

Corporate Excellence Program

January 1, 2014



Corporate Excellence Program (cont.)

To The Employees of Irwin & Leighton:

The Corporate Excellence Program (CEP) provides an overview of Irwin & Leighton's business philosophy and practices. The Program is significant in that it outlines the fundamentals of the Company's operations which are guided by Irwin & Leighton's Mission Statement, Corporate Values, and Principal Corporate Goal. The Program has been developed and refined over the years with the input of employees, feedback from customers and the benefit of experience.

Section I of the CEP includes Irwin & Leighton's Mission Statement, Corporate Values, and Principal Corporate Goal. These state the purpose of our organization – business continuity and success through strong relationships with customers and employees. Section 1 also outlines the principles that guide daily efforts to succeed in this purpose by achieving corporate goals.

Section II expresses the Company's firm commitment to quality and customer satisfaction. By excelling for each customer, Irwin & Leighton will achieve its primary long-term goals of continuity and prosperity.

Sections III and IV outline the Company's basic operating procedures and organization. The Comprehensive Quality Systems, which are the basis of the Company's daily operating procedures, are designed to coordinate activities and ensure quality and the on time completion of each project through good management and a proactive training program. The description of the Company's organization provides lines of communication and staffing criteria. Irwin & Leighton's commitment to Equal Opportunity is also affirmed in this section.

Section V, Financial Stability, outlines the financial strength of the organization and the fine relationships we maintain with the financial community which are vital to successful operations.

Section VI, Community Support, speaks to the Company's consciousness of its social obligations.

Finally, Section VII, Work Ethic, speaks for itself.

Please feel free to contact any of the officers with any questions or comments regarding the Corporate Excellence Program.


Travis E. Gedney, President/Chief Executive Officer



**A. Irwin & Leighton's Mission Statement, Corporate Values
and Principal Corporate Goal**

MISSION STATEMENT

The Company's Mission is to continue successfully in business by providing a full range of quality construction services. We will do this by fostering long-term professional relationships, meeting and exceeding the requirements of every customer, and by employing and challenging skilled professionals to promote Company and individual growth.

CORPORATE VALUES

Certain Values are fundamental to achieving Irwin & Leighton's Mission:

- Commitment
- Effective Communication
- Fairness
- Good Work Ethic
- Integrity
- Loyalty
- Respect for Others
- Responsiveness
- Technical Competence

These Values shape policy and procedures, influence daily activities and create a sense of pride in the organization.

PRINCIPAL CORPORATE GOAL

Be the Builder of Choice by providing outstanding performance for every customer.



B. Commitment to Quality and Customer Satisfaction

Commitment

Irwin & Leighton is completely committed to quality in all aspects of its business. Each operation is focused on achieving consistent customer satisfaction through the involvement of professionals who are committed to the highest standards of quality for each project and the leadership of senior management. Irwin & Leighton's General Corporate Policies focus broad operations on achieving customer satisfaction.

Comprehensive Quality Systems

Comprehensive Quality Systems are in place that allocate individual responsibility and require management's involvement in the use of proven procedures.

- Project Planning
- Building Information Modeling (BIM) technology
- Subcontractor Qualification and Selection
- Schedule Control
- Safety and Health
- Material Quality
- Jobsite Quality
- Invoice and Payment Processing
- Stormwater Pollution Prevention
- Cost Control
- Project Close Out
- LEED/Sustainability

The effectiveness of the Comprehensive Quality Systems is reviewed regularly; required improvements are implemented through input from employees and management.

B. Commitment to Quality and Customer Satisfaction (cont.)

Improvement

The Company is committed to continual improvement. Irwin & Leighton's organization clearly defines lines of authority and provides avenues of communication for ongoing maintenance and improvement of corporate policies and procedures. Further, the Company's standing committees regularly review many aspects of operations and make suggestions for improvement.

Operations

Each customer benefits from Irwin & Leighton's unique organization and staffing which requires key employees and principals to be directly involved in the implementation of the Comprehensive Quality Systems on a daily basis.

Training and Innovation

Regular technical seminars and training sessions are held with employees to review and discuss customer relations, subcontractor relations, current technology, quality issues, problem trends, etc. Further, the Company's standing Management Information Systems Committee continually reviews issues relative to technology and Company operations. Through the training programs, Irwin & Leighton's staff is knowledgeable of state-of-the-art construction techniques and technological improvements. Many of Irwin & Leighton's personnel have successfully completed:

- LEED Accredited Professional training
- Green Advantage® Certification
- ASHE (American Society for Healthcare Engineering) Healthcare Construction Certification.
- ICRA (Infection Control Risk Assessment)
- SWPP (Stormwater Pollution Prevention)
- BIM (Building Information Modeling) training

C. Comprehensive Quality Systems

Irwin & Leighton's Comprehensive Quality Systems are focused on achieving customer satisfaction through four basic principles:

- Active participation of principals in each phase of a project.
- Involvement of experienced professionals in the details of a project.
- Use of proven procedures which require involvement of principals and professionals as well as daily attention to detail and regular communication among team members.
- Adopting an attitude of complete customer support.

