

THE PMI WAY

VOLUME 3

ISSUE 1

A NOTE FROM DON SILVA'S DESK

Inside this issue:

Pittsburg	2
Los Angeles	2
Sacramento	3
PMI Way Suggestions	3
Safety	4
YTD Safety Statistics	5
Summer Picnics	6
The Scoop	7
Helping Out	8

PMI is entering into our fourth year as an EMCOR company. Three years ago the question was, "What do you think? Was it the right decision to sell the company?" At the time I wasn't sure that it was right for the company or just right for me and my family. I knew that EMCOR brought with it the financial ability to grow, to perform projects that PMI could not even have thought of before EMCOR, projects that we had grown the in house capabilities to perform, but because of our limitation on our bank line and bonding capabilities, were excluded from pursuing or acquiring these projects. During the first few years when asked this question, I would say we are still on our honeymoon and I would let them know when the honeymoon was over. Well, moving into the fourth year, I would say the honeymoon is officially over.

We have been fortunate to have had a large backlog over the last two years that we would not have been able to have without EMCOR ownership. We also received a larger contract for a project that was a combined effort of two EMCOR companies that turned out very successful for both companies.

With three years under our belt, I can say the discussion to sell was the right

decision for all involved. This is not saying that PMI management and EMCOR agree on all aspects of PMI's position on what we are allowed to pursue and acquire; however, at this time, I have to tell all of you that the good outweighs the bad by a large amount. We can now say we can compete with any major contractor out there on industrial projects.

Our success on the Valero V.I.P. Projects, which was performed over two years with over 900,000 MH's and a value exceeding \$120,000,000, put PMI at a level that makes PMI a Prestigious Industrial General Mechanical Contractor in the state of California and the Nation.

We are in an unknown economical climate at this time that will require all of PMI employees (family) to work together to recover and continue on our successful path.

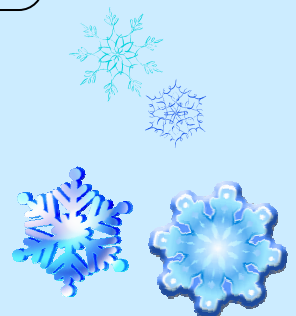
I would like to thank everyone involved at PMI in our success until now, and thank everyone in advance for their hard work to continue to keep PMI the Prestigious Industrial General Mechanical Contractor we have become.

Don Silva
President/CEO
Pittsburg

Don't Forget!!!

*The Holiday Party for the LA Office will be held on **December 4, 2010** at The Portofino Hotel & Yacht Club in Redondo Beach.*

*The Holiday Party for the Pittsburg and Sacramento Offices will be held on **December 11, 2010** at the Marriott San Ramon.*



PITTSBURG

Lots of “hustle” going on in estimating right now, we’re calling it “Operation Sharpen Your Pencils” in order to obtain work for now and backlog for down the road. We’ve missed some heartbreakers lately that were very competitive bids, but as most of you know, in this economy you have to get creative and in essence build a better mousetrap. We are using our past and present experience, knowledge, personnel and relationships with our customers in order to bid the volume of work needed to keep this company headed in the right direction.

The challenge I throw out to each of you reading this is to remember – our reputation lies on your shoulders, on the front lines, at our

corporate offices, in our fabrication shops, in each office and cubicle, and with every employee who makes a positive impact on each of our projects. Keep your head up high, keep selling PMI everyday and our customers will ultimately realize what type of contractor they are buying when we mobilize onto one of their projects – a contractor second to none in our industry.

