals and the corporation as a whole reference the employee manual for details on the company's substance abuse policies. You are to reference the Company's Employee Manual
  - Off work activities and behavior directly reflect on Company Enterprises Professionalism.
  - "engaged as representing" is defined as any time as it relates to the 24-hour clock, anywhere such that a Company Employee is representing Company Enterprises, including public areas of hotels and lodgings where one would reside during a peridium.
- Where we are Communications
  - Out of the office or off the job-site Meetings and other
    - When we are away from the office or project, we need to inform our Company Team where we are with an "out of office (off Site) agenda."; communicating your availability to the team.
    - Written minutes of all meetings are to be prepared before the end of the workday, filed appropriately, and copy to appropriate persons.

Estimating and Bidding

- PMO, as a Team, engages, executes, and creates all estimating activities.
  - WBS – Create the Work Breakdown Structure at the beginning of the bidding process after a careful review of the project plans, specifications, and other relative documents.
  - Using the WBS, obtain a list of subcontractors and vendors in quantity sufficient for qualified coverage for each of the WBS items.
    - The search for subcontractors and vendors via:
      - MEI existing databases, past projects, and bids
      - Electronic internet search engines
      - Local Labor Groups, Association of Builders and Contractors 'ABC", local material suppliers, etc.
      - Beth is to be sent all new Subcontractors and vendors to enter them into the bidder's log.
    - Beth will create and Maintain the Project or Bid Database
    - To achieve and maintain consistency in the company's databases – Beth is the only one who enters contacts into the databases.
    - Beth will print the Database – subcontractor bid list or call list.
  - Review Sub Bid List and qualifications
  - Sub RFP's to all qualified subcontractors and vendors per the communication plan. RFP's need to be sent out thru Beth in the AMO. Never send RFP's from within the PMO.

- Diligently follow-up with each RFP to ensure subcontractors and vendors are bidding the project, including the appropriate scope and within the required time frame.
- Send Subcontractor and Vendor proposals thru the Beth in the AMO.
- Immediately forward to Beth, any proposals sent us directly.
- Sub Scope Evaluation
- Bid
    - Bid Amount
    - Owner Clarification's
    - Logistics
    - Presentation
- Bid Follow Up

The Project Management Office and Project Execution

This manual explains Project Execution within the Project Management Office defined by the roles of Key Leadership

- Executive Officer
- Executive Project Manager
- Senior Project Manager
- Project Manager
- Associate Project Manager
- Project Superintendent
- Associate Project Superintendent
- Project Administrator
- Assistant Administrator

Executive Manager (EM) Andy Alexander – President Company Enterprises, Inc.

- Establish the Project Budget from the Project Estimate
- Execute Subcontracts and Purchase Orders prepared and reviewed by the Director of Operations and Project Managers.
- Assists the PMO Team with expert Guidance and Judgement.

Director of Operations, Bart R. Lynam – Director of Operations

- Establish, monitor, and control professional Project Management Policies, Procedures, and Methodology (PP&M).
- Assists the Executive Officer in bidding events
- Monitors and controls project execution from pre-construction thru project closeout
- Actively engages in the project:
    - Communications Management
    - Risk Management
    - Quality Management
    - Cost Management

    - Schedule – Time Management
    - Stakeholder Management
- Approves travel agendas for Superintendents and PM's
    - When traveling
    - When off their Post or out of the trailer or office for meetings, tool runs, material purchases, project walk-throughs, pre-bid meetings, etc. Agendas are to be emailed to the EPM and copied to FMO and AMO.
        - The main office must be able to answer to clients, architects, police, ambulatory, safety officers, and fellow staff how to actively reach the Superintendents and Project Managers for urgent and emergencies.
        - All meetings, no matter how small or insignificant, are to be followed up with minutes stating the conclusions of the meeting and emailed to the PM and copied to the EPM.
- Checks and balances of financial communications PMO <-> FMO
    - Any emails to and from PM, Superintendents, etc. are to be copied or forwarded to bartpmo@Companyenterprises.com
    - Bart shall review on a prudent periodic basis
        - Look for trends of financial risk
        - Look for financial risks not being addressed
        - We are not looking for analysis or oversight – merely looking for issues possibly getting lost in the system

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Project Manager (PM) – Varies Project to Project

- The PM has the authority and responsibility to direct the Project Superintendent.
- The PM is responsible for and accountable for the performance of the Superintendent.
- I the event of issues with the Project Superintendent's performance, communicate the issue in writing to the Director of Operations.
- The company has a strict policy for avoiding back-charges. In the event of a back-charge, follow the attached back-charge policy **- Attachment PMO-2.1**
- Prepare and update as required the "Project Kick-Off to Do List."
- Execute Subcontractor Scope review meeting
    - Use the Scope Review Meeting Boiler Plate Agenda
    - Use the "Qualification Form" or "Q-Form"
    - Carefully review the scope of each trade and qualify each contractor
    - Determine by scope verification and qualifications a recommendation to the DOO and EM subcontractors and Vendors to be used on the project.
- Prepare subcontract and Purchase Order scopes for insertion into the contracts
- Prepare and execute a project kick-off meeting with the full field project team
    - Include the company's philosophy and methodology as an enterprise.
    - Include a full meeting schedule from invoicing, project rule, in-house client rules, safety, etc.

