

News from the Hill

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IN THIS ISSUE

- 1 Emerging Markets Take Center Stage
- 6 Groundswell of Economic Growth in U.S. West Could Launch National Recovery
- 9 Project Management Oversight: A New Perspective
- 10 Hill Hires, Promotes Key Executives
- 12 About Hill
- Editorial/Acknowledgements

Emerging Markets Take Center Stage



*Construction in Brazil and other emerging countries is booming.
Pictured: Atrium Faria Lima, Sao Paulo, Brazil.*

*West Coast projects gaining speed.
Story page 6.*



As the economies of Europe and North America, Japan and other long-industrialized regions continue to struggle to gain sure footing, executives at Hill International and other global companies are turning their attentions — and marketing dollars — to areas of the world whose economies are, conversely, breaking into a sprint. These nations and regions — pockets of growth in disparate areas of the globe — have been termed the world's next emerging markets, and are being both carefully watched and ardently courted.

These emerging markets — counties or regions of the world that are experiencing rapid economic growth and, in many cases, historic societal shifts — are expected to make up well more than half of the world's economy by the middle of the 21st century. While economic experts differ on the specific nations or regions involved in this heady growth, all agree that the economies of the BRIC (Brazil, Russia, India and China) nations are the fastest growing.

"In Central and South America, we're seeing economies with growth rates far in excess of that in the U.S.," said Frank J. Giunta, P.E., Senior Vice President and Managing Director (Americas) of Hill's Construction Claims Group. "Throughout both regions, you're seeing rather significant growth, particularly in Brazil."

The Republic of Brazil is, by far, the largest country in South America, and the fifth largest in the world in terms of its population and land mass. Brazil's economic strength is equally impressive: its gross domestic product, at \$2.3 trillion, ranks seventh in the world. Brazil's star is expected to continue rising. In June and July of 2014, it will host the renowned

continued on page 2

Emerging Markets *continued from page 1*

FIFA World Cup, held every four years and followed zealously by nearly every country in the world. Two years later, Brazil's most famous city, Rio de Janeiro, will host the 2016 Olympic Games. These events, coupled with the surging collective wealth and buying power of Brazil's 192 million citizens, are expected to create a windfall of opportunity for both in-country and global firms. The biggest area of opportunity? "Infrastructure," Giunta said. "The amount of infrastructure needed to support the World Cup and the Olympics is amazing."

Jose Manuel Albaladejo Canedo-Argüelles, Vice President and Managing Director at Hill's Madrid-based subsidiary, Gerens Hill International S.A., agreed. "With both ongoing and funded large industrial and infrastructure projects, as well as (planned) projects that have been confirmed, Brazil will continue growing," Albaladejo Canedo-Argüelles said. "Likewise, if we take consumption and exports as leverage for growth, we expect that Brazil will continue to grow. Every year, the population of Brazil increases its capacity for consumption. The internal demand is real, and it's growing."

Demand for Brazilian products also has risen sharply, and is expected to continue,

Albaladejo Canedo-Argüelles added. "The external demand also is real. The worldwide economic crisis affecting western countries does not change the fact that China and the rest of Latin America are consuming and demanding more," he said. "Brazil has natural resources that are in high demand elsewhere, such as soy, petroleum and various other minerals, just to name a few. And, infrastructure projects to improve export-import platforms to support this growth are also underway."

Increased wealth and spending power also presents opportunities in other market sectors as well, Albaladejo Canedo-Argüelles added. "The need for houses and cars will explode, causing a similarly explosive need for a greater supply," he said. "The industrial sector also is increasing and will further develop, as long as internal transportation costs continue to decrease. I expect those costs to decrease as Brazil's infrastructure continues to improve and transportation becomes more efficient."

A growing industrial base also is driving the rise of economies in China and Southeast Asia, said Abdo Kardous, a Hill Senior Vice President and Managing Director responsible for projects in the Asia-Pacific region.

“
These emerging markets...are expected to make up well more than half of the world's economy by the middle of the 21st century.”
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Economic escalation in China and India has been well publicized over the past couple of years. "China and India account for nearly 40 percent of the world's population, with more than 2.5 billion people," Kardous said.

However, other parts of Asia, specifically Southeast Asia, also are developing rapidly. Several tiny countries make up the Association of Southeast Asian Nations (ASEAN) region: Indonesia, Malaysia, the Philippines, Singapore, Thailand, Brunei, Burma (Myanmar), Cambodia, Laos and Vietnam. "These countries, as a region, form together the

Below: Rapidly expanding middle classes in China, India, Russia and Brazil are creating huge opportunities for retail growth.



largest emerging market in the world. Indonesia alone, for example, already has the fourth largest population in the world,” Kardous said. “The ASEAN region is already experiencing a significant amount of growth; particularly in the industrial sector. Realistically, these countries could not be growing without a strong industrial side.”

Kardous sees growth in other markets as well. “The service sector is another sector that is booming and has a lot of potential, primarily because of the population growing in the ASEAN region. The service sector incorporates a broad range of markets, including banking, infrastructure, shipping and transportation,” he said.