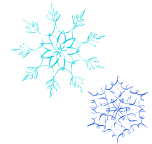
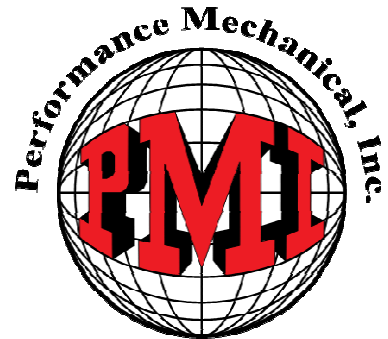
Some projects of notable size (either in house or due in the next few weeks):

***Marathon Oil** (Detroit, MI) – Coker and Sulfur M&P Projects

***Shell Oil** – Martinez – CRU Energy Recovery Project (Texas Tower)

***Central Valley Gas Storage** – Colusa County, CA – Civil, Piling and Concrete Work

Kevin Parker
Chief Estimator
Pittsburg



LOS ANGELES

We have a lot to be grateful for in Southern California. As the year winds down once again (wow...this year went fast), our work load has picked up.

Recently the Conoco Phillips team, lead by Jack Malisani and Chris Kraft, completed a successful 30 day TAR in the FCC unit. Manpower reached 80 people together on days and nights. PMI's scope of work included piping prefabrication, piping demolition and installation of newly pre-fabricated piping. There were many challenges with regard to Safety and Quality Control. Special thanks to Lonny Stephenson, Herman Davis and Victor DiOrio on managing Safety and Quality on this project.

Other current projects include the LA Sanitation Power project, NRG El Segundo Project and Anheuser Busch in Van Nuys. The LA

County Project continues to move forward. PMI is 30% complete with an expected completion mid year 2011. Bill Allen and Randy Cole have assembled a talented field staff to support the 30 plus craftsmen on site. The NRG El Segundo site managed by Richard Nava and George Hernandez, is pushing forward to complete demarcation activities scheduled to be completed in June 2011. PMI is performing both piping and civil work on site. Anheuser Busch LA continues to keep our presence with miscellaneous projects, as well as our normal holiday tie ins.

The Fabrication Shop and Estimating has been busy with various Shop Fabrication and Field opportunities. Estimating was recently awarded the 29 Palms Cogen Facility at the Naval Marine Base in 29 Palms. Thanks to Dennis Braddock on his efforts to bring in that project. The Fabrication Shop has been busy throughout the year supporting the LA County Sanitation project, Valero Benicia and various outside contractor/client de-

mands. Nice work by Tom Bishop's team.

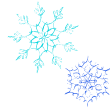
PMI LA will be having our first Holiday party in LA. Our Holiday party will be held at the Portofino Hotel and Yacht Club in Redondo Beach on December 4th. An advanced "thank you" goes out to Virginia Aguirre and Dawn Silva for putting the celebration together. I am certain we will have a great time.

Finally and on an infrequent personal note, Denice and I are especially thankful for the safe and healthy delivery of our twins (boy and girl) on October 14th. Major J. Maxamilian Klaus born at 12:41 am, 5 pounds, 15 ounces. Britton Zedene Klaus born at 12:43 am, 6 pounds, 8 ounces.

Have a safe and happy holiday season!!

Steve Klaus
Southern California General Manager
Gardena

SACRAMENTO



It has been a very busy summer for the Sacramento area. We started out the year with the takeover of the Wild Goose project in Gridley and have been staying pretty busy since then. We have been covering a large geographic area, with jobs in Colusa, Winters, Suisun City, and Ripon going on all at the same time, along with work for our core clients within the Sacramento area. The Fabrication Shop has been staying busy taking care of all our PMI projects and doing some fabrication for outside clients as well.

It seems that we are traveling further and further to find projects these days. This can sometimes cause a hardship or inconvenience for both our employees and their families who have to adjust to having less time together because mom or dad is gone for more hours of

the day or sometimes away from home in the evenings. We have had tremendous support from PMI staff and supervisors who have been filling critical roles on projects away from their home area. This often requires staying away from home during the week and only being able to go home on weekends. Many thanks to every one of you who continue doing whatever it takes, day in and day out, to keep PMI performing at such a high level.