Controlling the Project Schedule

The Schedule Management Plan at Company Enterprises consists of:

- Creating a complete work breakdown structure (WBS) initiated during the bidding process.
- Create a submittal log-in Corecon identifying the procurement and submittal requirements for each element in the WBS of the construction process.
- Obtain time and resource requirements for the following:
    - Permits
    - Licenses
    - Certifications
    - Contract execution
    - Project Funding
    - Bonding Constraints
    - Testing and certifications requirements
    - Project Inspections and Sign-off requirements
    - Long lead material items
- We are creating a project schedule thru the use or Microsoft Project items 1 → 3 from above and use professional judgment and experience to develop project task durations.
    - Identify long lead issues
    - Engage in "What if Schedules" as constraints and deviations in construction activities present themselves
    - Actively monitor and control the schedule regularly and before weekly OAC meetings
- The project site superintendent is to produce 3-Week Look Ahead (#WLA) and update twice a week and presented to the PM, proving out the project schedule remains accurate. When deviations exist, immediately inform the PM is to be in writing.
- Where appropriate, develop and maintain a day-by-day schedule in Microsoft work.
- **Execute Daily logs by the end of each workday, labeled daily pictures uploaded by the end of every workday, proving out the 15-day look-ahead!!!**
- Prepare a detailed project schedule in Microsoft Project.
- Prepare Submittal log in CoreCon
- Procure and transmit Submittal in a time frame required to meet the Project Schedule
- Execute updates to the project schedule in Micro-Soft Project and updates weekly for OAC meetings
- Execute Schedule Interruption Notices (SIM's) when we realize an owner project schedule delay. The PM must receive DOO or EM approval to transmit the SIM.

- Create a complete work breakdown structure beginning with the WBS initiated during the bidding process.
- Create a submittal log-in Corecon identifying the procurement and submittal requirements for each element of the construction process.
- Obtain time requirements for the following:
    - Permits
    - Licenses
    - Certifications
    - Contract execution
    - Project Funding
    - Bonding Constraints
    - Testing and certifications requirements

    - Project Inspections and Sign-off requirements
- We are creating a project schedule thru the use or Microsoft Project items 1 → 3 from above and use professional judgment and experience to develop project task durations.
- Engage in "What if Schedule" as constraints and deviations in construction activities present themselves
- Actively monitor and control the schedule regularly and before weekly OAC meetings
- The project site superintendent is to produce a 15-day look-ahead update twice weeks on presented to the PM, proving out the project schedule remains accurate. Immediately inform the PM when deviations exist, immediately inform the PM in writing. See Project Execution Management Plan for full details
- Daily logs, daily pictures, and whiteboards are to fully prove-out the 15-day look-ahead daily – see Project Execution Management Plan for full details

- We attached examples of a Microsoft Project Schedule Gantt schedule, submittal logs, 10-day look ahead, and whiteboard photos in the appendices
    - Responsible for the administration and financial health of the project
    - Checks and balances EPM → PM Project schedule and financial communications
        - Any emails related to 15 Day-Look-Ahead, tickets, field directives, and project directives to and from the PM are to be copied or forwarded to bartpmo@Companyenterprises.com
        - Any emails to and from EPM, PM, Superintendents, etc. related to financial matters are to be copied or forwarded to fmo@Companyenterprises.com
    - Owner Contract Admin – Owner Contract Execution in concert with the Executive Officer and EPM.
    - Sub Scope Reviews –
    - The PM engages the authoring of the subcontractor's contract scopes. The Executive officer, Executive Project Manager, and others, as directed by senior management, are to review the subcontract scopes as a team for accuracy and completeness.
    - Subcontract Admin – Contract Release
    - Prepare in presentation format Monthly Job Reports for the Client.
    - Prepare in presentation form Weekly Job Reports for the Executive Officer.
    - All Monthly and Weekly Job Reports:
        - Clear, well-defined photos
        - All persons in photos are to be well-groomed and dressed professionally in attire appropriate with their position in the project
        - Photos to be free of safety issues
        - Photos to be free of debris
        - Photos to be free of product defects and show the quality and professionalism of our products to the Client.
    - Utility issues – Start Early
    - Strictly Control of Home Depot credit card
        - All rebates remain the property of MEI
        - All returns that result in a store credit slip remain the property of MEI
        - Monitor excess materials for proper return
        - Take a photo with your phone or scan receipts to fmo@Companyenterprises.com same day of the purchase and complete the itemized Home Depot Receipt form