Irwin & Leighton's Comprehensive Quality Systems are:

Project Planning

At the onset of every project, Irwin & Leighton arranges preconstruction meetings with the customer and designers as well as with all internal team members to discuss overall expectations and goals, define schedule including critical milestones, identify potential problem areas, establish avenues of communication, etc.

Building Information Modeling (BIM) Technology

As a construction manager, Irwin & Leighton may also assist the Owner in the completion and coordination of documentation, budgeting, etc. through its expertise and BIM capabilities. BIM is used to coordinate the installation of all architectural, mechanical, electrical and plumbing systems utilities with the structural elements of a building. Irwin & Leighton maintains in-house BIM capabilities including software, hardware, and trained personnel.

Subcontractor Qualification and Selection

Bidding

Subcontractors are carefully qualified prior to bidding in order to involve only professional organizations which have the appropriate technical and financial qualifications and who have demonstrated the ability to provide quality and responsive performance. Meaningful competition is maximized among qualified trade contractors in the process.

C. Comprehensive Quality Systems (cont.)

Subcontractor Qualification and Selection (cont.)

Procurement

Systematic screening of potential trade contractors and suppliers involves evidence of commitment to quality and successful experience with recent relevant projects. Scope and schedule information is thoroughly coordinated with design and other project requirements within every agreement. Each trade contract agreement includes a thorough, coordinated scope of work and milestone commitments for submission of shop drawings, fabrication, on-site durations, etc.

Further, trade contractors are specifically obligated to provide the level of quality required by the documents from the onset. A tone for quality is established.

Schedule Control

Irwin & Leighton's scheduling program is utilized on each project. The system is tailored to each customer's requirements and addresses all phases of the construction process including design, bidding, procurement, fabrication and on-site activities as required.

Irwin & Leighton's scheduling is **milestone focused** and relies heavily on thorough planning and understanding of each project to identify key dates during the preconstruction and construction phases.

Irwin & Leighton utilizes Primavera P6 Enterprise Project Portfolio Management System or Microsoft Project to coordinate all on- and off-site activities.

Each scheduled activity is focused on a **Milestone Date**. Additionally, the system incorporates a **Target versus Current Bar-Chart** approach to scheduling onsite construction activities with a logistical interface of design, fabrication, and other supporting operations (for example, submittals or procurement). Simply stated, the bar-chart graphically displays current versus target schedules and the scheduling system displays those supporting operations that require attention in order to maintain each target schedule date. **The focus is to identify design, procurement, and delivery problems long before construction is affected while monitoring actual jobsite construction separately.**

A frequent cause for delays is the failure of manufacturers and/or suppliers to ship materials on a timely basis. To prevent failures from this and other causes, the scheduling system lists specific material delivery items and relates all relevant activities to the associated construction activity item and its onsite start date; thus, potential problems become apparent.

C. Comprehensive Quality Systems (cont.)

Schedule Control (cont.)

In addition to the above, overall project manpower requirements are established for use in planning and administering the project. During construction, the Project Superintendent and Project Manager monitor the actual manpower and productivity at the site to determine if any corrective measures are required to maintain the schedule.

The schedule is maintained by an organized review process involving four distinct meetings:

- **Owner/Architect/Irwin & Leighton Meetings** are held regularly throughout the project to review overall project progress and issues. Further, additional focus is maintained through team “oversight” committees as required by individual projects.
- **Weekly Irwin & Leighton/Trade Subcontractor Meetings** are held with major subcontractors (and specialty subcontractors when required) to review onsite progress and required action relating to purchasing, submittals, change orders, coordination and onsite progress, and to discuss and resolve potential issues.
- **Team Meetings** attended by the Project Manager and the Project Superintendent, and other Irwin & Leighton team members as required are held regularly to review and update the schedule and to address and resolve all project issues. The Project Officer routinely attends these meetings.
- **Operations Review Meetings** are held monthly and attended by all Officers to review schedule, costs, Owner issues, etc.

Safety and Health

Irwin & Leighton’s written Safety Program is enforced on a daily basis. The program includes:

- Completion of OSHA’s 30-hour training course by all Vice Presidents of Operations, Project Directors, and Project Superintendents as well as 10-hour training for Project Management personnel.
- “Click Safety” training regarding specific aspects of the Safety Program.
- Review and enforcement of specific project requirements relating to safety and health.
- Regular on-site safety inspections by Irwin & Leighton’s management and supervisory personnel.

C. Comprehensive Quality Systems (cont.)

Safety and Health (cont.)