“To a large extent, all of the Asia-Pacific countries we’re pursuing, including China and India, all need development and infrastructure, primarily transportation and power, to support their already growing industrial sectors,” Kardous continued. “The larger the industrial sector, the higher the need for power to fuel these industries and for a transportation system—whether it’s roads or railroads or ports—to support these industries. So, I would say that most of these countries need to make significant investment in infrastructure, primarily in power.”

Big capital investments can equal big opportunities, Giunta said. “But, bigger projects also can equal bigger problems.”

Often, in-country expertise in managing construction and its myriad risks lags behind development. As a result, emerging markets often have to rely upon international firms such as Hill to fill the void. Owners and clients often also lack experience with large capital projects and the international consortiums that are now tasked with constructing them.

“Better economies and more projects will attract global players, but many clients aren’t used to working with firms on such a global or international scale,” Giunta said. “From our perspective, that inexperience can create opportunities in claims consulting, expert witness opportunities and overall consulting services.”

Hill’s claims consulting services can run the gamut from claims analysis, expert witness services and litigation support to more up-front risk management services such as project auditing and oversight to ensure that project funds are being spent wisely. “Public owners are now



Above: Happyland Vietnam is one of several destination projects planned to boost tourism in the emerging country.

embarking on projects of a size, nature and complexity that they’ve never seen before, so they’re interested in consulting that helps manage their risk.”

Hill’s client roster in South America, for example, is becoming increasingly full of banks and other lending institutions that are funding construction throughout the globe. “Hill’s consulting services provide clients such as the World Bank and the International Monetary Fund, for example, with the oversight they need to know where the money’s going, and that it’s going where it’s supposed to go.”

Albaladejo Canedo-Argüelles agreed. “One of the challenges Brazil is already facing is access to qualified and affordable professionals. Right now, the cost for experienced technical and management staff can, in many cases, be higher than in Europe or the United States.”

In addition, South America now has only a handful of attorneys who specialize in construction law. And, firms like Hill International, which provide construction claims consulting and related services “simply don’t exist,” Giunta added. Hill is able to provide a mix of both highly

experienced, mid-level and support staff to provide services that are both comprehensive and cost-effective. Teams also are multi-national, comprised of staff from the U.S. as well as South America.

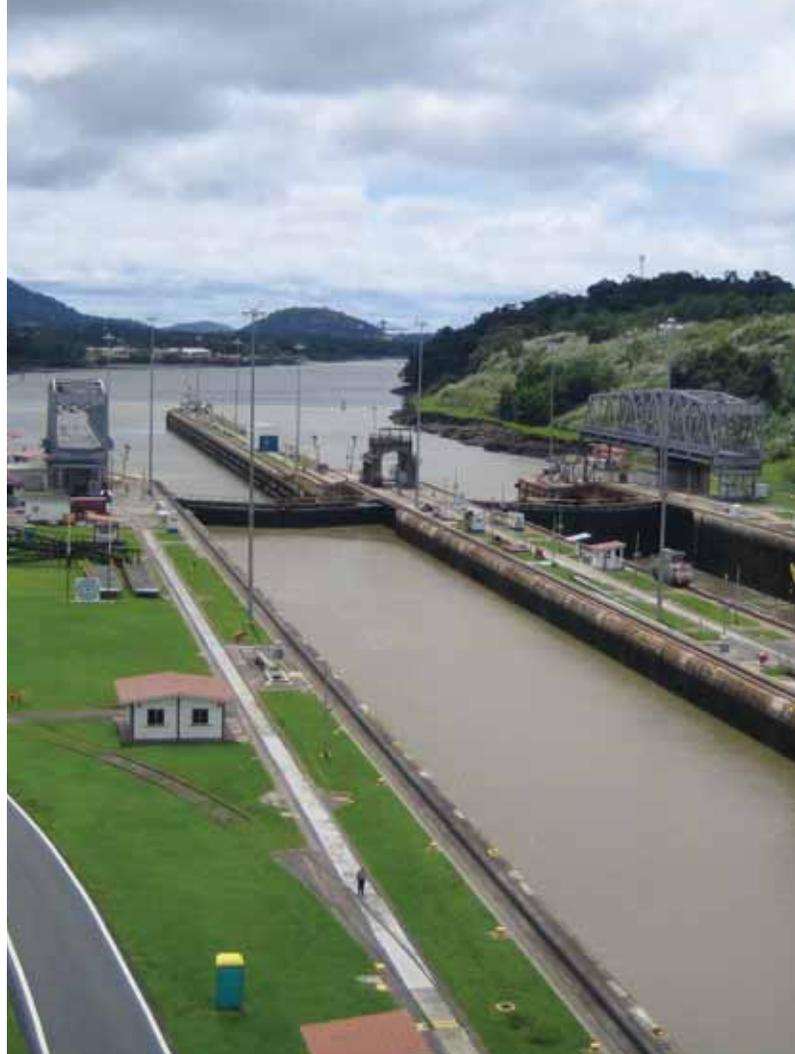
Many of those team members come from Engineering S.A., a subsidiary of Hill International. Based in Sao Paulo and Rio de Janeiro, Brazil, most of Engineering S.A.’s professionals are either native Brazilians or long-time residents.