- Project Logistics – Create and Define clear logistics plans
    - They are clearly showing temporary walls, facilities, public egress, sub egress, dumpsters, Conex boxes, const. personnel parking, etc.
    - Submitted to the Client for approval
    - It is included in sub-scope reviews and contracts.
- Temp Power Plan – Layout and sizing, In writing from an electrical subcontractor
- Permit Process
    - Permit App
    - Sublicenses
    - Bonds
- Project Schedule
- Project Kick-off and To-Do List
    - Execute in its entirety
    - Document accurately
- Submittal Process
    - Diligently follow deliverables form the initial submittal log thru the manufacturing process, and finally, project delivery coordination.
    - Coordinate delivery and coordinate with Superintendents for the timely arrival
- Procurement Schedule
    - From an accurate submittal log – To ensure timely delivery of materials, develop a procurement schedule, and work in harmony with the Project Supt.
- COR Process – Outlined in the Cost Management Plan
- RFI Process –
    - All questions regarding the project process, contract documents, or procedures are to be in writing.
        - To and from the Client
        - To and from the architect or other design professionals
        - To and from Subcontractors / Vendors.
    - All questions that cannot be answered directly by referring to the project documents or contract documents and require an answer form the owner team must be in the form of an official Request for Information (RFI) and entered into CoreCon for tracking and documentation.
- Prepare, implement, monitor, and control a written project communications plan
    - Designate who key contacts are
    - Designate how communications funnel thru key contacts
    - Designate who can and who cannot communicate with all levels of contacts
    - Fully enforce the policy that all communications are followed up with written emails and uploaded to Corecon.
    - Controlling and monitoring the Superintendent is accomplished by the PM issuing written project directives.
        - Directing the Superintendent on required activities
        - After the daily phone meeting between the PM and the Superintendent, the pm execute a project directive as minutes and documentation of the meeting.
        - When MEI's are not adhering to Company's PP&M and corrective action is needed, the PM issues a project directive to notify a Supt that. The executed Project Directive is an essential document to evaluate overall performance.

    - Miscellaneous communications Between MEI and the overall Project Team Client Team and The Field Team:
      - The PM uses project directives to confirm even the smallest direction given to anyone anytime.
      - It is surprising what we think of as a small insignificant event today → turns into a serious issue down the road.
- Fully orientate the field Superintendents for Project Kick off
- Field Office Setup
- Execute Project
- Visit site frequently
- Time and Material Work – Company highly discourages Time and Material Work:
  - T&M Tickets / Tags are henceforth termed T&M Contract elevating their significance.
  - Immediately and without delay, respond to T&M tickets presented to the site Superintendents by the subs in the field.
  - Company Enterprises does not sign time and material contracts.
    - The company will authorize the initiation of time and material work thru a Field Directive written by the PM clearly defining the limits on time and extent of material included in the directive.
    - The subcontractor must keep track of the work, the time required, and material used within their T&M tag and transmit to the PM via the site superintendent.
    - To close the Time and Material event, the PM needs to re-open the original field directive and continue with the language to close the event, including the agreed final work description, the time required, and the material used. The PM may reference the T&M tag number and its contents; but not sign the T&M contract.
    - The PM will forward the finished directive to the subcontractors' PM or another person of authority to promptly bill back to MEI within the 5-calendar time frame outlined in the subcontract.
    - O copy of the final directive must be immediately forwarded to the FMO office – Jane.
  - The site Superintendent does not have the authority to execute Time and Material Tags
  - The assigned Senior Project Manager is the only one who has the authority to authorize Time and Material Tags thru an MEI written project directive only
  - Authoritative Limits expenditures
    - T&M Directives more than $2000 require approval by the Executive Project Manager.
    - Collective Time & Material Tag values are a significant concern.
    - Signing multiple tags less than $2,000 and exceeding a value of $6,000 require senior management approvals.
  - Immediately and without delay forward, T&M Contracts presented at the site by the subcontractors in the field to the PM. Copy fmo@Companyenterprises.com to enter into the risk register.
  - T&M issues remain in the risk register until resolution thru an SCO
  - Check the Who, What, When, Date and Time on the Material Contract presented.
  - The description of work must be detailed and explain the reason the T&M work is required; it's required to have an accurate description of where the work is taking place, including Rm. Numbers – down to locations like "rear closet, or Bathroom South Wall," etc.
  - Tickets older than five calendar days are not

