

OWNER'S AGENT SERVICES

WHAT IS AN OWNER'S AGENT?

An Owner's Agent ("OA") acts in the interest of the Owner on all phases of a construction project beginning with conceptualization of the project through commencement of operations at the newly built or acquired facility. The OA's duties which are specifically outlined in an agreement with the Owner, allows the OA to act as a liaison between the Owner and the architects, engineers, general contractors and construction managers. The role of the OA is to work with project management teams, internal or external, on a daily basis to assess progress and identify any issues as well as answer routine Owner questions, scrutinize overall project performance, evaluate change order requests, and provide insight and analysis that enable the Owner to make more informed decisions during all phases of the project. The OA's interests are aligned with the Owner's interests and the OA can, if authorized to do so, act as the experienced eyes and ears of the Owner who will likely not have the time available themselves to sufficiently monitor the project as closely as needed. The Owner and the OA accept the relationship of trust, good faith and fair dealing, and fully cooperate with each other and any other consultants working on the project.

WHAT IS THE DIFFERENCE BETWEEN A GENERAL CONTRACTOR, CONSTRUCTION MANAGER AND AN OWNER'S AGENT?

Although it may seem as though a General Contractor or Construction Manager works for the Owner the roles of each must be more clearly understood.

General Contractor. The General Contractor ("GC"), sometimes with the assistance of a Project Manager employed by the GC, manages the job by coordinating construction schedules and choosing the different sub-contractors required to perform specific parts of the project. Although the GC is paid by the Owner, he essentially works for himself, and his project manager works for him. While the interests of the GC and the Owner are frequently aligned, there are many situations in which their interests are different, and the GC may prefer working with certain sub-contractors who may not be the best qualified to perform jobs related to this specific project.

Construction Manager. More closely aligned with the Owner than the GC, the general duties of a Construction Manager ("CM") are to coordinate, review and

monitor progress as reported by the GC, identify actions to be taken if there are deviations from the plan, and provide advisory services to the Owner in evaluating change order requests and other matters of concern.

Owner's Agent. Acting strictly on behalf of the Owner's interests, the OA is most effective if brought into the project during the conceptualization and research phases. The experience brought to bear by the OA includes knowledge of architectural and engineering concerns in relation to the goals of the Owner's operational concerns. Evaluating plans and providing knowledgeable insight on all levels of design and construction can assist the Owner in the creation of a more concise and cost effective scope that results in fewer change orders and more efficient construction schedules. Additionally, the use of an OA can lessen burdens on staff and the Owner during the construction project which otherwise may divert attentions away from continuing operational concerns. The OA acts as a coordinator for all aspects of a construction project – not just the construction part itself.

It is important for the Owner to have knowledgeable representation when dealing with CM's, architects, GC's and engineers involved in the project planning and implementation stages as those parties simply may have different interests than the Owner.

NICOLOSI GALLUZZO EXPERIENCE

Our team of professionals has years of experience in the construction industry, including design-build services. This alone makes us extremely well qualified to identify, interview, negotiate, and develop contract terms with any architects, engineers, and GC's. However, our services as an OA also can encompass legal and financial analysis, planning and research assistance, and our long-standing history of working with state and local governments helps to build relationships between those public bodies and our clients helping to procure incentive packages that provide direct economic benefits to both the Owner and, ultimately, to the communities in which the construction project takes place.

It is important to understand that including an OA is neither a duplicate nor additional project cost. By including our team as early as possible in the process, our experts can review plans and identify possible areas of concern that can be addressed prior to the issuance of final designs, potentially saving future expenses related to upgrades, retrofitting or increased operational or maintenance costs. Our strong expertise will carefully guide a General Contractor with recommendations for identifying value-engineering concepts throughout the project design and implementation.

