

Research Midwest Distribution Center

PROPOSAL AND AUDIT

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Date: June 1, 2003

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EXECUTIVE SUMMARY

The Materials Group submits the following plan for the consolidation and start-up of Midwest Distribution Center. Within the next year, leases on Bulk warehouse, Finished Goods warehouse and Field Service will expire. Usable warehouse space is at an all time low. Planned Sales programs show an expansion of converted Finished Games, acceptance of Trade-in's and Returns.

The organization will benefit from the elimination of costly moves. Consolidation of workers to improve efficiency and productivity. Create space for Sales Plans. Utilize dollars planned to update communications for each facility - to one facility.

The Materials Group is prepared to locate, move existing operations, and set-up new operation by September 2003. This is tied to the organizational goal of streamlining operations and controlling costs.

We are prepared to set budget at \$650,000 and request your approval on the "Memo of Transmittal" as acceptance. See Figure 1 of building currently available.

Figure 1

Proposed Facility



TECHNICAL PROPOSAL

Project Purpose, Goals and Benefits

The purpose of this project is to consolidate Bulk warehousing, Finished Goods warehousing, Field Support and a configuration line; under one roof. In addition, design a model for future Distribution Centers.

The objectives of the project include locating a 100,000 square foot facility, design a facility flow and move three operations into this facility.

The project life cycle started in August 2002, with a goal of an operational facility by September, 2003. The concept phase was established by identification of a need to consolidate operations and due to the fact that one facility, under lease, is scheduled for demolition. The planning and execution phases will occur simultaneously as the Distribution Center comes together. The completion phase includes an operational facility (September, 2003), budget and audit review. Included in the completion phase is an Open House (Management, Suppliers and Local Customers).

Benefits:

- Secure needed warehouse space for an extended period of time to eliminate costly moves.
- Ability to consolidate workers to improve efficiency, and productivity over all functions.
- Ability to centralize Quality functions ensuring standardized practices for better incoming inspection, problem solving, and customer satisfaction. Decrease duplication in files, equipment and manpower.
- Reduce the amount of equipment leases for material movement and control (Forklifts, Scales, Bar Code equipment, etc.).
- Improve reconfiguration efforts with personnel already trained in light manufacturing, while adding work to area. This will also free up Field Service personnel to better service the customer.
- Improved Inventory Record Accuracy (IRA) and physical inventory results by standardizing practices.
- Create space to support Trade-in and Return Sales program.

Statement of Work

Select, lease, and establish operation, in a facility, capable of performing all functions necessary for the operations of a Distribution Center, but not limited to:

- Full warehouse operations, from receiving, inspection, put-away, picking and shipping. A complete inventory handling system and link to Main facility.
- Light manufacturing; from converting Finished product, to assemble of components.
- Focal center for Field Service operation; from meeting and training area, to storage of Field Service parts.
- Network communications; using technology to provide phone, voice, fax and computer systems.

Location of facility to be located within 40 miles of Chicago. Closure of outside local facilities by August, 2003, and new facility operational by end of September, 2003.

Project Plan

EXISTING CONDITIONS -

Where are we coming from? To start, Bulk warehouse (30,000 sq. ft.) is in disrepair. Roof continues to leak despite continued efforts to work with facilities management and the owner. Building has been sold and is planned for demolition, at the end of our lease to the neighbor to the south.

Our Finished Goods warehouse (15,000 sq. ft.) is in good repair. No major problems have been reported. Owner has had facility for lease for the last six months, to our knowledge there is no incumbent.

Field Service facility (35,000 sq. ft.) is in good repair. This building is own by the organization. It was built for manufacturing and warehousing. Plans are to convert balance of space to offices. These offices are needed for marketing and administration. New hires do not have a desk or workspace. In addition, Field Service needs a reconfiguration line for training and orders.

TECHNICAL DESCRIPTION OF NEW FACILITY -

Time is on our side. We do not have to accept the first available facility, around \$5 - \$7 per square foot, and next door. The ideal facility will be new construction, around 80,000 to 100,000 square feet. Open space to allow us to layout lighting, power, office, configuration line, communications and material handling equipment. Our prospectus, REQUEST FOR INFORMATION (Figure 2) has been given to our Broker. Word will get out into the market that we are looking. All inquiries will be forwarded to Project Manager.

Figure 2

REQUEST FOR INFORMATION

Bidder

From: Able Company
1 S. Dreamland
Chicago, IL 60618

Contact: Daniel B. Martin
Director
(773) 555-1000

General: Able Company is a manufacturer of Satellite Dishes. We are in the informational phase of searching for a Distribution Center to consolidate our Bulk Warehousing, Finished Goods and Field Service.

Facility availability August, 2003.

Requirements: Lease facility. Utilities paid by Lessee. Property taxes by Lessor.

Size - 80000 to 100000 square feet.

Facility - 3000 to 5000 Office, balance Distribution.
Capability of stacking and shelving materials.

Interior clearance - minimum 24 feet.

Docks - Minimum four standard dock bays, with levelers and padding.
One raised ramp or drive-in bay.

Location - Within 40 miles of Chicago. Preference to Northwest side of Chicago, Gurnee, Waukegan, Addison or Wood Dale.

Main facilities are in Chicago.

Power - 110, 220 and 480.

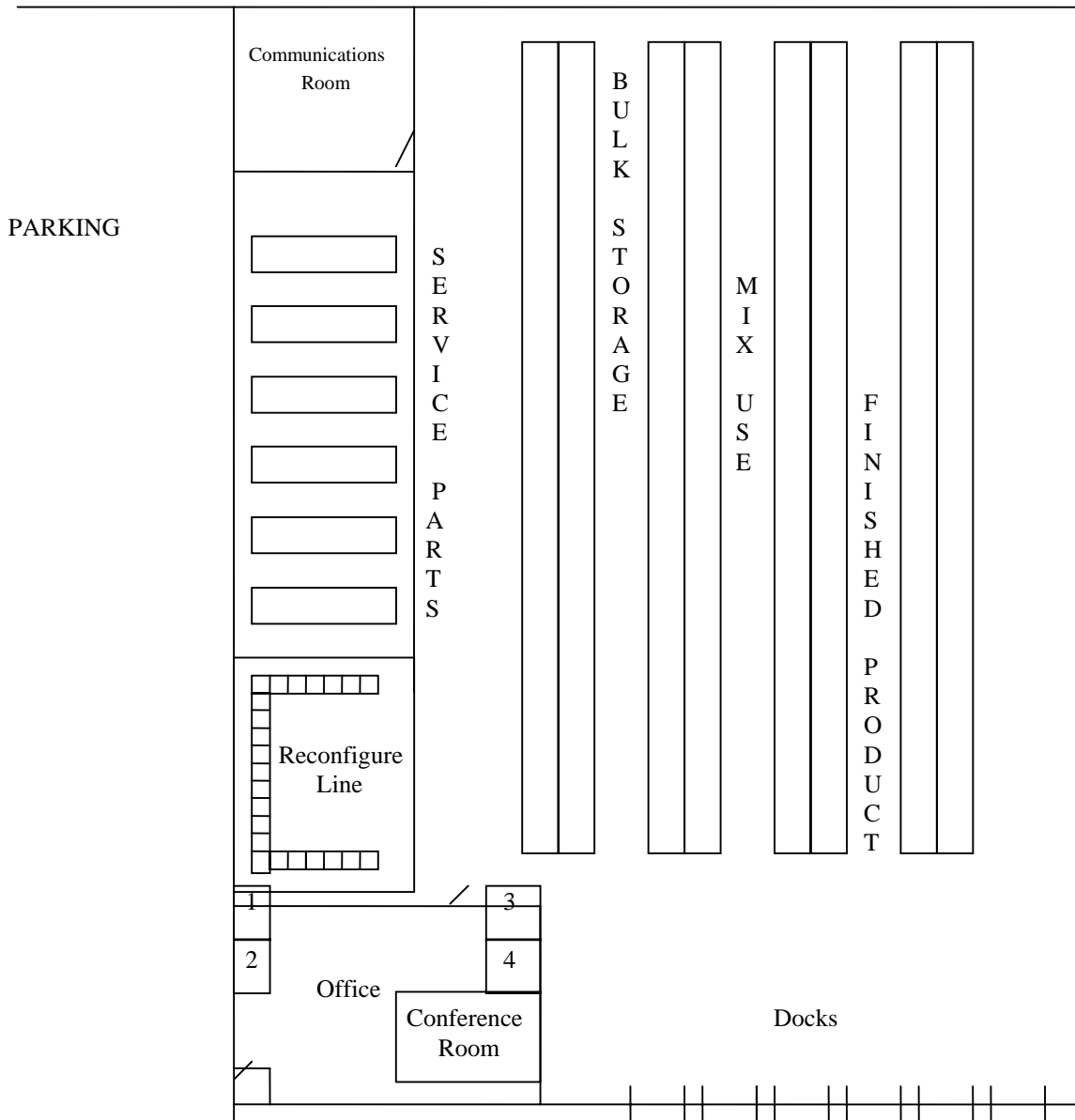
Force heating units by Dock. Air-conditioning in facility, optional.