- Before presenting to the PM circle and highlight the date
- Note to the PM the urgent timetable issue.
- The PM may send a directive "Void – beyond contract time limits for submission," immediately scanned, and emailed to the PM and FMO@Companyenterprises.com

- If the PM is not available – Time and Material Contracts are to be forwarded to the EPM or Executive Officer and copied to fmo@Companyenterprises.com
- The T&M Contract is resolved only by a written directive from the PM or other Executive Management
- All resolution of T&M Contracts is to be immediately communicated with the subcontractor's office and MEI's FMO **even when they are of Zero Value - Forward to** fmo@Companyenterprises.com
- The Superintendent must be ready to answer the following relating to T&M Contracts: Scheduling, quality of prior work impacting a subcontractor's ability to complete theirs, cleanup, and timely emails/coordination/ communications of the same as they relate to the Superintendents' PP&M.
- If the PM cannot attend to immediately – this is to be passed on to the EPM or Executive Officer!
- The T&M Contract is resolved only by a written directive from the PM or other Executive Management.
- All resolution of T&M Contracts is to be immediately communicated with the subcontractor's office and MEI's FMO **even when they are of Zero Value.**
- **Use of "Labor Ready" or other day labor is considered Time and Material work and is to be closely monitored and controlled.**
  - **Day labor has a way of becoming permanent.**
  - **The PM is directly responsible for Day Labor overruns**

- Daily monitoring of project performance with a Daily Phone conference between the PM and Supt
  - **Before the Daily Phone Call** – PM is to Review 15-Day Look-Ahead and compare to prior 15-day schedules.
    - Document any slippage in the schedule
    - Prioritize and plan for corrective action
    - Immediately inform the EPM on issues
  - Review Daily Log
    - Does each photo have meaning, and are they whiteboard or digitally labeled?
    - **Do the photos exactly and precisely follow and PROVE OUT the current 15-Day Look-Ahead**
      - Prove-out the areas scheduled to be completed on the prior 15-Day Look-Ahead
      - Do areas scheduled for a new trade **prove out to be BROOM SWEPT**
      - Are there photos proving the quality assurance
        - A level on door frames
        - Installed equipment and in progress materials require photos of equipment serial numbers, equipment model numbers, product labels, bills of lading, etc.
        - Fire Rated labeled

        - Material Delivery Tickets
        - Tape Measurement Photos
            - Checking wall dimensions
            - Door Center Lines
            - Millwork Locations
            - Countertop lengths
            - Electrical Device locations for critical components
    - Prompt Written notice to Superintendents when Superintendents' performance is not to MEI's standards.
    - When Necessary – request Executive Project Manager's assistance in searching master PMO email backup to ensure all email follow-ups are being executed
        - Was an email sent ten days before a sub startup?
        - Were all emails sent containing each 15-Day Look-Ahead to each sub and vendor
        - Did the Superintendent deliver and email field directives as described in the Superintendents PP&M?
- After reviewing the most recent 15-Day Look-Ahead and Daily Log - Daily, engage in the daily phone conference with the Superintendent
    - Review 15-Day Look-Ahead
    - Review Daily Log
    - While reviewing, keep notes in a standard MEI field directive; this is a form of the PM's Daily Log and documents his daily understanding and involvement in the project.
        - Every phone conference between PM and Superintendents is to be followed up with a written field directive, emailed to the Superintendents, and scanned into CoreCon! – even if it contains "No Comments."
        - Every deviation from MEI's Superintendent Policies, Procedures and Methods is to be written up in the field directive in Professional Project Management (PPM) language and to be used to teach and direct Superintendents into MEI's PP&M – regardless
        - Promptly email field directive to the Superintendents, and upload to CoreCon as documentation
        - Serious deviations to be immediately delivered to PMO Executive Manager
- Project Close-out
    - Defined at a future date

- **Project Superintendent (Superintendents) – Varies Project to Project**

- Projects are won or lost in the field.
- A good project with a firm budget can be destroyed by a poor performing Supt and cause significant harm to the Enterprise.
- A quantity Superintendent can elevate a week project with budget issues to a robust and successful project with the engagement of a quality Superintendents