- Toolbox meetings by all trades.
- Regular jobsite inspections and reports by Irwin & Leighton's insurance carrier and other third party agencies.
- Yearly review and updating of the Safety Program.
- Making informational material available to operations personnel.
- Training and certification of management and supervisory personnel in First Aid and CPR. The CPR certification is renewed annually.
- Regular Safety Focus Meetings attended by upper management.

Material Quality

Administration

All submittals are continually monitored and expedited with the use of Irwin & Leighton's submittal procedures in order to prevent delays and avoid diminishing quality due to late approvals or forced substitutions. Irwin & Leighton utilizes Primavera's Contract Management System to conduct this process with thoroughness and in accordance with the project schedule. Irwin & Leighton's primary goal throughout the submittal process is to ensure that the manufacturing intent indicated by shop drawings and submittals meets or exceeds the requirements of the architect's design and the manufacturing lead time meets the schedule.

Irwin & Leighton has the capability to utilize other Project Management systems (for example, Prolog, Buzzsaw, etc.) as an Owner may require.

Fabrication

Quality Control during fabrication involves a detailed schedule of activities including:

- Submittals
- Expediting subcontractors' purchasing of materials
- Making in-plant inspections with the involvement of the owner, designers, and/or inspection agencies as required, and
- Requiring regular status reports and certifications as appropriate from subcontractors and suppliers.

C. Comprehensive Quality Systems (cont.)

Jobsite Quality

Onsite work is continuously monitored and inspected by Irwin & Leighton's Operations Team each of whom has a thorough working knowledge of the contract documents.

Specific Quality Control Procedures include:

- Plan Review Meetings with the Owners, Architect, Engineers, and Irwin & Leighton to review the project design documents and identify focus items in terms of quality, cost, and schedule.
- Subcontractor pre-job meetings wherein requirements and procedures relating to quality and schedule are reviewed in detail and a tone is set for the level of quality required by Irwin & Leighton and the contract documents.
- Subcontractor pre-installation meetings to review specific materials and finish requirements and to set the level of quality expected for the finished product.
- Continuous daily review by the Project Superintendent of the work in progress.
- Regular inspections by the other members of the Irwin & Leighton team.
- Thorough examination of all materials delivered to the job site.
- Routine monitoring and/or requesting of manufacturers' certifications of compliance with quality standards.
- Coordination and cooperation with independent testing agencies and commissioning agents.
- Review and tracking of testing agencies' reports.
- Compliance with all LEED requirements.
- Review and enforcement of each project's specific requirements related to safety and health.
- Enforcement of all procedures and regulations related to stormwater pollution prevention.

C. Comprehensive Quality Systems (cont.)

Invoice and Payment Processing

Prompt payment from the Owner and to subcontractors is essential to the success of every project. Irwin & Leighton's responsibilities include providing accurate cost requisitions in the required format and detail to its customers on a timely basis and, upon receipt of funds from the customer, making prompt payment to subcontractors and suppliers. In order to protect the interests of the Owner and Irwin & Leighton, Irwin & Leighton ensures that invoices fairly represent work completed and that all contractual requirements for insurance, releases, etc. are fulfilled prior to payment to subcontractors and suppliers.

Stormwater Pollution Prevention

Conscientious management of onsite work in order to protect the environment is a fundamental responsibility of every contractor. Irwin & Leighton is committed to protection of the environment and conservation of resources in all its activities. The Company implements and maintains environmental standards on all project sites in order to comply with the requirements of the Federal Environmental Protection Agency and their delegated regional or local compliance organizations. Further, customers may have more stringent programs for prevention of damage to the environment during construction that will be implemented and maintained.

Irwin & Leighton maintains a Stormwater Pollution Prevention Program (SWPPP) that is administered by a corporate committee. The SWPPP accomplishes compliance through the implementation and maintenance of Best Management Practices (BMPs) in accordance with our procedures and programs and any customer-specific programs.

Cost Control

Detailed job cost information is maintained by Irwin & Leighton through the Timberline Accounting System at all times. The Owner's access to this information depends on the form of contract.

For all projects, lump sum or fee basis, change orders are tracked by a series of reports to keep the Owner informed and to maintain project flow. These reports are reviewed at regularly scheduled project meetings and/or as required by the Owner. Prior to submission to the Owner, the scope of each change order is thoroughly understood and all subcontractors' quotes are scrutinized.

C. Comprehensive Quality Systems (cont.)

Cost Control (cont.)

For cost reimbursable contracts, Budget or Guaranteed Maximum Price information is regularly provided to the customer in complete detail. As trade contracts are let for a project, the Budget or Guaranteed Maximum Price is updated through **Financial Status Reports** (or **Indicated Outcome Reports**) to provide current cost information. The Financial Status Report typically includes costs for Base Contract, Change Orders, and Costs to Come.