Parties interested in responding to this Request for Information must disclose Agent/Owner relationship. All materials or contact should be to Able Company, individuals listed at the top of this page. We reserve the right to change or amend this request. Interested parties should contact Able Company, in writing by November 1, 2002.

The perfect facility would be a shell. Open space with no work done to interior space. This would allow us to share or have landlord pay for part of the construction; we tend to have to repeat. Past examples are lighting, electrical and office layout. See proposed Facility Layout (Figure 3).

Figure 3

Facility Layout



1,2 Restrooms (Men's - two fixtures, Women's - 1 fixture)

3,4 Manager's offices

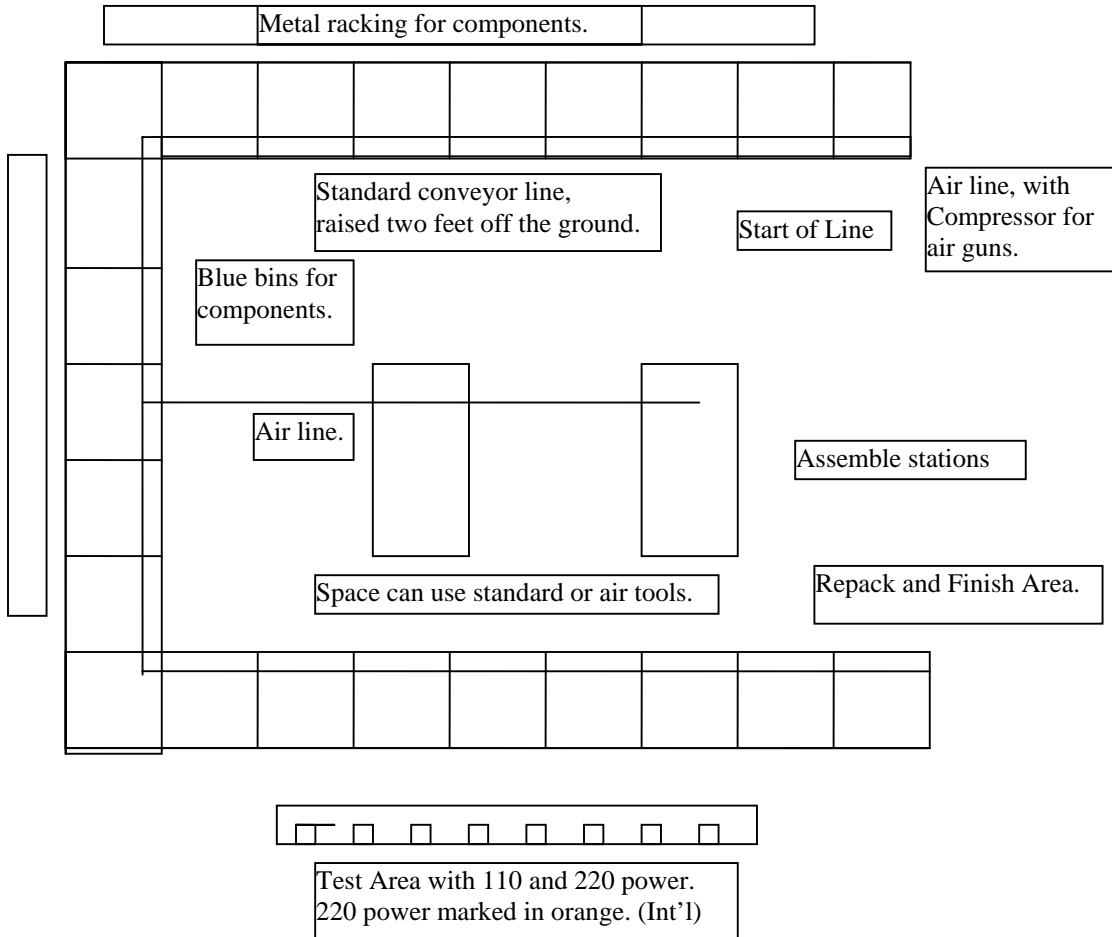
Facility is A.D.A. compliant.

By code, each bathroom allows for 15 people. Adding second fixture to men's bathroom brings that unit to 35 people. This will permit us to have 50 people working in this facility. It is strongly recommended that facility selected have Early Suppression Fire Response (ESFR). This is the fire sprinkler system that will allow us to save 10% off of our premiums for insurance. Minimum requirement would be TYPE 4. Currently in buildings one to 15 years old.

Field Service requires a conference room for training up to ten people. Two desks for their personnel to do paperwork and follow-up calls. A Reconfigure Line to reconfigure product with customer's special requirements and/or training.

Figure 4

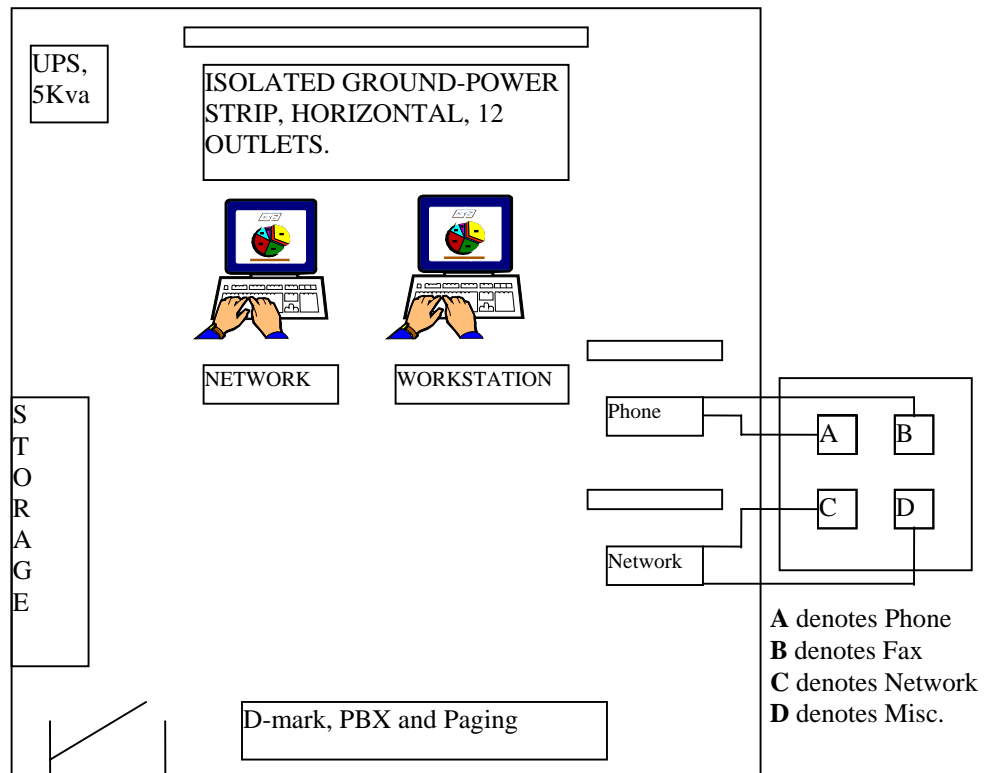
Reconfiguration Line



Information Services (I.S.) has requested a stand-alone room for handling all of our communication requirements. This is to learn from their last installation that was placed behind the women's bathroom. Room will be Off-limits to all personnel, except I.S. personnel. They have requested minimum space of 400 square feet, recommend 1500 square feet. We are a technology hungry company. Room should be large enough to meet today's needs and future growth. When installing power receptacles, we now add a communication receptacle next to it. This allows workstations to have power and access to our communications equipment. See Figure 5 for recommended Communication Room requirements.