In Central and South America, we’re seeing economies with growth rates far in excess of that in the U.S.



continued on page 4



Above: The expansion of the Panama Canal will help Latin American keep pace with increased manufacturing and shipping demand.



The opportunities are tremendous, and there is great potential for many years to come...



“Engineering S.A. gives Hill an advantage. We have a presence there that speaks the language and understands the culture and is part of the community,” Guinta said.

“We rely on people that know the (clients), are highly experienced, and have a good understanding of the countries in which they are working. We are truly thinking globally and acting locally,” Albaladejo Canedo-Argüelles added. “If we were to act as a purely international firm, we would not have much of a chance in this region.”

Hill’s claims consulting teams are comprised of internationally recognized experts who oversee projects and mid-and entry-level staff that can handle much of the legwork. “Engineering S.A. staff in-country can identify and gather documents and our people here in the U.S. can do the delay analysis and expert support, as well as manage the entire effort,” Giunta said.

“Identifying suitable, qualified individuals who have the experience and also the technical knowledge to be able to handle the projects is paramount,” Kardous said. “Recruiting and hiring highly qualified people can help us not only break into a market but also be successful in delivering our services to the client.”

Kardous agreed that having a local presence is key to landing work—and delivering successful projects—in Asia and other parts of the world as well. Experience also must be accompanied by fluency in the country’s language and knowledge of its culture, laws and traditions.

Not understanding how business works in each country also can make business development difficult. “It can appear that

Below: Mumbai Monorail, Mumbai, India



Emerging Markets *continued from page 4*

there is a lack of transparency,” Kardous said. Many private and public clients would rather hire a local firm, rather than one headquartered on the other side of the world. “We’re bidding against local firms that are used to local ways and local business dealings. That is one of the challenges we face.”

The challenges are much the same for Gerens Hill, Albaladejo Canedo-Argüelles said. “Breaking into the Latin American market requires understanding and respect. When we try to open a new market, it is because we are interested in doing so, not because we are being called in to do it. There is a large difference between the two. In Latin American countries, there is a lot to understand and to learn,” he explained. “But also, there are risks that need to be well understood and measured. Not every country is suitable for every company. Being able to identify this as soon as possible is important to avoid spending too much time and money on business development, or to avoid running into unexpected risks.”

Still, Brazil and other Latin American countries have been largely welcoming, Albaladejo Canedo-Argüelles said. “Brazil, in particular, is a larger market and is very developed in many ways. They know that they are a most attractive business destination. So, on one hand, Brazil truly welcomes you. On the other, it is also made clear that you should “tropicalize” (localize) to be able to work there. This is true in most of Latin America, but probably more in Brazil.”

Targeting law firms, large contractors and other “ex-pat” clients already working in an emerging market can be another way to build a roster of experience, forge precious relationships and get to know each country’s unique characteristics, all three executives said.

“Some of the largest corporations investing in Latin America, such as Telefonica, BBVA, Santander, Repsol or ENDESA, are clients of ours back in Europe, and now, also in Latin America,” Albaladejo Canedo-Argüelles continued. “Gerens provides a sense of confidence to these Spanish and European clients. We are the largest Project Management firm in Spain and have a solid understanding of the Latin American market. We also are one of the largest firms working on the subcontinent.”

Kardous agreed. “Our strategy, when we first began aggressively pursuing work in the Asia-Pacific market in 2008, was to target North American companies

already working here, because they are already familiar with our services. North American companies also are more comfortable paying sometimes higher international fees, and are more comfortable (than in-country clients) hiring an international company,” Kardous said.

When the worldwide economic crisis that began in 2007 slowed North American investment in the Asia-Pacific region, Kardous and his team shifted focus to include more in-country clients. “We started by identifying and targeting local developers from the private sector. We had to change gears, and change our

continued on page 12

Below: Economies of the ASEAN nations, including Malaysia, are reaching unprecedented heights.



Groundswell of Economic Growth in U.S. West Could Launch National Recovery



Above: Transportation and infrastructure projects in the U.S. West are gaining speed, experts say.

said. “It’s almost as if we’re rebuilding the foundation with certain market sectors. There was so much chaos in some sectors, and their recovery has to be slow and systematic.” Real estate and the public sector were hardest hit in the western United States, particularly in California. Recovery in those sectors should be slow and systematic to ensure that it takes root, Shoura said.

Smith and Shoura are seeing more and more work in several West Coast market sectors, including infrastructure, healthcare, and primary and secondary educational facilities. “Infrastructure—transportation, water and wastewater, power, roads, bridges and ports—is already growing and is, in fact, the single largest sector in terms of growth,” Smith said. “California, for example, with all of its budgetary challenges, is still spending on infrastructure.”

Transportation — in all forms — is a big market focus for us right now,” Smith continued. “In California, for example, we’re working on two of the largest transportation projects in the state right now, the Gold Line Foothill Rail Extension Project and the San Francisco MTA Central Subway Project. And, the U.S. Department of Transportation has pledged another \$928 million toward improving California’s transportation with a High Speed Rail.”