Our skill in contract negotiation, construction knowledge and design experience will likely lead to better contract terms and fee arrangements, which will in turn lead to Owner's spending less for their construction projects. In concurrence with our leadership in these areas, we will focus our efforts during construction on

minimizing costs during the change order processes that occur. Finally, we will take time to prepare executive summaries on the progress of the project, ensuring timetables are met and executives are well informed on the process of the endeavor.

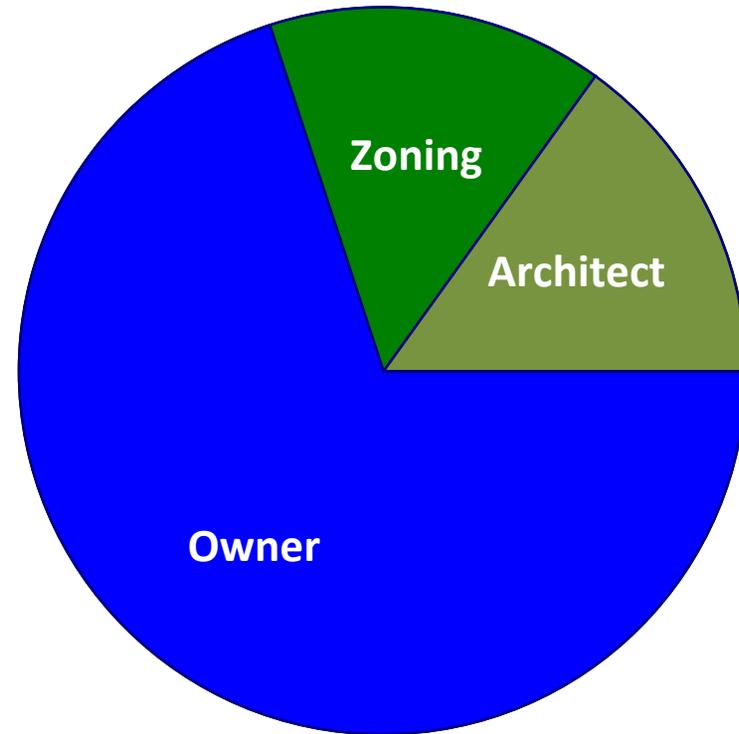
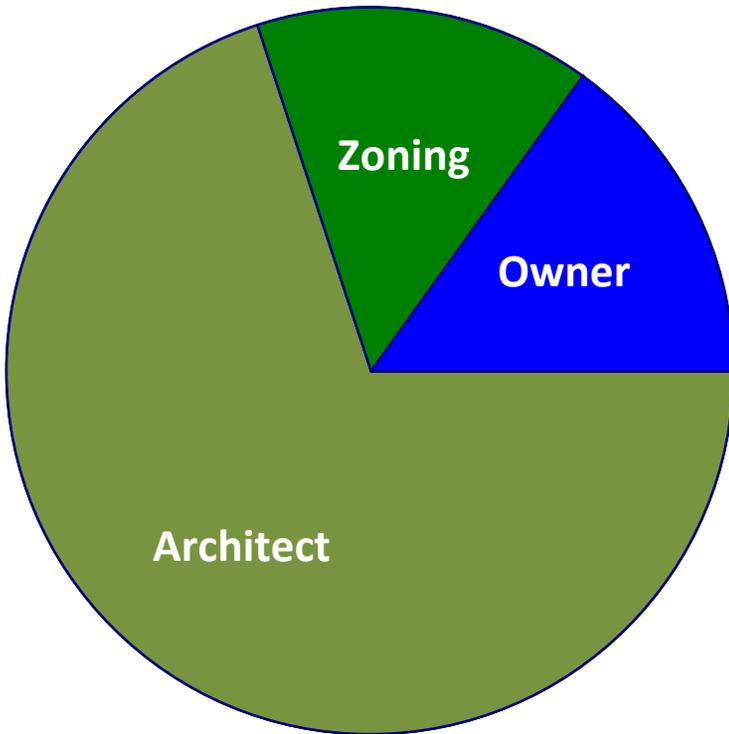
On top of those cost savings, we also have the ability to assist in other aspects of the project. These aspects include but are not limited to: developing an estimated cash flow schedule; monitoring, reviewing and recommending all pay submittals; preparing budget estimates for procurement and installation; and reviewing and revising procedures regarding all requests for change orders.