Looking toward the remainder of this year and into 2011 we can see that many of our projects will continue to come from outside the Sacramento metro area. Some key local projects have been delayed or postponed due to permitting or economic setbacks. We also see more challenges from our competition because there aren't as many projects coming out as there was in

years past so the competition is fierce. This means we have to get more competitive both in our bidding strategies and in the way we execute our projects. I am already seeing signs that we are making the appropriate adjustments and I am confident that next year will be as good as or even better than 2010.

At the time of this writing I look at the calendar and see that once again that holiday season is approaching. Here's hoping for all the best for all our PMI family through the coming holidays. Hopefully we will see many of you at the PMI Holiday Party or other functions this fall. Happy Holidays!!!

Mike Teague
Sacramento Region General Manager
Sacramento



PMI WAY IMPROVEMENT SUGGESTIONS

Many thanks to those employees and their supervisors who submitted ideas that could improve PMI's culture and contribute to our continued success. We hope to see more suggestions and ideas from you in the future!!

- Rick Carpenter
- Jim Celli
- Chris Chappelle
- Dave Craig
- Eric Gillespie
- Lesa Harris
- Denny Hollison
- Michael Kraft
- Shirley Lammon
- Joe Mackle
- Kevin Parker
- Bill Ramsey
- Mike Teague



QC

On May 5, 2010, at Spenger's Restaurant in Berkley, CA, **Jimmy (Denny) Hollison** (QA Manager, Pittsburg), was a guest speaker for the San Francisco Section of the American Welding Society. Sixty-eight members attended this final meeting of the season to hear details about the certified fabricator designation.



From left to right: Tom Smeltzer, San Francisco Section Chairman and Denny Hollison

ROAD TO ZERO

3rd Quarter \$10,0000.00 Raffle Winners
((\$500.00 each before taxes)

George Bell
Kenneth Bottoms
Jorge Catalan
Miles Coleman
Gordon Darling
Paul Davis
Joseph Flores
Diego Frias
ArUn Goswami
Bernice Hall

George Hernandez
Anthony Herron
Michael Kenyon
Mike King
Steve Lawrenz
James Lewis
Robert Reyes
Norman Rigney
Sage Sengo
LuIS Zaragoza

CONGRATULATIONS TO ALL THE WINNERS!

FOCUS on ZERO and remember:

ZERO ACCIDENT PLAN (ZAP) – ONE DAY AT A TIME

ZERO Injuries is a concept that involves you the employee and one simple task:

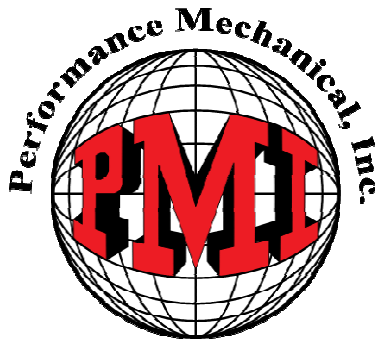
Work One Day at a Time Injury Free for an extended period.

At PMI this is not just a good idea, but the way we work – EVERYDAY!