- The Superintendent is expected with 100% certainty to be on the project site during operating hours and be readily accessible by the PMO. Departures from the site for tool runs or other small excursions must be proceeded by an email to the PM and copy to the EPM announcing the departure.
- Supt is to assist in the executing and monitoring of the communications plan as implemented by the PM
  - A key element in the Superintendent's communications is the written field email.
    - The field directives can be electronic emails that need to be printed to a pdf doc and again added to the daily report in Corecon.
    - Field directives can be handwritten on MIE field directives, which are premade in triplicate and numbered. Place an electronic scan or phone photo scan with the daily report in Corecon.
  - ALL verbal communications are followed up with written emails uploaded to Corecon as documents included in the daily log.
  - Written field directives confirming even the smallest direction given to subs in the field – from cleanup directives, material storage, approval of prior work before the next trade enter a work area, etc.
  - Written Field Directives are confirming even the small of verbal directions to all field personnel - In triplicate. Use Written Field Directives for MEI's field staff as well as Subs/Vendors.
    - Hand one to field representative
    - One copy to MEI's PMO office
    - One copy stays with Superintendent In the field
    - Email copy in batch to PM
    - Email copy to Subcontractors office in coordination with MEI's PM
  - Follow MEI's communication plan for the project when communicating with the Client, architect, unions, government officials, building inspectors, etc.
- Read and electronically sign-off Owner Contract Clarification's
- Read and sign-off subcontractor contract scope attachments
- Read and electronically sign-off Project Schedule
- Read and electronically sign-off ALL submittals
- Monitor and Control
  - Enforcement MEI's Drug and Alcohol Policy at all times
  - Strictly enforce the company's sexual harassment and conduct policies
  - MEI enforces a Discrimination policy, including open bigotry.
- Ensure OSHA and MEI's safety policies and enforced
- Dumpster and Porta-potty management
- MEI's office is to be kept clean to the highest level possible in the construction environment
- Manage Drinking water stock as required.
- Manage First Aid kits
- The field office admin manages
  - File paperwork, field directives, submittals, scope documents in their proper place away from the public
  - Computers are left <u>off</u> when unattended!
- Assist and provide photos to the PM as follows:
  - Assist in preparation of the Monthly Job Reports in presentation form for the Client

        - Assist in preparation of the Weekly Job Reports in presentation form for the Executive Officer
        - All Monthly and Weekly Job Reports:
            - Clear, well-defined photos with whiteboard descriptions
            - All persons in photos are to be well-groomed and dressed professionally in attire appropriate with their position in the project
            - Photos to be free of safety issues
            - Photos to be free of debris
            - Photos to be free of product defects and show the quality and professionalism of our products to the Client
- **The Project Supt and field financial Matters:**
    - Time and Material Contracts
        - Referred to as "Time and Material Tickets or Time and Material Tags"
        - The Project Manager has the authority to evaluate and execute financial matters relating to Time and Material Contracts.
        - Project Superintendents do not have the authority to execute Time and Material Contracts.
        - No one below the management level of PM has any authority to execute Time and Material Contracts or any other documents of any financial significance. Time and Material Tag expenditures.
        - Company Enterprises does not sign time and material contracts.
            - The company will authorize the initiation of time and material work thru a Field Directive written by the PM clearly defining the limits on time and extent of material included in the directive.
            - The subcontractor is to keep track of the work, the time required, and material used within their T&M tag.
            -
            - To close the Time and Material event, the PM needs to re-open the field directive and continue with the language to close the event. The PM may reference the T&M tag number and its contents; but not sign the T&M contract.
        - The assigned Senior Project Manager is the only one who has the authority to authorize Time and Material Work thru an MEI written project directive only.
        - Authoritative limits for Time and Material Work and the collective Time and Material value is a significant concern.
            - Time and Material Directives are limited to expenditures of less than $2,000. T&M Tags more than $2000 require approval by the Executive Project Manager.
            - Signing multiple tags less than $2,000 and exceeding a value of $6,000 require immediate senior management approvals.
        - Immediately and without delay, forward, all T&M Contracts presented at the site to your PM and copy fmo@Companyenterprises.com
            - Check the Who, What, When, Date and Time on the Material Contract presented.
            - The description of work must be detailed to explain the reason the T&M work is required. The location is required, including Rm. Numbers – down to locations like "rear closet, or Bathroom South Wall," etc.

- Tickets older than five calendar days are not
  - Before presenting to the PM circle and highlight the date
  - Note to the PM the urgent timetable issue.
  - The PM may send a directive "Void – beyond contract time limits for submission," immediately scanned, and emailed to the PM and FMO@Companyenterprises.com
- If the PM is not available – Time and Material Contracts are to be forwarded to the EPM or Executive Officer and copied to fmo@Companyenterprises.com
- A written Field Directive from the Project Manager or other Senior Management is the only way to resolve T&M Contracts.
- All resolution of T&M Contracts is to be immediately communicated with the subcontractor's office and MEI's FMO **even when they are of Zero Value - Forward to** fmo@Companyenterprises.com
- The Superintendent must be ready to answer the following relating to T&M Contracts: Scheduling, quality of prior work impacting a subcontractor's ability to complete theirs, cleanup, and timely emails/coordination/ communications of the same as they relate to the Superintendents' PP&M.