Figure 5

Communications Room



Quad outlets every six feet. Equipment is on separate circuits. Emergency lighting required. Special dry fire suppression system required.

Everything needs power. Our facilities people have reviewed the previous requirements and have made the following recommendations:

1. Furnish and install a 200 amp lighting panel (277/480 volt).
2. Furnish and install a small (15 KVA) transformer and 100 amp (120/108 volt) panel next to lighting panel.
3. Furnish and install a 200 amp (277/480 volt) panel for the configuration line and office area.
4. Exit signs, lights and hose valves.
5. Furnish and install a 50 amp, 208 volt, and single-load center for the communications room.
6. Cooling system for Communications Room should be a 1.5 Ton roof unit cooling only. Summer design will be 78 degrees Fahrenheit inside and 94 degrees Fahrenheit in the warehouse.
7. Communications Room will be grounded, minimum 10 feet into floor. This would provide against spikes in power and lighting.

As final designs are completed, revisions may be needed. The facilities people will assist in providing layout of lighting schemes to match Warehouse Layout through Office Layout. This should reduce time for Architectural Designs and Permits.

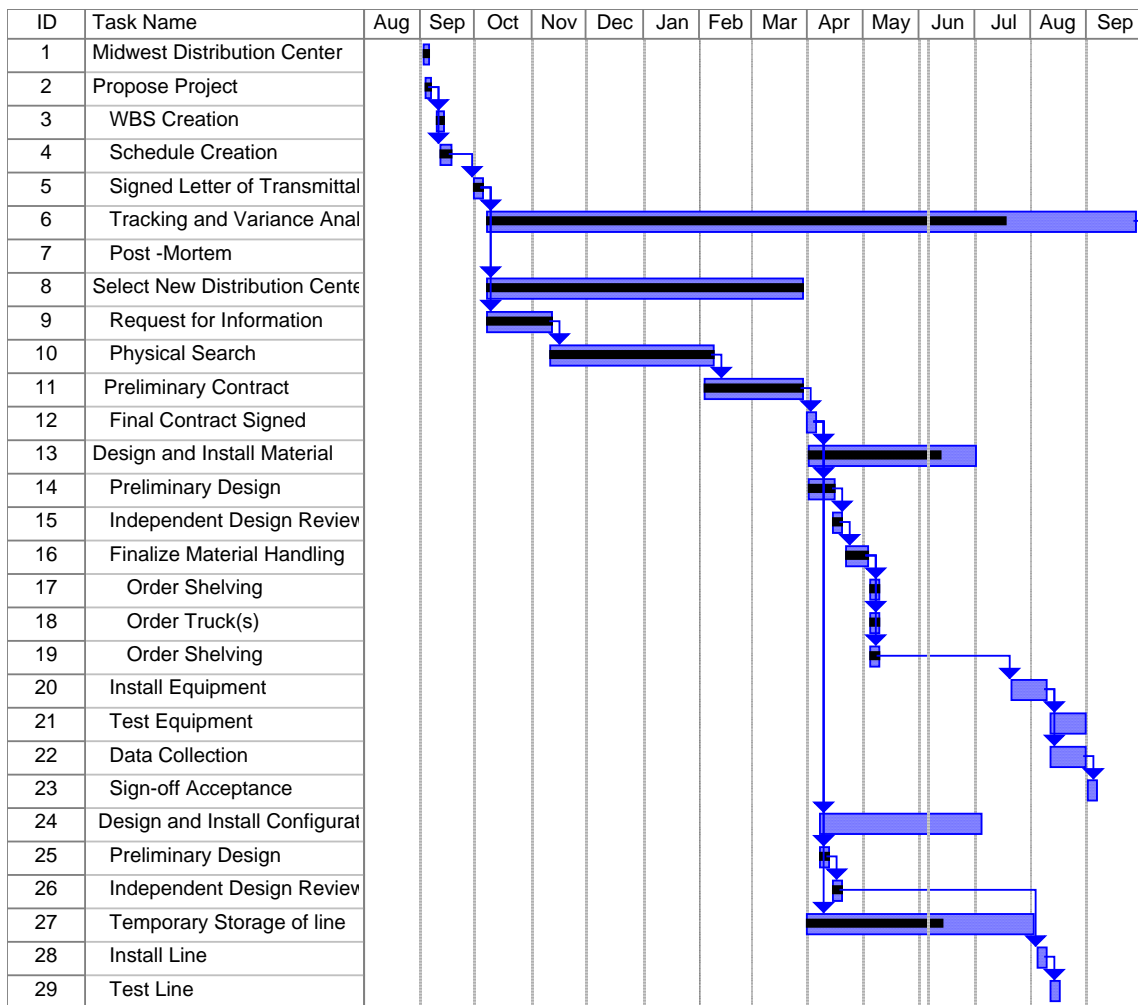
The facilities people appreciated the opportunity to get involved at the beginning of this project. The configuration line required by Field Service is currently available and will be stored in a trailer until needed. Assemble time is estimated at five days. This line was available due to changeover of an existing line.