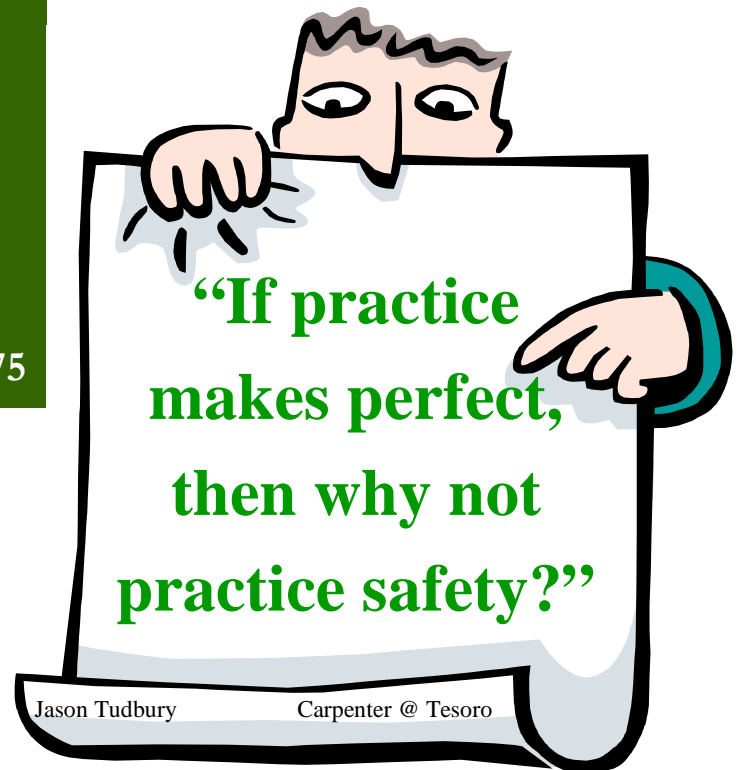
2010 Year-To-Date Safety Statistics

(Statistics through 10/31/2010)

Total Recordable Injuries	1
Total Recordable Injury Rate (TRIR)	.16
Total Lost Time Rate	0
Total Restricted Duty Rate	0
Total Work-Hours	1,212,575



3RD QUARTER SAFETY SLOGAN WINNER



SAFETY

WOW!!!!!! Here we are wrapping up a successful year. From the safety department, we take our hats off to all that have participated in the PMI Way in all of its fabric, from quality to productivity/efficiency and lastly safety. It is no wonder that PMI paves the road for safer construction sites tomorrow. We should all be extremely proud of our accomplishments in 2010, especially considering the stringent grip that Cal OSHA puts upon us.

We appreciate all of your patience to the ever growing and changing safety world, with the understanding and hope to make our industry a safer place for those who work in it now and will work in it tomorrow.

On behalf of the safety department and the three safety committees (L.A., Sacramento and Pittsburg) we thank you for working for PMI and working safe. SO THANK YOU!!! IT MAKES A DIFFERENCE!!!!

Chris Moulden
PMI Corporate Safety Director
Pittsburg

WORDS TO LIVE BY
DO THE RIGHT THING, EVEN
WHEN NO ONE IS WATCHING

be
there
for
life!
ZAP ACCIDENTS

CORPORATE COMPANY PICNIC



On July 10, 2010, at American Canyon Community Park, the Corporate Office held their biennial Company Picnic. The picnic was equipped with good food and fun activities such as: volleyball, horseshoes, inflatable bounce house and boxing ring, caricaturist, face painter and activities for the kids. They also got to have a lot of fun taking pictures in the photo booth, provided by Dawn Silva. Everyone had a great afternoon!



LA COMPANY PICNIC



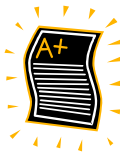
On August 21, 2010, at Halecrest Park in Costa Mesa, CA, the LA Office and their families enjoyed a safari themed company picnic. They enjoyed fun activities such as: Hula Hoop Musical (like musical chairs), horseshoes, water balloon throwing contest, various kid games, food, drinks and PMI giveaways!



THE SCOOP 2009-2010

ACHIEVEMENTS

Andy Hosler (VP of Pre-Construction & Special Projects, Pittsburg) took part in the Death Ride on July 10, 2010. He rode 130 miles and climbed more than 15,000 vertical feet over 5 mountain passes as high as 8,800 vertical feet.



Another achievement by **Andy Hosler**....He passed the Hawaii State Licensing Exams! Way to go, Andy!

On October 3, 2010 **Andy Hosler, Kevin Parker, Jeff Rosellin, Estella Escobar and Dimitri Hrovat** participated in the Mt. Diablo Challenge. They rode from Danville to the summit of Mt. Diablo, which is 11 miles and 3250 ft. up. The ride consisted of 1,000 riders from ages 8-80 years old.