It is our role to be in daily communication with the General Contractor's Project Manager, to be on the project site weekly to inspect the completed work, and to attend planning meetings with the contractors, sub-contractors, and architects.

Owner Input During Design Process

Traditional Model

Owner's Agent Model



Process Comparison

Traditional Process

(Design-Bid-Build)

Owner Hires Architect

Design

Project is designed by the Architect & Consultants without receiving analysis and information from a General Contractor, Construction Manager or any oversight team.

Bid

Architect assists owner in sending project out for bids.

Owner reviews bids & hires contractor.

Build

Architect monitors project for adherence to design plans

Owner's Agent Process

(Integrated Project Delivery)

Owner hires Owner's Agent

Design - Bid

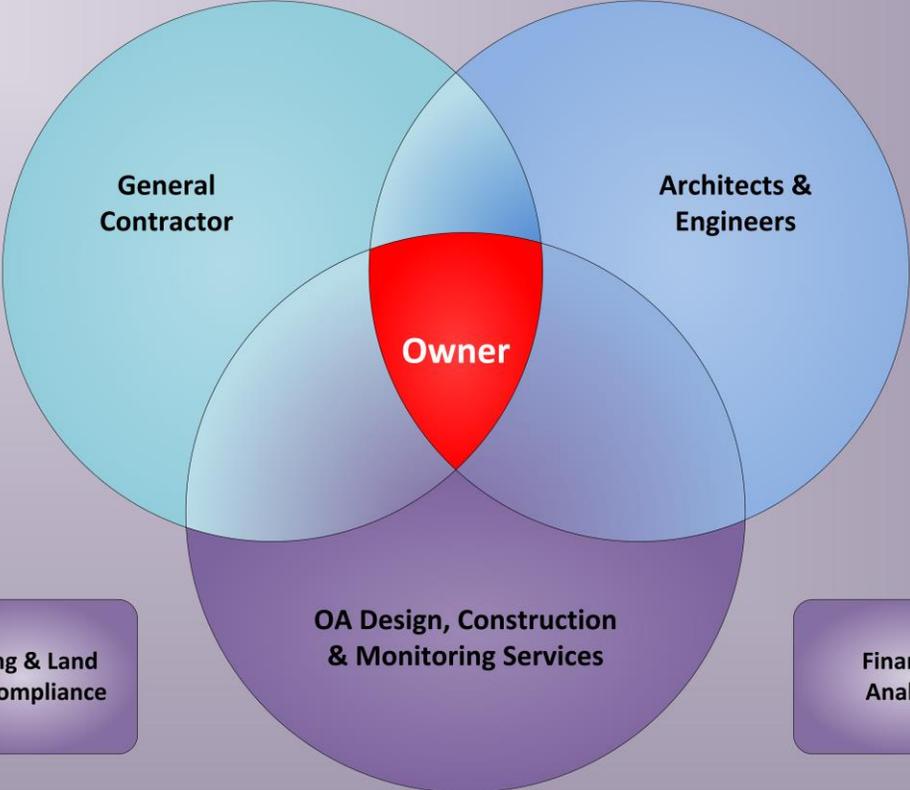
Owner's Agent assists in the planning and conceptual stage and works with architects and engineers to assure plans are in compliance with the needs of the Owner.

Owner's Agent oversees the bidding process for contractors and evaluates responses, providing analysis and insight to the owner who makes the decision and hires the contractor.

Build

Owner's Agent monitors the various project and build teams, addresses change orders and reports overall progress to the Owner. Responsibilities include keeping the project on budget and on schedule.

Owner's Agent



Incentives
Negotiations

Legal Contract
Review

Zoning & Land
Use Compliance

Financial
Analysis