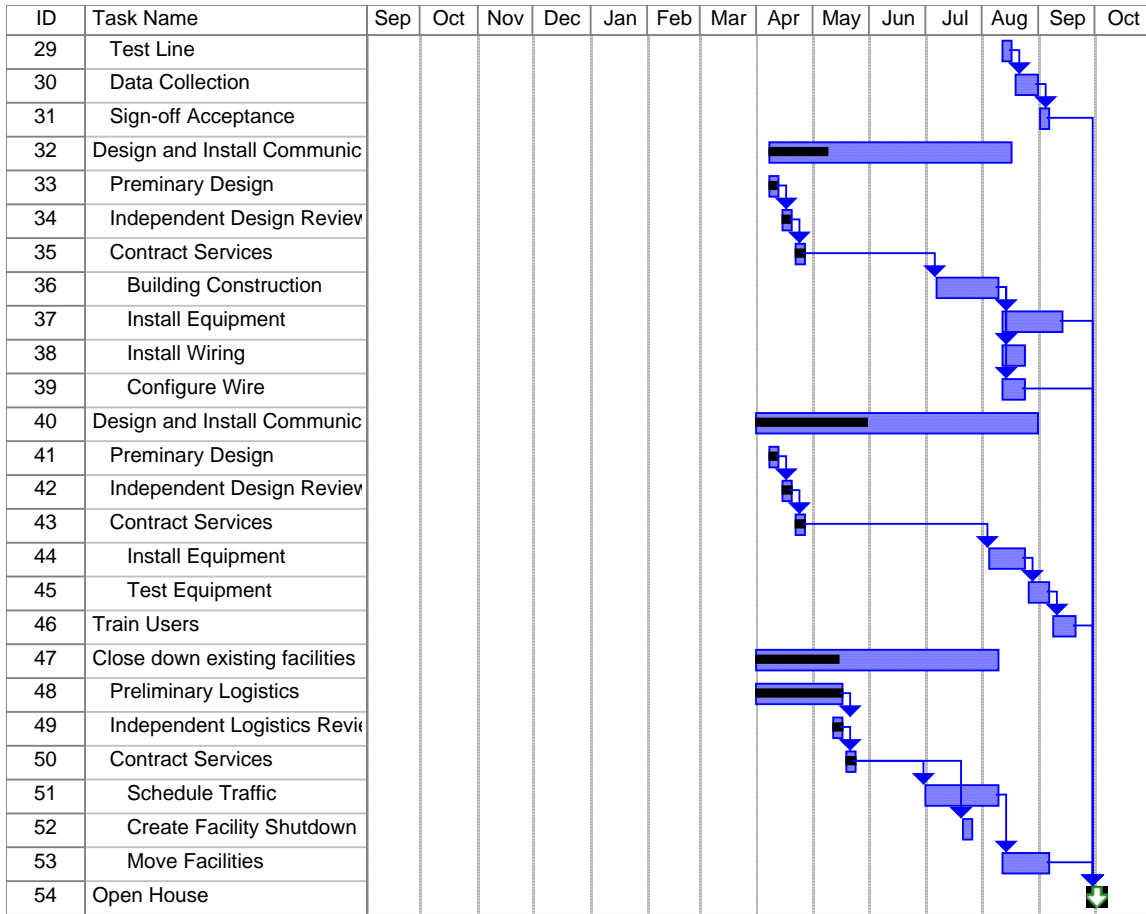
Project Schedule -

Our Distribution Center will be schedule driven, cost sensitive with high expectations for performance. The facility will be operational within one year. This facility will utilize as much existing equipment (Material Handling, Office Equipment, etc.) to minimize costs. Upgrades to existing facilities will be put on-hold, except required, to capture additional savings. No personnel reductions are planned. With the consolidation of existing operations, the Warehouse Operations do not see requirements to add staff, and plan to see a 25% increase in performance. This will be accomplished by planning out workflows before facility is operational.

Each functional group has reviewed the Distribution Center Project Schedule (Exhibit 6) and has signed off. Functional Directors are responsible for the successful completion of this facility and will have people available.

Figure 6
Distribution Center Project Schedule





CHALLENGES AND RISKS -

With this project as a division and department goal, getting other departments to value and make this project one of their goals will be challenging. Buy-in at this time is high. Weekly meeting with departments to review status and issues is very helpful.

What happens is this project does not happen on time? Don't even think about it! We will have to be very effective in motivating, soliciting support and meeting schedules. Another tool will be to develop a project report; this will be displayed in the executive conference room. The Project Manager will update weekly. This room is used weekly, for the organizations Operations Meeting. Visual aid will be a great reminder to everyone of the importance of this project.

Project Completion Plan

The Materials Group has designated Dan Martin as the Project Manager. His existing assignments will be transferred, to make this project - absolute. Once the "Memo of Transmittal" is signed, FULL SPEED AHEAD.

DELIVERABLES -

This Distribution Center will be up and running on September 30, 2003. Each functional group has provided a general requirement for this center. Together, the Project Manager and Functional Manager will plan and delivery this center on time. Each manager has risked 20% of his or her bonus on this project.

This Distribution Center will allow us to open a facility without making plans for the rehab of any portion of facility.

ACCEPTANCE TESTS -

Each functional manager will sign-off and approve work on this facility. In addition, their personnel will run functional tests on each area - prior to final sign-off. As part of the Formalize X-Area, test will be planned and documented. Figure 7 is an example of a test form, showing what is being tested and what is expected? This will confirm that Quality standards are being met.

Figure 7

Test Form

Project:_____

Date:_____

Test Area:_____

Documented by:_____

What is being evaluated?_____

How was this test performed? (Document actual steps, results, print screens...)

Results (Document):_____

Pass / Reject (Circle one)

By:_____

Use additional pages to detail information. Contact Project Manager (Dan Martin) with all questions. All results will be put on file.

ACCEPTANCE SIGN-OFF -

Before the Distribution Center can be called OPERATIONAL, each functional director must sign “Ready for Operations” (Figure 8). This will be displayed, at entrance, for Open House.

Figure 8

Ready for Operations

The undersign affirm that the Midwest Distribution Center meets all requirements for Operations. Every effort has been made to plan and test for our needs.

Director of Field Service	_____	Date	_____
Director of Sales	_____	Date	_____
Director of Information	_____	Date	_____
Director of Facilities	_____	Date	_____
Director of Materials	_____	Date	_____
VP / General Manager	_____	Date	_____

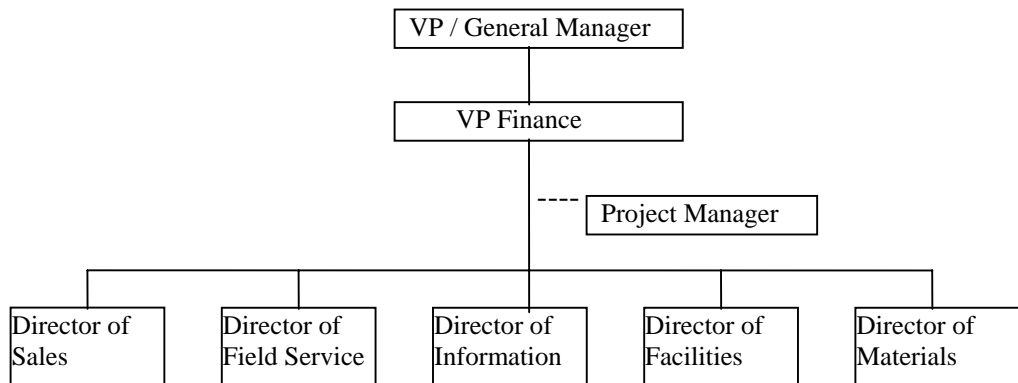
MANAGEMENT PROPOSAL

Corporate Organizational Structure

The Distribution Center must have the commitment of VP / General Manager, and VP Finance. The owner of the project is VP / General Manager. The VP Finance establishes the funding and account numbers to charge. In addition, they can request an audit of status or expenditures at any time. See Figure 9 for Organizational Chart.