  - Any emails and other communication related to financial matters are to be copied or forwarded to the email fmo@Companyenterprises.com
  - Strictly control Home Depot credit cards
    - All rebates remain the property of MEI
    - All returns that result in a store credit slip remain the property of MEI
    - Monitor excess materials for proper return
    - Take a photo with your phone or scan receipts to fmo@Companyenterprises.com same day of the purchase and complete the itemized Home Depot Receipt form
- **Schedule Management**
  -
  - 15-Day Look-Ahead: Revised Monday – Wednesday – Friday
    - Subcontractor Foremen
      - Hand deliver 15-Day Look-Ahead to each Foreman
      - Verbally communicate contents and commitments to subcontractors upon each update
    - Email it to each subcontractor's office key contact person
      - Highlight any milestones and critical issues
    - Phone communications
      - A one-on-one phone call to each subcontractor's office with 15/10/5/3-day verbal notice for initial site startups
      - A one-on-one phone call to each Material Supplier's office with 15/10/5/3-day verbal notice for initial site startups
    - Email communications
      - **EVERY** conversation is followed up with email confirmation of the discussion
      - Every conversation with field Foreman or personnel is confirmed with an email to the Foreman's office and copy the field person
    - Visit the work area completed by:

            - Each trade to verify the work is complete, and the workplace is broom swept
            - Execute quality assurance at every level – Remember if quality control is necessary later and corrective work enters the process; it is a failure of the Superintendent's quality assurance
                - Check dimensions
                - Check plumb and square
                - Check for quality
        - Visit the same work area with the Foreman of the trade to follow and execute a written sign-off stating that the area is accepted and in broom swept condition.
    - When appropriate, develop a day-by-day schedule in Microsoft work and work in harmony with your PM to ensure its success.
    - Project Daily Log
        - With regards to the 15-Day Look-Ahead:
            - Whiteboards and subsequent photos shall follow and prove out the 15-Day Look-Ahead for precisely what is scheduled to happen that day.
            - Whiteboards and subsequent photos shall prove out that individual work areas are ready for the next day's work trades and events.
            - The PM will compare the whiteboards and photos against the 15-Day Look-Ahead to examine the exactness of the scheduled project events.
            - Thus, the labeled whiteboards using the following examples:
                - Note on the whiteboard - Rooms 404 thru 416 drywalls taping complete ready for prime paint – followed by photos proving this out.
                - Grand Ball Room cleanup completed for carpet installation – followed by photos proving this out.
                - Plumbing RI completed at Bar area – followed by photos proving this out.
                - Main Lobby RI complete for drywall installation – followed by photos proving this out.
        - Acceptable Project Photo Practices – Either label the pictures in Corecon or White Boards with dry-erase markers.
            - Pictures need to tell the story – consider your audience: MEI Executive Management, the Client Team, Subcontractors Office Management months down the road, and the legal community at large (at some far future date). ALL these people need to understand the pictures and the story you are telling. Our audience is unfamiliar with your tasks and existing site conditions.
            - Random photos can often be meaningless.
            - All photos are preceded with whiteboards telling the audience what is to follow.
            - When changing events – a new whiteboard is required. Use whiteboards before the next event to define the next sequence of photos:
                - Work Trades involved
                - Work area
                - Issue
            - General Condition Photos – Write GC photo and describe the area
            - Here are examples:
            -

  - FYI - This excellent freeware for resizing, labeling, and date stamping photos. I will discuss with executive management if this is acceptable: http://www.faststone.org/FSViewerDownload.htm
  - A MINIMUM of 20 to 400 quality photos labeled!!!
  - **Photos must prove out past and current 15-Day Look-Ahead**
    - Tell a story and demonstrate each activity / completed work / and proper broom swept condition as laid out in the 15-Day look-Ahead
    - It is the Superintendent's responsibility to prove out to Executive Management and the Client that the 15-Day Look-Ahead is dead nuts on target, and each prospect area being turned over to a new trade is broom swept, and quality is superior.
  - The actual daily log written script
    - Well written to articulate every functional aspect of the accomplishments of the day.
    - Fully describe any issues
      - Raised by the Client
      - Subcontractors
      - Guests
      - The public at large
    - Accurately describe all workforce
      - Include show-up time and departure time
      - List # of Foreman, Journeymen, Apprentices
      - List all specialists and consultants
        - Include the goal of specialist or consultant
        - Include Name, Company, Phone, and email
      - Include all special equipment

How We Execute Quality Control

Quality Management is essential to the success of the project

- "Quality Control" is a universal term in the construction industry.
- At the company, we are pro-active in the universal concept of Quality Control
- Ongoing Quality Assurance – Procedures for ensuring that problems and issues never enter the process. Quality assurance is, by far, the essential element of Quality management.
  - Add Quality assurance milestones will to the project schedule as reminders.
  - Document Quality assurance with whiteboards in the daily reports
  - Quality assurance integrates with the digital sign-off required for shop drawing and contract scopes by PMs and Sups.
  - The company's policy of engaging a licensed survey to verify foundation locations and embed plates is a form of quality assurance.
  - Quality assurance includes checking the label of products being installed to ensure they are meeting the project specifications and, equally important – "Industry Standards."
- Quality Control is defined where **quality assurance has failed,** and errors and issues have entered the process - thus, corrective work is required to keep the errors and issues away from the Client.
  - Issues, problems, and errors have entered the process with faulty or incorrect work.