Power is another part of the infrastructure sector that already is heating up in California and other parts of the West. “A quarter of our revenue right now is coming from power,

Below: Tribal nations’ resort and casino projects are on the rise in the U.S. Southwest.



California, with all of its budgetary challenges, is still spending on infrastructure.



business development in the southwestern United States. True, Shoura admits, the West and Southwest were nearly sunk by what pundits are now calling the “great recession” that began in 2007. Unlike the Great Depression in 1929 and subsequent recessions that have occurred nearly every decade since, the current economic downturn touched off by the lending crisis four years ago started in the western United States. Previous economic tempests usually always began in the East, and swept westward, Shoura said. Recoveries also flowed westward. But, this time was different, Shoura said. The downturn began in the West, and he predicts, economic recovery will begin there as well.

Michael B. Smith, a Hill Senior Vice President and Western Region Manager, said the West’s mammoth role in both the downturn and pending recovery is due to its sheer size, and the size of its economy. “California has the eighth largest economy in the world, and makes up 13 percent of the United States’ gross domestic product,” Smith said. Shoura agreed. “California could be considered a country in terms of its size and the scale of its economy.”

Despite widely publicized reports of its impending bankruptcy and other money woes, California isn’t washed up, Shoura and Smith said. “The west is recovering nicely. The speed is steady, and that’s what we want—a steady, consistent recovery. We didn’t expect (the economy) to come roaring back,” Shoura

Today’s struggling economy has caused a hunkering down of sorts. Many investors, buffeted by stock market squalls and a less-than-sunny economic outlook, are taking a wait-and-see approach to spending. As a result, in many parts of the U.S., pipelines of both public and private-sector capital projects have become alarmingly close to drying up.

Hunkering down and waiting out the storm isn’t in Max Shoura’s forecast. He and other business development executives and regional directors at Hill International are instead working harder than ever—and in innovative new ways—to land contracts on public and private construction projects.

Shoura, a Hill Vice President, is based in Hill’s Phoenix, Arizona office and is responsible for



Above: Housing projects in the West and Southwest are on the upswing. Pictured: Cerro Pueblo, San Diego, California.

including power generation, transmission and distribution,” Smith said. In addition, focus is returning to the renewable energy market. “The problem in the past has been the cost. It’s expensive to create, and expensive to roll out renewable energy programs. Now, we’re finding ways to make it more affordable.”

Transportation, from highways and bridges to ports and high speed rail, has also seen steady growth, Smith said. “Ports, the Port of Los Angeles, and the Port of Long Beach, have seen increases in activity. Last year, ports had a 19 percent increase in activity from the previous year,” Smith said. That increase means that manufacturers around the world are experiencing growth in their orders. They, in turn, are producing more and shipping more, which means more traffic at our ports.” The Ports of Los Angeles and Long Beach combined are the busiest in the nation, and the major gateways for goods to be shipped to and from the East, including China. Growth there could be a harbinger for recovery in other sectors as well, Smith said.

“Transportation and transit is another growing market. There are a lot of great plans for regional rail—high-speed rail—as well as local transit projects. Several projects have already secured funding for construction, and others have secured funding through their planning and design phases. So, we expect a lot of investment in transit and, potentially, highways as well,” Shoura said.

Highway work includes both new construction and much-needed rehabilitation

of aging roads and bridges. Cash-strapped governments may look to public-private partnerships (PPPs) to help keep highway projects in gear. “We’re hearing a lot about PPPs for highways work, and they may become a big factor in highway work here in Arizona,” Shoura said. “We’re talking about new construction, as well as the rehabilitation of existing highways, repairs of the numerous bridges along existing highways, and expansion and elevation of existing roads to relieve traffic congestion, which is almost like building a brand new highway,” Shoura explained.

Hospitals and other healthcare facilities also are beginning to look at new projects. “Healthcare work slowed a little, yes, but it is starting to pick up. In fact, we expect this to be a major area of growth here in the southwest. Healthcare in our region will be growing for the next 15 years, because a lot of baby boomers are aging, with inherent healthcare needs. They also are retiring and want to live in the southwest because of the attractive climate and other advantages we have here.

“For us, healthcare has been a good market,” Shoura continued. “We have picked up a couple of projects in the past few months. Currently we have four clients in healthcare, and will be working on securing three more over the next couple of quarters.”

In general, healthcare and other private-sector owners are spending, albeit cautiously, while public-sector clients are holding back,

Smith said. “Not too long ago, 90 percent of our business was in the public sector. When that work dried up, we had to change focus and direct more attention to the private sector. Healthcare is one private sector that seems to be spending again, and will continue to spend, both in the near term and over the next several years.”

The lack of work in some sectors is being balanced by growing work in others. “In Arizona and other parts of the West, we’re seeing more opportunity in the Native American market,” Shoura said. “Native American tribes are, in many cases, large property owners with consistent revenue streams from the casinos that they’ve built. That revenue now is being used to fund infrastructure on tribal lands, healthcare and educational facilities on tribal lands, and other capital improvements.”