Figure 9

Organizational Chart for Able Company



Project Organizational Plan

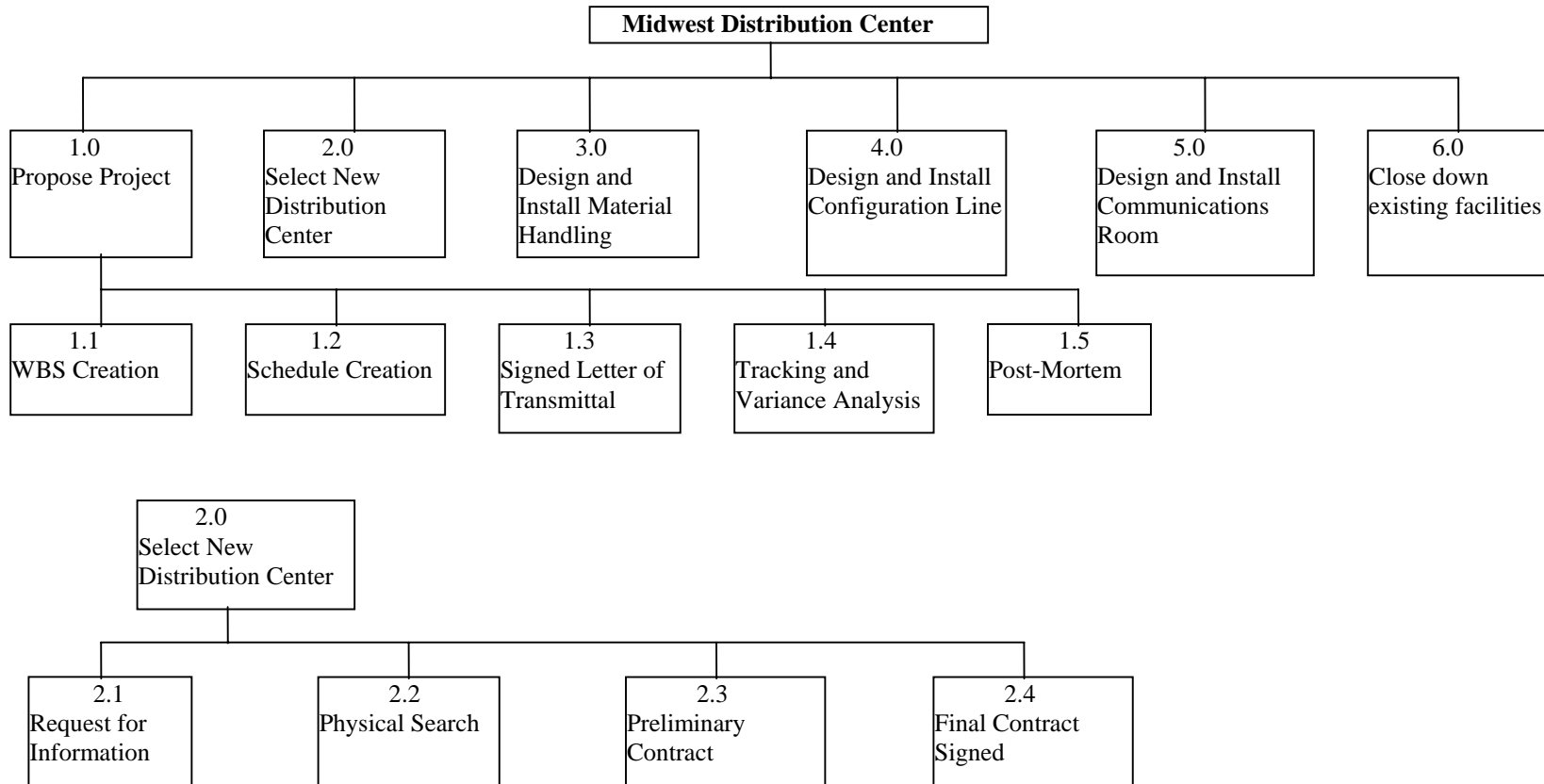
Projects are made everyday. Those that get assigned and funded are usually tied to organizational goals. This project is link to VP / General Manager's goal of stabilizing expenditures and improving efficiencies. Pessimistic sales projection, for this year, is 20% growth.

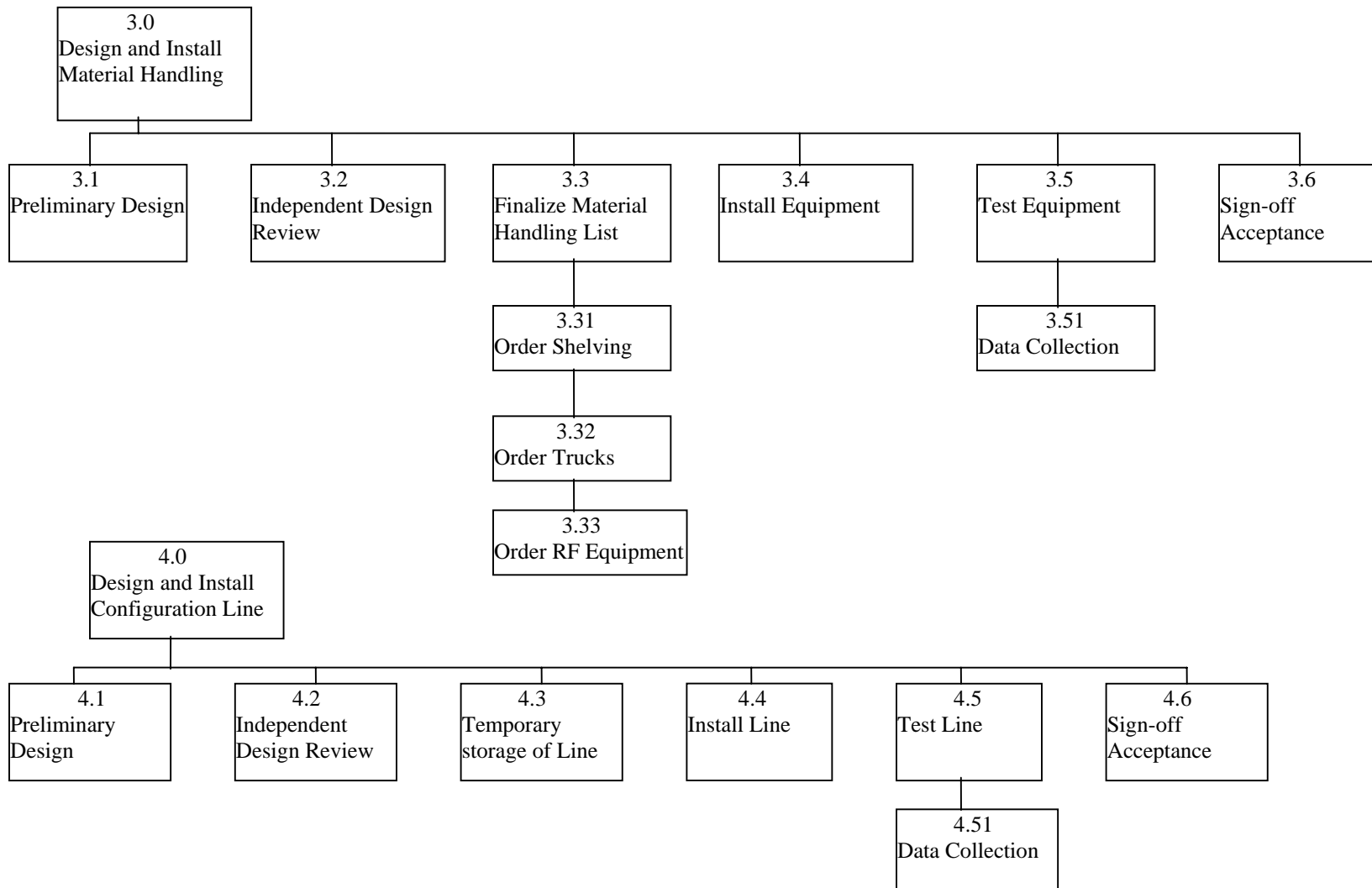
Cost will be reviewed. The initial numbers show our cost for warehouse space ranging from \$3.25 to \$10.80 per square feet, annually. Our goal is to secure the proper amount of extended warehousing space for the Satellite division, while taking advantage of any improvements, or cost saving that may be realized through this action.