  - Rework is required
  - Immediately Cost Management is required to mitigate the cost of rework
  - Risk management is required to define the extent of quality assurance failure.
  - Stakeholder management is required if the Client witnesses the errors and rework
  - Schedule control management is required where the rework affects the schedule.
- Punchlist - A difficult situation is in place when **quality assurance and quality control have failed, and errors and issues have reached the Client thru punch list.**
  - The company reviews the completed work of all the trades executes a "Pre-Punchlist."
  - Clearly label as" pre-punch" to avoid confusion with the final Owner/Architect Punchlist.
  - Excessive Pre-Punch or excessive owner Punchlist is unacceptable and exposes a failure on the part of Company supervision to engage in quality assurance throughout the construction process.
  - A Punch-list is not considered a mere fact of life and accepted in our building industry. There are always some minor unforeseen issues on a punch list. At the company, we will be looking for indiscriminate Quality assurance and control failures.
  - Corrective work at this level has severe implications on cost, risk, stakeholders, and schedule.

  - Again, we must engage at a higher level in:
    - Immediately Cost Management is required to mitigate the cost of rework
    - Risk management is required to define the extent of quality assurance failure.
    - Stakeholder management is required if the Client witnesses the errors and rework
    - Schedule control management is required where the rework affects the schedule. Project Close-out

Human Resource Documents

See the Company's Employee Manual for a full description of the Company's Policy and Procedure regarding all employment issues.

1. Timecards
   a. Due days end every Friday
   b.
2. Time Off
   a. Need to schedule XX Days in advance for vacation
   b. Need to schedule xx days in advance for personal days
3. Millage Expenses
   a. The company only pays on the difference between the employees' routine workday round trip, to and from work
4. General Expenses' Reimbursements
   a. The company has a 30-calendar day limit on old expenses reimbursements

Microsoft Project is our Project Scheduling Tool

1. Basics of a schedule
2. The Work Breakdown Structure
3. Basics of the CSO Coding system
4. Steps to creating a Schedule in Project –
5. Headers and Footers
6. Sub-Groups

Use of Corecon as Company's Project Management Tool

1. Submittal Processing
    a.
    b.
    c.
2. CPR
    a.
    b.
    c.
3. SCO
    a.
    b.
    c.
4. Daily Reports
    a. Daily reports
    b.
    c.

Use of SharePoint and a Unified File Structure to store Company's Data

1. The company utilizes and uniform File Structure
2. How SharePoint works
3. File length restraints and number of files in a file hierarchy
4. Staying out of Silos and the danger to a team experience

Attachment FMO-1.0 Subcontractor Billing Instructions

Project Name
Project Address
Project Number

ACCOUNTING INSTRUCTIONS

- **All Subcontractor Invoices are due on the 20th of each month, with no exceptions.**
- **We only accept invoices submitted on an Application and Certificate for Payment AIA Document 702/703. If you need a template for your use, please contact Monica Coulter (m.coulter@Companyenterprises.com).**
- **Please see attached Application and Certificate for Payment for instructions on how to complete your billing.**
- **You can only bill for completed work thru the end of the current billing period. The subcontractor may project work completed through the end of the month; however, bills are due on the 20th of each month.**
- **Please hold a 10% retainage on each invoice.**
- **Your Contract Sum to Date should always match the Revised Subcontract Amount on your most recent Company Subcontract Change Order received. Please note if we can not bill for unprocessed change orders.**
- **Once payment is available, the company will provide waiver details as well as contact information for the Title Company handling the disbursements.**
- **When submitting Invoices, please be sure to copy the following individuals:**
  - **Accounting - Jane Alexander (l.sipoms@mpanyenterprises.com)**
  - **Accounting - Monica Coulter (m.what@Companyenterprises.com)**
  - **Accounting - XFMO@Companyenterprises.com**
  - **Project Executive - Bart Lynam (B.Lynam@Companyenterprises.com)**
  - **Project Manager - Rory McCarthy (R.Meely@Companyenterprises.com)**

Attachment PMO-2.1 CERTIFICATES OF OCCUPANCY

Purpose: To outline the requirements for obtaining permission to occupy a Project

A. Responsibility
   a. The Project Manager (person in charge of the project) is responsible for ensuring that all completed inspections are satisfied, and all appropriate governing authorities granted permission to occupy the project.

   b. The Project Manager, early in the- Project, shall determine what inspections are required and who is responsible for obtaining these inspections for the final CO.