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Clients are asking for more value for what they’re paying.

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Smith agreed. "It's a niche market that has proven to be very successful for us. Our relationship with the Native American market started in the Pacific Northwest, and now has expanded to include projects in Arizona." Keys to success with landing Native American work are good working relationships on previous projects, integrity, prudent management, and putting the client's interests first. Hill's experience in doing projects in the Pacific Northwest—the Northern Quest Resort & Casino in Airway Heights, Washington, near Spokane, and the Wildhorse Resort & Casino in Pendleton, Oregon—coupled with a major baseball facility in Arizona, all has helped open the door to work for other tribes in the area.

Regardless of the market, the economy and historically tight budgets have led clients to spend cautiously. "Clients now are asking for more for less," Smith said. "Our staff has to wear many hats, and almost do two or three jobs at once."

Many clients, especially public ones, have required that staffing rates remain constant throughout the life of the project. Merit-based raises and other pay increases an employee receives cannot, then, be passed on to the client. Smith said that while some clients may

most are holding the line. He expects that clients will start reversing this trend as the economy improves.

Shoura agreed that winning work now often takes both pencil-sharpening and flexibility in staffing. "Clients are asking for more value for what they're paying. Many of the clients are asking for our staff to be integrated with their staffs. We're seeing that more and more frequently," Shoura said. "The other challenge is that clients want us to lower our cost. In Phoenix, we're able to do that because of our great mix of senior project staff and junior staff. So, we can offer 20 percent less for our services by providing a mix of staff. And, we are able to offer the in-depth experience of our senior-level staff along with the energy and innovations that the younger staff brings."

A stronger sense of regionalization and sharing the workload among offices also helps reduce each office's costs and also can provide clients with a broader mix of expertise, Smith and Shoura said. Staff in Shoura's office can end up having a variety of bosses. "We sell our services directly to project owners, to other types of clients employed by a project owner, such as contractors, and to project managers right here at Hill who need our services. We provide

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We're using our
existing staff expertise
in new ways, and
selling to new clients
in new markets.
”

Francisco office, for example, to fill positions they need. So, these opportunities have expanded services out of our Phoenix Office." Staffing projects with a mix of people throughout a geographic region not only provides a breadth of expertise but also can provide such expertise at a lower cost, Shoura said. "The cost of doing business is lower in Arizona than it is in places like California," he explained.

"One of the advantages of having a regional approach to doing business is that clients get the best possible level of expertise for the money, regardless of geography," Smith said. "From Arizona, to Bellevue, Washington, to San Francisco to Irvine, to San Diego, we can fill slots pretty quickly."

Kenneth R. Baker, a Hill Senior Vice President and Western Region Manager of Construction Claims and Consulting, directs operations from Hill's San Diego office. When business tightened up over the past few years, Baker's group increased its focus on, and commitment to, strategic planning. He believes that effort paid great dividends and helped his group grow revenue and build backlog while other competitors of Hill contracted during some pretty lean times. "One important result was increased collaboration among Hill's people and offices within our western region. By asking ourselves 'how can we do more with less?' we began to more routinely share project opportunities and staff resources across offices within Hill's western region to increase the utilization and benefit all of us."

Baker said that his Claims and Consulting Group is very entrepreneurial in its approach to finding and securing new business. "We're using our existing staff expertise in new ways, and selling to new clients in new markets." One example is Hill's "efforts to provide more up-front consulting services to help public agency clients create 'smart construction programs' that are 'claims resistant.' We're also offering more technical areas of consulting and expert services, including project performance and financial audits, risk assessments, real estate and consulting

Below: Wildhorse Resort and Casino, Pendleton, Oregon.



developer services, and specialty experts. All of these services require very seasoned staff with highest levels of professional expertise.”

Baker explained that to deliver the very highest levels of staff expertise, he employs “a healthy mix of full-time and part-time staff. Our full-time testifying experts are senior-level, battle-tested professionals, who provide a level of expertise that I think is unmatched in our industry.”

Hill supplements this group with a roster of part-time professionals, some of whom have retired after decades of full-time work in their particular areas of construction or construction claims expertise. “By providing these part-time opportunities, we’ve been able to attract very high levels of expertise in a variety of market sectors,” Baker said. “This staffing mix gives us the advantage of quickly offering exactly the type of expertise the client needs at attractive rates. So, whether it’s a wastewater or health-care project, a bridge, a financially distressed project, or countless other project types, we’ve built the industry’s best bench of experts and professional staff who are ready to go on short notice.”

The struggling economy also has predicated the need for specialized services. Clients are more concerned than ever with containing both cost and risk from their projects’ earliest stages. Their budgets, however, may not accommodate traditional program or project management. To meet this need, Hill has created a highly specialized technical services group. The group includes staff with various areas of expertise, including estimating, cost management and design review. Staff is assigned intra-regionally as needed, working either directly for a client, working as an integrated member of a client’s staff, or working for a project director or other senior level Hill executive whose project requires a specific skill set. Making the most of Hill’s depth of experience, and being flexible in how those resources are applied, has proven successful, Shoura said. “Because of the size and experience of our organization at Hill, we can use resources very efficiently.” The fledgling technical services group has been in such demand that it already is growing. “We’re driving hard to sell the group’s services, and clients are clearly recognizing the niche they fill,” Shoura said. “We’ve added three new people in the last few months, and see a steady rate of expansion over the next several months.”