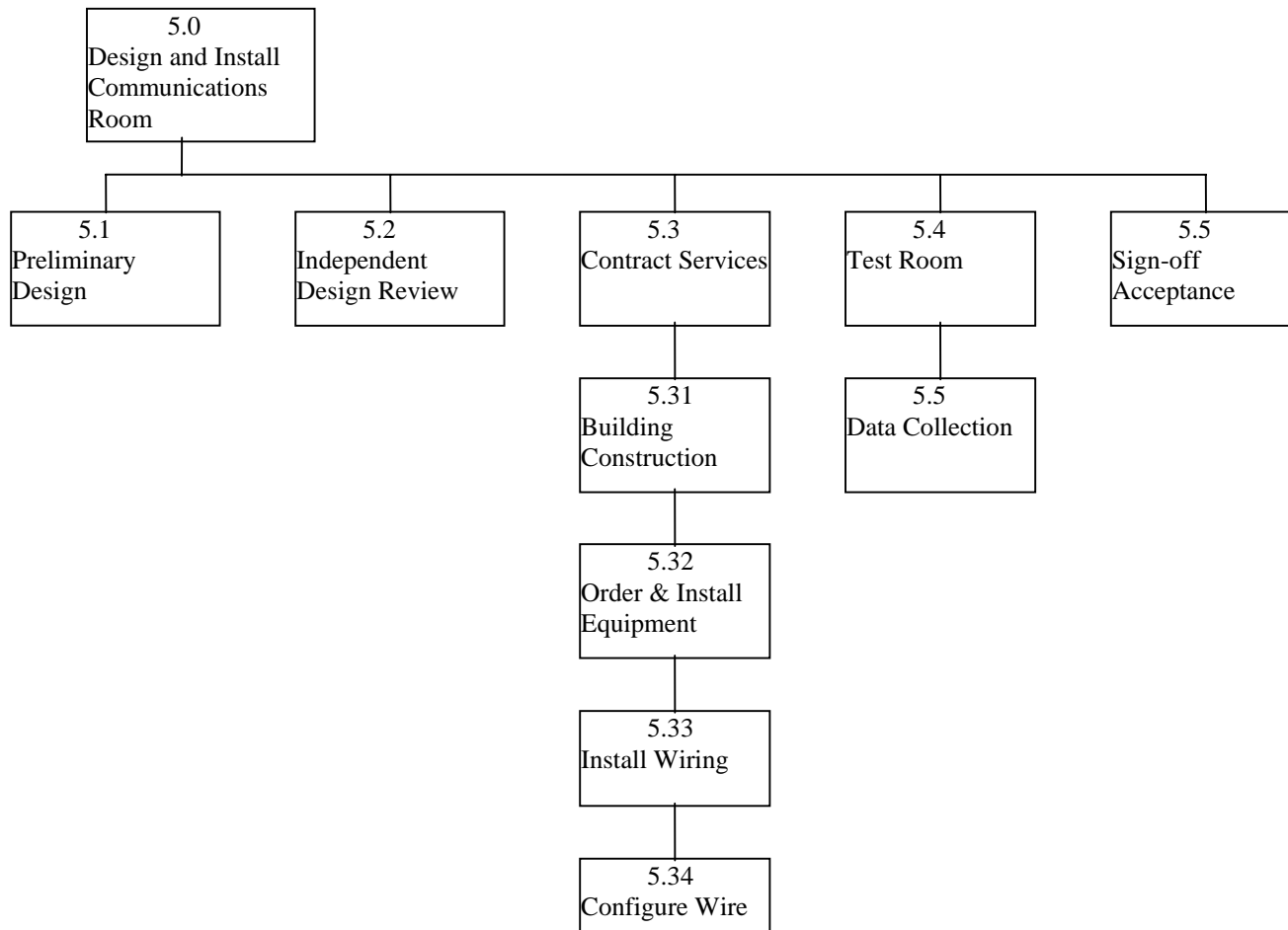
A review of the last move, confirmed that no less than \$600,000 was spent. Budgets for this year have been completed. Recognizing that we would move one operation this year, these funds will be reallocated to consolidating and opening this Distribution Center. See Gantt Chart (Figure 6, page 13) for Project Schedule.

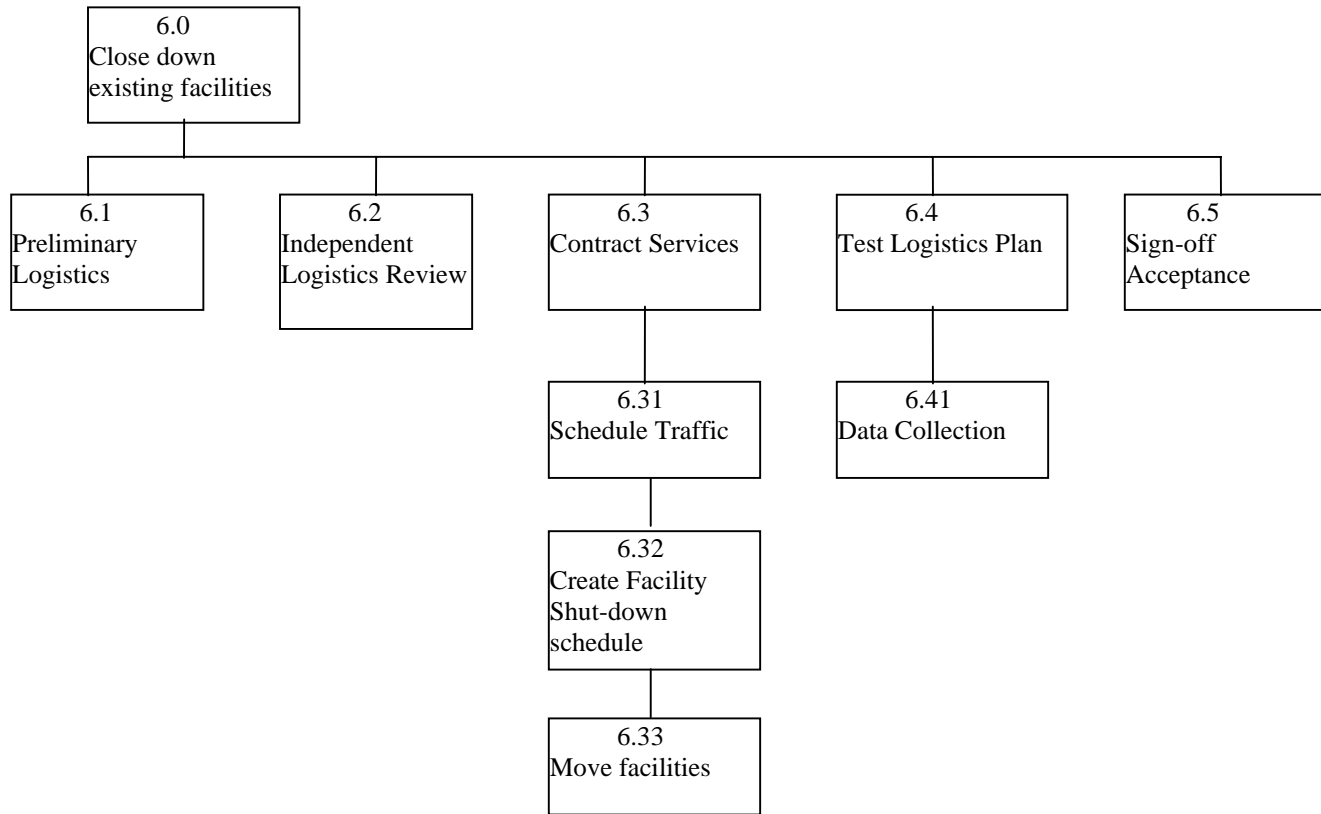
WORK BREAKDOWN STRUCTURE -

Figure 10









PROJECT TEAM -

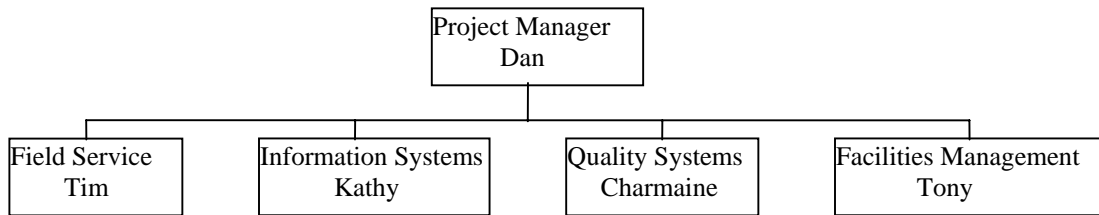
One of the difficulty issues is the selection of the Project Team. No one person has the expertise to put-together a Distribution Center. We will assemble a cohesive and performing unit. Experts from each of the disciplines required.