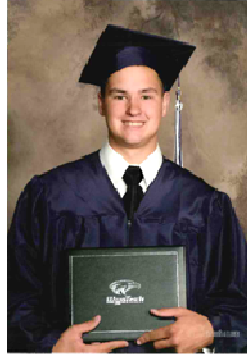


Miles McCoy, son of **Denney McCoy** (Field Supervisor, Pittsburg) and wife Michele, graduated from Washington & Lee University School of Law on May 8, 2010 and took the California State BAR exam on July 27-July 29, 2010. Great job!!!

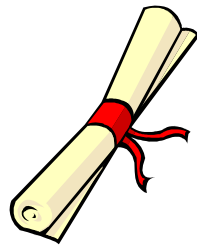


GRADUATIONS

On June 18, 210, Michael A. Kraft, son of **Lesa Harris** (Accounts Payable, Pittsburg), graduated from Wyotech in Sacramento, CA.. He received his degree in Automotive Technician Specializing in Motorsport Chassis Fabrication. Congratulations, Michael!!



Michael A. Kraft



ANNIVERSARIES

Congratulations to **Denney McCoy** (Field Supervisor, Pittsburg) and his wife Michele for celebrating their 30th anniversary on July 19, 2010.



On September 28, 2010 **Jon Hosler** (Project Manager, Pittsburg) and his wife Jennifer, will be celebrating their 8th anniversary. Congrats!



BIRTHS

On July 2, 2010 at 8:30am, **Bryan Vicknair** (Software Engineer, Pittsburg) and his wife Nicole welcomed their first child, Landon James, to their family. Congratulations!



Landon James Vicknair, 7.5lbs, 18 in.



On October 14, 2010, at 12:41pm and 12:43pm, **Steve Klaus** (Southern California General Manager) and his wife Denice welcomed a set of twins to their family. Major J. Maxamilian, weighed 5lbs, 15oz. at 18in. long and Britton Zedene weighed 6lbs, 8oz, at 21in. long. Congrats!



Major J. Maxamilian
Britton Zedene



ENGAGEMENTS

On July 30, 2010 at Pier 39 in San Francisco,

Dawn Silva, daughter of **Don Silva** (President) and wife Martha, got engaged to her long-time boyfriend Norman Rigney. Congratulations you two!



WEDDINGS



On August 7, 2010 **Elsa Diaz** (Warehouse Laborer, Pittsburg) got married! Congratulations!

HELPING OUT

On July 3, 2010 a group of PMI employees went out to Diane Kraak's (wife of **Larry Kraak**) home to complete the well house that Larry was working on before he passed away. Many thanks to the following individuals: Jim Whitecotton, Roy Fortner, Willie Villalba, Paul Thompson, Alan Lumsden, Robert Coe, Marcos Galaviz, Marten Jewett, Roberto Landa, Bill Carpenter, Steve Kraak and Bill Jones. Their hard work and thoughtfulness was deeply appreciated by Diane as you can read in her thank you card below.

Dear P.M.I. family -

I want to thank you so much for taking care of me and finishing Larry's project.

It showed to me the respect and honor you shared with one another, and I will never forget this feeling of kindness & love you have given to me & to your friend & brother Larry. I miss him everyday but with family & friends like you it makes life a little easier. Let's stay in touch and have a B.B.Q sometime here at the house. Larry would like that.

Thank's again
Love, Diane Kraak



PERFORMANCE MECHANICAL, INC.

The PMI Way

The PMI Way is published for Performance Mechanical Inc. employees. Please submit ideas or comments to Lauren Gugliermo at (925) 432-4080 ext. 3181.

Lauren Gugliermo...lgugliermo@perfmech.com

Corporate Office
701 Willow Pass Road, Suite 2
P.O. Box 1516
Pittsburg, CA 94565-0151
Phone: 925.432.4080
Fax: 925.432.4141
www.perfmech.com

Sacramento Office
8670 Younger Creek Drive,
Suite 101
Sacramento, CA 95823
Phone: 916.421.4087

Los Angeles Office
17925 S. Broadway
Gardena, CA 90248
Phone: 310.327.3205