B. General
   a. In some cases, the governing authority may require or issue a license for operation of the facility.

C. Procedure
   a. The Project Manager will obtain:

      I. Certificate of Substantial Completion

      II. Certificate(s) of Occupancy

      III. Certificate(s) of Final Inspection
         1. Building
         2. Mechanical
         3. Plumbing
         4. Electrical
         5. Fire Safety
         6. Elevator
         7. Roof

      Iv. Any other documents or Certificates required by Governing authorities or Contract Documents:

         1. Termite Treatment Certificates
         2. Health Department Certificates
         3. Environmental Certificates
         4. Balcony Inspections

If the owner elects to take possession without receipt of the required Certificates, the Company's Project Manager shall notify the owner, in writing, that the owner will be responsible and liable for their actions. Before writing, the owner notifies Andy Alexander to see if anything can be done to accommodate the owner and keep the Client /GC relationship on a positive note. Our Owners are the Backbone of our Success.

Partial Certificate of Occupancy

1. In some cases, the owner may elect to occupy a portion of the building (Example: in a Hotel, the Administrative Staff usually moves in two to three months ahead of the Final Certificate of Occupancy). In the event this is desired, the Project Manager shall:
2. Review the area to the occupied with the Owner and the Fire Marshall and Building Department and develop a plan which includes:
   i. Area Definition
   ii. Safe Ingress and Egress for the Owner's Employees
   iii. Adequate Toilet Facilities
   iv. Adequate Parking
   v. Alarm System
   vi. Vertical Transportation
   vii. Time Frame
   viii. Arrange for Utility Cost Reimbursement
3. Notify all Subcontractors in writing that we have an occupied building is occupied.
4. Notify our insurance carrier that we have a partially occupied building. (Notify the main office, and they with notify the insurance company.)
5. Obtain the Partial/Temporary CO copy of the main office file as well as the job site.

Attachment PMO-2.1 The Project Punch List

PUNCH LIST

PURPOSE
To outline the procedure for establishing and completing the Project Punch List.

RESPO SIBILITY
The Project Manager or his designee is responsible for the preparation and distribution of the in-house Punch List. Each item shall be identifiable to the particular trade or Subcontractors for ease in identifying persons responsible.

The Superintendent is responsible for the completion of the Work items noted on the Punch List.

GENERAL
Do not solicit an Architect/Owner's Punch List too soon. Punch lists are usually too long and only serves to indicate we are not ready. The company's goal is to do our in-house punch to ensure a minimal punch from the Architect/Owner's.

PROCEDURE
Complete the work and perform the in-house final inspection. Internal Punch List may be started for any discipline as early as 80% complete. Typically, inspections at the 80% complete state are "work remaining" lists. The company shall require each trade to provide its lists of items so that company can establish a sequence of finish trades through an area.
Note: Company is always to maintain a high standard of quality to eliminate any unnecessary punch items.

If an Owner, any of his agents, contractors or subcontractors intend to take possession of the project, any portion of the project or intend to perform work for the owner, a final Punch List shall be prepared, completed, and accepted by the owner before the commencement of such work.
Request inspections for substantial completion. A Company supervisor needs to provide the architect with a list of incomplete or defective work to be completed.
Obtain Certificate of Substantial Completion form the architect. The list of incomplete items can be attached to this Certificate.

Complete all items discovered during Substantial Completion inspection and notify Transmit written notice of completed punch list items needs to the architect.

Submit a written request for final inspection and final acceptance of the project.

Continue to monitor and expedite the final inspection.

Secure and complete the Owner/Architect Punch List.
When requesting a punch list from the architect, be sure the project is ready for inspection.
Pre-Punch the project; clean up all items detected.

The length of the Punch List is an indication of your effectiveness.

Insist that the Punch List is detailed and specific: Avoid generalized statements.

Complete the Punch List while all key Subcontractors are still on the job.

Avoid the difficulty of getting Subcontractors back on the job.

While Subcontractors are on hand, verify that they are complete before you allow them to leave.

When complete, send a letter to the Owner and Architect to that effect. Note uncompleted items that may not be part of the Company's Contract. Have the owner sign off on the letter and return a copy.

Filing:

- Immediately send completed signed-off punch lists to Beth for hard copy files.
- Ensure that all punch lists are categorized and filed for further reference.
- Copy the main office on correspondence with the owner and the architect.

Attached are Company's Documents for Training