The Distribution Team is composed of five members: Dan, Tim, Kathy, Charmaine and Tony. They are qualified in Materials Management, Field Service, Information Systems, Quality Systems and Facilities Management. The team came to agreement on the project objectives and requirements, discussed various strategies to accomplish these goals, and came to a consensus on the strategy to be pursued. The team appears very comfortable pursuing and discussing each of these tasks, as if they had worked well together in the past.

The Distribution team will use a system approach in pursuing this project. They recognize that this is a Schedule driven, cost sensitive project. See Organization Chart for Project (Figure 11).

Figure 11

Organization Chart for Project



Each member brings a minimum of ten years experience. In addition, each has worked on projects for VP / General Manager.

Management Systems

SUPPLIER SELECTION AND MANAGEMENT -

Purchasing Policy

We operate in a climate that rewards merit and encourages fair an open competition. Purchasing decisions are made without prejudice and are based upon price, delivery, quality, service, and any other factors, which are in Able Company best interests.

Purchase Order

No merchandise may be shipped, nor service rendered without a purchase order. In case of a telephone order, a purchase order number will be verbally given with a confirmation

order to follow where pre-determined by the supplier and Able Company. Our purchase order and part number must appear on all shipments, bills of lading, and invoices.

Terms and Conditions

The information preprinted, written and/or typed on the purchase order is especially important. Should you have a disagreement, please express it in writing. If not, our standard terms and conditions will apply, and we will expect you to perform accordingly.

Deliveries

It is imperative that items be delivered promptly in accordance with the agreed upon dates on the purchase order. On-time delivery is a major factor affecting a performance rating.

Supplier Rating

As a matter of good business practice, we constantly evaluate the performance of our suppliers. Subsequent buying decisions will be based on these evaluations.

MONITORING QUALITY, COST AND SCHEDULE -

We use a supplier evaluation system (SES) as a two-way communications vehicle to foster continuous improvement at both Able Company and its suppliers. The SES tracks actual supplier performance, on an on-going basis, relative to our requirements for product quality, on-time delivery, accuracy, service/support, and lead-time responsiveness.

The SES system is used to reward / restrict business. Whenever possible, we would have a project bid to a minimum of two suppliers. Rewarding business is based on price, delivery, quality, service and any other criteria we may select.

Due to the fact that this project is Schedule driven, only those suppliers that have proven past performance will have priority selection. Material deliveries are scheduled for one day prior to usage. Computer System will detail orders due and orders past due.

MANAGEMENT OF SCOPE AND CHANGE ORDERS -

No one ever wants to see a change in scope or a change order. The Distribution team will record all requests for change, evaluate merits and cost, and provide feedback on acceptance or rejection of request. All changes will be in writing. All correspondence will be in writing. This will provide future teams data, from lessons learned.

The WBS permits each internal operation to test systems before we order or go live. The more detail they get, the better the results.

Corporate Strengths

TECHNICAL AND MANUFACTURING -

Our Engineers are trained or have developed new processes. Every concept is evaluated. Experimentation is the norm. Our organization is strong in using or experimenting with the latest technology. Markets have been reopening due to being a leader in using technology. Our manufacturing may be overly simplistic, but we are able to quickly change direction - in a heartbeat.

BUSINESS AND FINANCIAL -

We have experience in developing markets. Capitalizing operations at one-half to one-fifth our competition. Our financial statements are strong, and have money in the bank.

FACILITIES -

In the last five years, we have begun to move operations into new facilities. Existing facilities are nearing their prime. Communication and power needs have exhausted our physical plants. This project is driven to upgrade and move into new facilities.

COST PROPOSAL

Project Cost

TOTAL PROJECT COST -

This project is planned for \$600,000.

BREAKDOWN OF PROJECT COST -

Figure 12

Proposed Expenditures

ELEMENT	ESTIMATE	SOURCE
Lease Deposit	\$ 20,000 (One Month)	Broker
Material Handling		
Shelving	100,000	Supplier (Quote)
Dock Locks	15,000	Supplier (Quote)
Van	20,000	Data based*
RF Installation and Equipment	200,000	Supplier (Quote)
Construction		

Office	60,000	Data based*
Communication Room	40,000	Data based*
Communication Equipment		
PBX	30,000	Data based*
Desktop Computers	25,000	Data based*
Wiring	16,000	Supplier (Quote)
Software	19,000	Data based*
Move facilities	50,000	Data based*
Contingency	<u>25,000</u>	Risk, unknowns
Total	\$600,000	

*Cost is on system. Material purchased within the last two years.

The risk associated with this project is high. Cost will have to be monitored and reviewed on an on-going basis. Procurement will need to present alternatives.

PROGRESS PAYMENTS -

Due to the fact that we have selected to lease versus buying, majority of payments will be at the end of the project. Upon signing of contract, any Lease Deposit must be paid. Majority of work, that involves a payment, will be going on in August, and September 2003.

Figure 13

CONFIDENTIAL

Date: September 7, 2002

To: VP / General Manager

From: Dan Martin

Subject: Product Distribution Center

This memo is to update you on the status of our Product Distribution Center.

	Plan Budget	\$ 600,000
Expenditures:		
Shelving		\$ 110,000 (A)
Electrical		45,000 (A)
Communications Room		55,000 (A)
Railing system around Communications		2,000 (P)
Network Upgrade		5,000 (A)
Phone/Network Upgrade		10,000 (P)
Phone		400 (A)
D-Mark (Ameritech Wiring)		5,000 (P)
Computers 2 - 586 models		4,000 (A)
Material Handling		40,000 (P)
RF Installation and Equipment		200,000 (P)
UPS - Computer Room		5,000 (A)
Sign - Able Company		600 (P)
Move and set-up communications wiring		40,000 (P)
Open House		1,000 (P)
Security Locks		1,000
(P)		
Lease - Fork Lifts		27,000 (P)
Lease - Security System		13,000 (P)
Labor - Move		5,000 (P)
Logistics - Traffic		<u>31,000 (P)</u>
	Planned Expenditures \$	600,000

Customer Provided Resources

It is a given that Purchasing will get the best price for services and materials. Our best area for PROVIDED RESOURCES will be in the negotiation of lease facility. We are expecting all Warehouse Lighting and Facility Power requirements to be the responsibility of the Lessor. In addition, funds allocated for the construction of offices.

Terms and Conditions

Other than our standard boilerplate, any contract for Lease or Purchase of Land/Facility must include HAZARDOUS SUBSTANCES section or article - see legal for specific language and content.

LESSONS LEARNED

At the conclusion of this project, the Distribution team will get together to add comments on Lessons Learned. What worked? What did not work? If you could of change anything, what would you change? Comments from Suppliers. The purpose for this section is to give the next team - information.

SPECIFIC FUNCTIONAL PLANS

Monitoring and Controlling of Project Cost and Schedule

Project cost can get out of control very easily. Lease versus Buy decisions would have to be made. To maintain a running status report, we would update weekly a CONFIDENTIAL Project Cost report. (Figure 13) As you can see, on this report, actual expenditures can be broken out and listed. At the end of each line is an A - Actual, or P - Planned. All items over \$5,000 would require a minimum of two quotes, or justification of why only one quote.

Once the final site for the Product Distribution Center is found, a supplier roundtable would be held at that site. Each supplier would then have the opportunity to comment and make decisions. A copy of proposed layout would be given to them. Members of the Project Team have questioned if we should have competitors for different issues in attendance? Our answer was a positive - YES! This way different viewpoints can be brought up. In addition, everyone would get the same Questions and Answers. Excellent opportunity for open dialog and cross-dialog.

Together this should simplify the project schedule. Suppliers will have the opportunity to talk and communicate with each other. Concerns and timing of events can be better managed.

To assist in controlling the project costs and schedules, we would have the local regulatory agencies on hand to assist in our review. At a minimum, the Fire Department Marshall and local Inspector would be invited. They can provide insight. Their concerns or comments can also be addressed.