The format of each report is completely flexible to meet the Owner's needs.

Project Close Out

It is Irwin & Leighton's policy to finalize each contract in the most expeditious manner possible. Irwin & Leighton's procedures include tracking of all required documents such as as-builts, warranties, operation and maintenance manuals, etc. Resolution of change orders and all other cost issues is also expedited in order to provide the Owner with a final accounting promptly after project completion. Irwin & Leighton also holds internal post-job meetings to review its performance and encourages similar sessions with each Owner.

LEED/Sustainability

Sustainability is an integral part of Irwin & Leighton's business as building owners become more conscious of the positive effects efficient energy and good environmental design can have on society as well as their bottom line.

Irwin & Leighton is a member of the U.S. Green Building Council (USGBC) that has established the LEED (Leadership in Energy and Environmental Design) Green Building Rating System to measure sustainability in buildings. LEED gives building owners and operators the tools they need to have an immediate and measurable impact on their buildings' performance. LEED promotes a whole-building approach to sustainability by recognizing performance in five key areas of human and environmental health: sustainable site development, water savings, energy efficiency, materials selection, and indoor environmental quality.

The Company maintains several LEED Associated Professionals on staff and has a standing Green Committee that helps set corporate guidelines regarding sustainability practices, education, etc.

D. Corporate Organization and Management

Irwin & Leighton's organization provides for:

Customer Feedback

Customers are routinely asked for opinions regarding Irwin & Leighton's performance on a project. Irwin & Leighton adjusts its operations in accordance with this feedback. Further, post job meetings are encouraged as a means of evaluating performance as stated.

Subcontractor Feedback

Subcontractors are routinely asked for opinions regarding Irwin & Leighton's performance on a project. Irwin & Leighton evaluates this information with all project team members in order to improve its performance in the future as required.

Professional Staffing

Irwin & Leighton's personnel are experienced professionals. Individual project assignments require direct involvement with the details of a project and continual personal contact with the representatives of the Owner and Architect.

Internal Communication

Irwin & Leighton holds regular Team Meetings for each project wherein the status of the project and major issues are reviewed and discussed, and direction is set for required action. Further, Operations Review Meetings, attended by all officers and senior personnel are held to review project status, customer relations, procedures, industry or company-wide issues, technical training, and trade contractor management.

Standing Committees

Irwin & Leighton's committees are a fundamental resource for communication and growth within the organization. The committees address company-wide issues such as customer retention, morale, profitability and employee events as well as technical issues such as Management Information Systems, Procedures, etc. Committee rosters are refreshed on a yearly basis.

D. Corporate Organization and Management (cont)

Commitment to Equal Opportunity Employment

Irwin & Leighton is committed to promoting equal opportunities for all employees and job applicants. For this reason, Irwin & Leighton maintains a policy of equal employment and advancement opportunity for all individuals without distinction or discrimination in regard to race, color, sex, religion, age, national origin, disability, or genetic information.

This policy extends to all employees and applicants for employment and to all aspects of the employment relationship including recruitment, hiring, promotion, training, upgrading, compensation, benefits, and facilities.

E. Financial Stability

Irwin & Leighton maintains a conservative approach to the construction business. The foundations of the firm's operations include outstanding relationships with its accountants, bankers, insurance representatives, and surety.

Accounting

Meyer Hoffman McCann/CBIZ is retained for performance of all tax and auditing services.

Banking

The Bryn Mawr Trust Company is Irwin & Leighton's lead bank. A seven figure unsecured line of credit is available; the line is not being utilized.

Insurance

Irwin & Leighton maintains liability and property damage coverage in the aggregate amount of \$22,000,000. Representation is provided by USI Insurance Services.

Bonding

The Chubb Group provides bonding to meet all backlog and individual project needs. Bonds are provided to Irwin & Leighton at a preferred rate. Chubb is one of the highest regarded sureties in the world. Irwin & Leighton's bonding agent is Rosenberg & Parker, Inc.

F. Community Support

Because an organization has a social obligation to share its success with those less fortunate, Irwin & Leighton and its employees enthusiastically offer financial and personal support to a wide range of community social programs and activities. This is principally done in two ways:

Corporate Volunteerism

Irwin & Leighton's Committee for Corporate Volunteerism consists of employees from all parts of the Company. The Committee for Corporate Volunteerism identifies worthwhile opportunities for community support and organizes employees to contribute their time and/or resources to these programs.

Corporate Giving

Irwin & Leighton also supports numerous organizations with corporate donations.

Please see Irwin & Leighton's website for further details.

G. Work Ethic

We approach each project in the interest of our customer, with integrity, with the utmost energy and resourcefulness. At Irwin & Leighton, we believe our continued success will result from the combination of:

- Teamwork by experienced professionals
- Use of sound procedures, and
- Hard work.