Smith, Shoura, Baker, and their staffs have offset a potential fall-off in backlog through increased initiative and “spending more time on business development and marketing than in the ‘good old days.’” That’s not necessarily bad,” Shoura said. “We’ve come up with new ways of doing things that are really paying off. We’re interacting with our clients in new, non-traditional ways. We used to submit technical and cost proposals to clients and have very

Project Management Oversight: A New Perspective

Dave Boggs remembers when Project Management Oversight was little more than an idea. Boggs already had more than 20 years of public and private management experience when he was hired to turn around the troubled Sacramento Regional Transit District in northern California in 1983. The agency had been plagued with numerous labor, performance and accountability issues. The public, the business community, and state and local government officials had lost faith in the agency and its mission. Boggs was the fifth general manager in as many years at the agency.

Boggs had his work cut out for him. “There was no community support for either bus or rail, the board of directors didn’t get along, the board didn’t respect the staff, and the District had a poor record of operational performance,” Boggs remembers.

He began by getting involved in the community and building a consensus of 25-plus organizations about the need for better public transit. He also got to know his employees, and their strengths and weaknesses, and matched people up with the jobs to which they were best suited. He delegated authority and held his managers accountable. And, his “open door” and “management by walking around” initiatives let employees know that he was never too busy to hear their opinions, concerns and questions.

By 1985, after two years of re-tooling and down-to-earth, hands-on management, the agency was on its way to becoming a model for other transit agencies. And Boggs was given another, even more momentous job. Plans were already under way for a new light rail system in the growing city. But the project, being built by the Sacramento Transit Development Agency, had become mired in politics and community doubt in its importance, and already was delayed and over budget. As a result, the Transit Development Agency was disbanded, and responsibility for constructing the 18.3-mile light rail line was handed over to Boggs and the Sacramento Regional Transit District. Boggs and his staff immediately set to work untangling the problems. “The project was under-funded, and the original budget of \$132 million, or \$7 million per mile, was unrealistic. Also, having Caltrans build the project meant that we had very little control over the budget, or the construction process,” he said. Boggs tapped the skills of a light rail project manager he had brought on board earlier, lobbied for a more realistic budget, and established a project control system to help manage the project’s schedule, cost and quality.

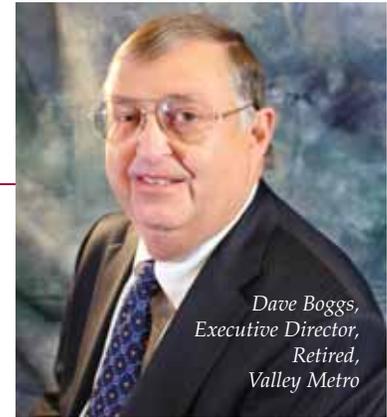
It was at about this time, during the summer of 1985, that Boggs was introduced to the concept of Project Management Oversight. The Urban Mass Transit Administration, a major funder of the project, had hired Hill International, Inc. as an independent third party to oversee and report on the progress of the Sacramento project. It was Hill’s first PMO assignment, and Boggs’ first experience with the innovative service.

Instead of viewing the relationship as adversarial, Boggs recalls that his team, Hill International, and UMTA worked together very well. Each complemented and supported the other from the get-go, Boggs said. Key to the team’s success were a mutual, steadfast commitment and open communication.

Those qualities are hallmarks of PMO, said William J. Doyle, a Hill executive consultant who was in charge of Hill’s PMO assignment in Sacramento. “Hill’s Project Management Oversight services are designed to give clients timely, objective information that allows them to make the best, most informed decisions possible,” Doyle said. “We anticipate problems, quickly identify setbacks and recommend timely solutions to keep projects moving forward.”

Rather than using its position as overseer to divide the project team, Hill supported the entire team and its united goal of project success. “It works because PMO services are not adversarial. We’re there to help, and we do,” Doyle said.

Like Boggs, Doyle also remembers a strong cohesiveness among the project team. That team spirit was applied to every one of Hill’s PMO assignments, for UMTA, now the Federal Transit Administration, and other public and private clients. “It normally is a good relationship. It works because we make it known, from the start of our assignments, that we’re there as an advisor to our client but are just as committed as the other members of the project team to ensuring that the project is a success.”



*Dave Boggs,
Executive Director,
Retired,
Valley Metro*

Hill Hires, Promotes Key Executives

David Brodie-Stedman, of Hill's Abu Dhabi, UAE office, has been promoted to Senior Vice President and Managing Director.

Leslie Butterfield, of Hill's Australian subsidiary McLaughlin Lister, has been promoted to Senior Vice President and Managing Director.

David Merritt, of Hill's Abu Dhabi, UAE office, has been promoted to Senior Vice President and Regional Managing Director of the Middle East and Africa region.