Change Order Control

Due to the sensitivity of this project, two areas will be addressed. The first is in regards to Purchase Order cost and delivery. The second is in regards to the customer.

To start, cost and delivery must be watched. As addressed in the control and monitoring section, measures have been taken to keep an eye on our targets. But with any project, final invoices do not always match Purchase Order. To control this issue, the following directive has been instituted.

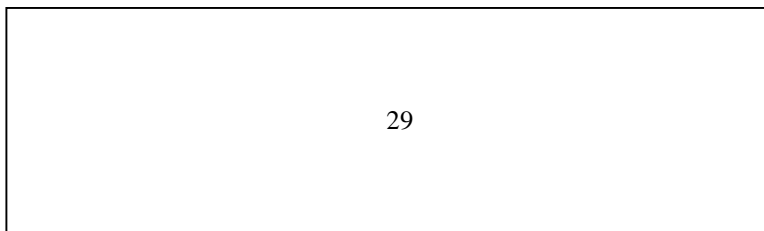
Figure 14

	Purchase Price Variance	Schedule Variance
Project Manager	10%	Within Schedule Horizon
Director	25%	Outside Schedule Horizon
VP / General Manager	> 25%	Outside, plus two weeks

The other issue is the customer. Our direction for the future must be customer focus. Sales and Marketing can provide insight, but the customer can provide the best information for a trend, product quality, likes, dislikes.... Everyone talks about the customer, we will listen and respond. Every satellite will have our "Complaint card" attached to the front of each unit (Figure 15). We want to remove the mystery about our products, people and processes. This will be our tool to control change within our organization.

Figure 15

Complaint Card



Please Complain.

Call 1-888-555-5555 with your comments. We want to hear from you! Even if you just want to talk.

Sales would provide a weekly status report. This report would be ranked from highest to lowest. Distribution to all departments to get the greatest impact. Performance will be reviewed upon addressing and improving customer requirements

Work Authorization

No work will begin, on this project, until management signs off and approves **Letter of Transmittal** (Figure 16). This is their commitment to fund this project. Once management has approved Project, accounting will assign an account number to track and monitor project cost.

The project team will then have authority to write and approve Purchase Orders. Accounting will be an auditor of our numbers. Even though we update weekly - Project Costs, Accounting can confirm that we are within budget.

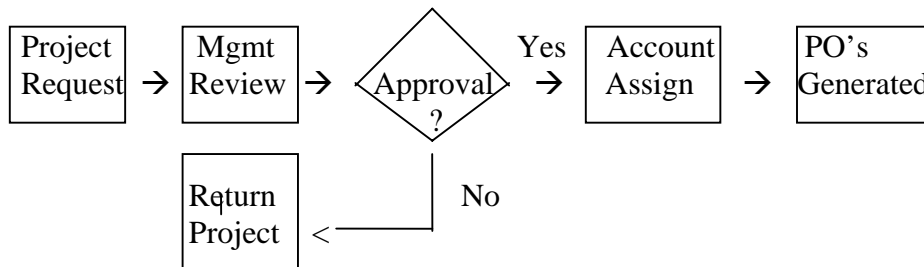


Figure 16

LETTER OF TRANSMITTAL

Date: October 3, 2002

To: VP / General Manager
From: Director of Materials
Subject: Product Distribution Center

Usable warehouse space throughout the organization is at an all time low. We are submitting the following plan for the consolidation and start-up of a Product Distribution Center.

This project is to replace moving the Finished Goods warehouse, and replace with the consolidation of all Local Warehouses. Sales plans are putting a strain on resources. Permitting us to consolidate operations would reallocate resources and make better use of operations. The organizational goal of streamlining operations would be immediately recognized.

The budget for this Product Distribution Center is \$600,000. The same as moving

- Reduction in Security expenses.
\$100,000 x 2 = \$200,000
- Elimination of Budgeted expenditures to upgrade local communications. \$178,000

The organization will save an additional \$378,000, next year. Proposal for Product Distribution Center is enclosed for your review.

To maximize our savings, I am requesting your **Acceptance of Proposal** below. The prices, specifications and conditions are satisfactory and are hereby accepted. This project is good until October 31, 2002.

Best regards.

Acceptance of Proposal: _____
VP / General Manager Date

Communication and Computing

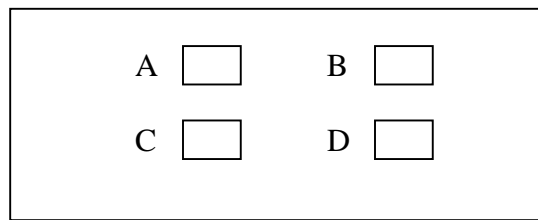
Resources and time are limited. We have made the decision of installing a computer room to link Product Distribution Center, with Main facility. The purpose is to make using the Computer as seamless as possible.

Each desktop computer will be a minimum of a Pentium 4/866. Each machine will have installed Mainframe Emulation software, Windows XP and Microsoft Office. This will allow us to standardize our platform throughout our operations.

Each workstation will have a communications box, which will permit users to plug into phone, fax and network communications. (See Figure 5, page 10) The network comprises of a Novell Network Workstation. The network will have a primary and secondary modem line tied to Main facility.

Figure 17

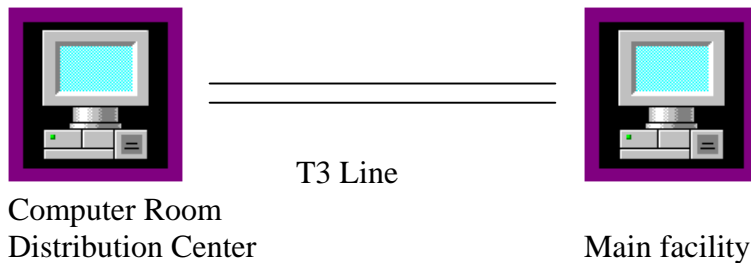
Communications Box



The communications box looks similar to an electrical outlet. A/B are used for Phone and Fax. C/D is used for Network connections.

Figure 18

Network Communications



Using a Network computer permits us to have one data line in use versus everyone using a land line. Every system is password protected and backed-up daily on the Network. Tape security will be maintained by I.S. protocols.

Documentation, Drawing and Data Control

Once this project is approved, the project team sat down and discussed the use of documenting and storing all records under one system. We determined that this project would be accessible under the IE network, Directory P (Projects), Master file would be DC (Distribution Center). All correspondence, memos, quotes, drawing, etc... would be stored and made available to future projects (Inquiry Only).

Figure 19

Data Control

IE/P/DC/Project Request
/Notes
/Minutes
/Drawings
/CAD
/Purchasing
/IS
/Quality
/Planning
/Other

ICON



ICON was installed on each project team members Laptop to quickly access data. All original documents will be retained by Project Manager.

PROJECT PROGRESS

The project is meeting expectations. Allowing time to test and set-up equipment ahead of time is paying off. The Information Services (I.S.) group had extra personal computers and installed and tested our requirements ahead of schedule. The only request they made was upon transfer of equipment, we replace as committed.

Suppliers are within one week of their requirements. A walk-thru of the facility found a few safety issues that will be corrected prior to opening. The Communications team identified an issue with the phone A-Pop. The phone people ran the line to the building not to the Communication Room. Additional cost of \$5,000 was required..

Our OPEN HOUSE is scheduled for September 30th. The critical issue is now - “How to handle material?” The landlord has advised that space can be used to store material while building is under construction. Need to review impact to contractors and installation of shelving. If this is feasible, we will see saving in temporary storage expenditures.

Under Documentations, the team had taken the opportunity for future cloning of this project. All forms, notes, drawing, etc., are available to the next team. If possible, we would like to continue this process.

A formal letter of “Thank You” will be sent to each employee upon completion of project. This will recognize their efforts and success in completion of consolidation of operations. Copy to their Manager and Personnel file.