Russell Lister, of Hill's Australian subsidiary McLaughlin Lister, has been promoted to Senior Vice President and Group Practice Leader, Managing Consulting.

John Milano, P.E., of Hill's New York City office, has been promoted to Senior Vice President and Deputy Regional Manager.

John K. Skoury, P.E., of Hill's Irvine, California office, has been promoted to Senior Vice President

Sidney Scott III, P.E., has joined Hill's Construction Claims Group as a Senior Vice President, based in the firm's Philadelphia, Pennsylvania office.

Vic Spinabelli, P.E., of Hill's Pittsburgh, Pennsylvania office, has been promoted to Senior Vice President.

Peter J. Wallace has rejoined the company's Construction Claims Group as a Senior Vice President

Kent Bolson, of Hill's Marlton, New Jersey office, has been promoted to Vice President of Financial Systems.

Stephen C. Briggs, of Hill's London office, has joined the firm's Construction Claims Group as Vice President and Managing Director of the combined Asia, Middle East and Africa regions.

Tonya L. Compton, of Hill's Irvine, California office, has been promoted to Vice President of Development.

Mark D. Dickinson, P.M.P., of Hill's Philadelphia, Pennsylvania office, has been promoted to Vice President.

James E. Koch, Ph.D., P.E., LEED AP, F.SAME, has rejoined the firm as Senior Vice President and Director-Federal Services Group.

Robert J. McDonough, of Hill's Marlton, New Jersey office, has joined the firm's Project Management Group as Vice President.

William A. Mocsan, of Hill's Mississauga, Ontario office, has been promoted to Vice President and Managing Director for Hill's Canadian subsidiary, Knowles Consultancy Services, Inc.

Keith Strutt, of Hill's London office, has been promoted to Vice President and Executive Director with the company's Construction Claims Group.

David A. Stewart, C.P.A., of Hill's Marlton, New Jersey office, has been promoted to Vice President of Taxation.

Peter B. Turton, P.E., of Hill's San Ramon, California office, has joined the firm's Project Management Group as Vice President.

Barry Wicks, of Hill's Daresbury, U.K. office, has been promoted to Vice President.

Scott A. Wivell, P.E., of Hill's Pittsburgh, Pennsylvania office, has been promoted to Vice President.

Recent Awards

Hill received two Quality Awards from MEED Magazine for the company's management of the Sheikh Zayed Bin Sultan Al Nahyan Grand Mosque in Abu Dhabi, United Arab Emirates, for the Grand Hyatt Resort in Doha, Qatar, and for the American School of Doha in Doha, Qatar. (March 25, 2011)

Hill received two "Project Achievement Award" from the Mid-Atlantic Chapter of the Construction Management Association of America (CMAA) for the company's management of the Stone Bridge Middle School project in Upper Freehold, New Jersey and for the Calhoun Street Bridge rehabilitation project in Trenton, New Jersey. (June 9, 2011)

Hill received the "Best Green Building of 2011" award from ENR Southeast magazine for the company's management of the NASA Langley Research Center Headquarters Building in Hampton, Virginia. (September 8, 2011)

Hill received the "Best Landscape/Hardscape/Urban Development Project of 2011" award from ENR New York magazine for the company's management of the Union Square North Pavilion, Plaza and Playground Reconstruction project in New York City. (September 9, 2011)

Hill received the "Gold Vision" award from Constructech magazine for the company's management of the renovation of New York City Hall. (September 14, 2011)

Hill received the "GCC Tower Project of the Year" award from Construction Week magazine for the company's management of Etihad Towers in Abu Dhabi, UAE. (November 14, 2011)

Hill was named "Employer of the Year" from the Orange County Chapter of the Women's Transportation Seminar (WTS). (December 6, 2011)

Hill was awarded the Rosa Parks Diversity Leadership Award from the Metropolitan Phoenix Chapter of the Women's Transportation Seminar (WTS) for its promotion of diversity, inclusiveness and multi-cultural awareness. (February 4, 2012)





Hill really helped us through some tough issues. It was a great partnership for us.



Project Management Oversight: A New Perspective continued from page 9

The team's commitment and diligence paid off, Boggs said. The Sacramento Light Rail opened to much fanfare in March 1987. The line, which later was extended to serve other parts of California's capital city, quickly became a local favorite. It helped rejuvenate a beleaguered business district, and became a model for successful transit projects nationwide. More than 20 years later, the light rail still transports thousands of Sacramentans a day to work, home, shopping or recreation.

True to his empowering management style, Boggs is quick to point out that Hill International played a large part in the project's success.

"Hill really helped us through some tough issues. It was a great partnership for us," he said. "Looking back, UMTA, Hill and the SRTD faced tremendous hurdles. It is a dedication to each that the light rail line was not just completed, but competed on time and within budget," he said. "Hill International's insight, professionalism, top quality staff and significant abilities contributed to the project's success.

Twenty-plus years haven't dulled the memory of those challenging days when he was first asked to helm the troubled project. "The obstacles and challenges seemed almost insurmountable, but UMTA, Hill and the SRTD took a project that had been burdensome to the community and heavily criticized all over the country, and turned it into a triumph. To this day, it continues to be a respected transit system," Boggs said.

Boggs left Sacramento for the warmer climes of Nevada and Arizona, where he used the same personable, hands-on management style to significantly improve operations and public buy-in at the ATC in Las Vegas and the Regional Public Transportation Authority, popularly known as Valley Metro, in Phoenix. Along the way, he's been awarded for his leadership and business acumen, championed public transit through both flush and lean times, and mentored and empowered countless young professionals.

Boggs retired from Valley Metro, his "home" since 2005, in December 2011. He's looking forward to 2102, and a whole new set of challenges as he navigates the yet-uncharted waters of retirement. And, Boggs has as much confidence in the need for and importance of public transit as he did when starting out more than 40 years ago. The need to efficiently transport our nation's citizens will continue to move transit projects ahead. "Rail is here to stay, and has a spectacular future," he said.

The success of the Sacramento Light Rail played a role in the U.S.'s continued commitment to public transit in general and light rail in particular. When asked shortly after the Sacramento project was completed if PMO should be used on future projects, Boggs' answer was short and emphatic. "Absolutely," he said.

That early success provided lessons that still aptly apply today, Boggs said. Teamwork and communication remain vital. "Hill and its PMO services were instrumental. When we started, the project was very troubled. Thanks to a great partnership, it ended up being a great success story."

Editor's Note: We at Hill International salute David A. Boggs for his lasting accomplishments in the transportation industry. His dedication to his job, his staff, and to mentoring tomorrow's leaders, is truly inspirational. We wish him and his family all the best as he begins this next chapter in a life filled with selfless contribution to a better tomorrow. ■

Contact Hill International at:

303 Lippincott Centre
Marlton, New Jersey 08053
800-283-4088
856-810-6200

www.hillintl.com
e-mail: info@hillintl.com

Please direct correspondence to:
John P. Paolin,
Vice President of Marketing
and Corporate Communications

News from the Hill

The editorial board of *News from the Hill* welcomes your suggestions and comments.

Call us at 856-810-6210, or write to us at:

Hill International, Inc.
Attn: John P. Paolin, Executive Editor,
News from the Hill
303 Lippincott Centre
Marlton, New Jersey 08053
or via e-mail at info@hillintl.com

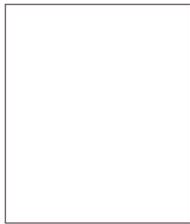
John P. Paolin
Executive Editor

Tricia M. McCunney
Editor and Senior Writer



Hill International

303 Lippincott Centre
Marlton, NJ 08053



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Emerging Markets *continued from page 5*

initial strategy, but we have been successful," he said.

The road hasn't always been easy. "Breaking into the government sectors in this region has been difficult," he said. "In many countries, including China, the governments are very protective of their own local companies."

Patience is key, Kardous added, especially in breaking into China, arguably the world's largest — and most elusive — market. "We've adopted the same approach we did in the Middle East and Eastern Europe. We moved in and strengthened our presence in one geographic location before moving to a

new one. That's how we got into the Philippines. We are doing the same in China and gaining some traction," he explained. "Patience is very important. In many cases, you meet with the client once, twice, three or four times until they get comfortable with you. You build a comfort level, and that pays off. Once you build a good relationship and provide a high level of service, it opens up a portal to even more opportunities. You're then asked to handle a number of projects, or even all of a client's projects."

Opportunity far outweighs the challenges, all three executives said. ■

Growth in U.S. West *continued from page 8*

little interaction before or after. Now, we're constantly trying to meet and interact with clients at industry conferences, seminars, and meetings of professional organizations."

One such concept, the 'lunch and learn' has been expanded by the Phoenix office to educate potential clients about Hill and its services. Potential clients or potential teaming partners are invited to Hill's office or other venues to discuss industry trends, emerging market segments, new technologies, and other topics of interest. The sessions also give Shoura a chance to showcase Hill's level of expertise within the industry. "We're using the lunch and learns to create partnerships," Shoura said.

All three executives are optimistic about the future. "Over the next three years, infrastructure spending throughout the West will continue to grow. You'll see a lot more transportation projects, and a lot more water and power projects. Hill is strategically

positioned to play an expanded role in this growth. Beyond that, over the next three to five years, we expect home prices to turn upward and the residential construction market will start to bounce back."

Smith, Shoura, and Baker don't believe clients' high expectations will diminish as the economy rises. They fully expect clients to keep asking us 'can you give me more for less money?' All three believe the smart companies, like Hill and some others, will find or create new, more efficient ways to do business. Baker said "The good consultants carefully analyze their client's needs, assess their challenges, and then develop innovative solutions to overcome those challenges." Shoura said. "At Hill, to date, we've met these client challenges, and we've also grown our revenue and profitability. So, we've not only successfully addressed our clients' changing needs, but improved our financial performance as well." ■

About Hill International, Inc.



Hill International, with 3,200 employees in 110 offices worldwide, provides program management, project management, construction management, and construction claims consulting services. *Engineering News-Record* magazine recently ranked Hill as the 8th largest construction management firm in the United States.



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