

H&T Dongguan

Expansion of Manufacturing Facilities

August 19th , 2013

Germany
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Member



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GROUP

Agenda

- H&T Dongguan profile
- Flow chart
- Success
- Lessons learned
- Aspects to improve
- Recommendation
- Q&A



H&T Dongguan profile

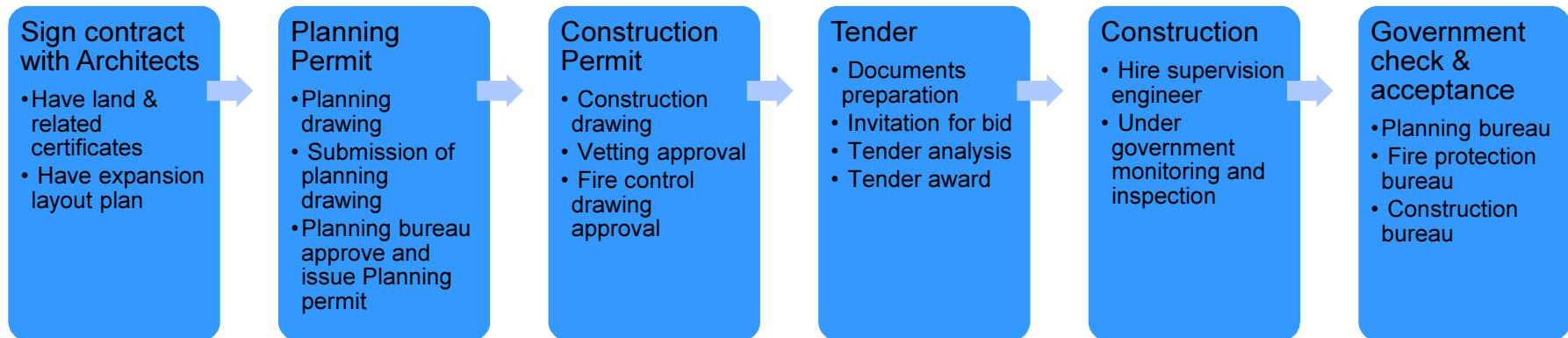
- Is part of the Heitkamp & Thumann Group
- Locates in Hongtu Development Zone, Nancheng District, Dongguan City
- Registered in November 1995; Officially Opened in April 1998
- Total Site Area of 43,000 m²; Thereof 10,300m² building area
- Full Product Range
 - Can Making and Coating
 - Flat Parts
 - Tooling Components / Spare Parts
- 200 Employees



Phase I expansion--- 1800m²



Flow chart



Note: For expansion size like our company, the normal lead time is about 18 months.



Success

- Have good relationship and communication with local government, especially during approval process, we received a lot of support from Nancheng government.
- The project team has involved all related departments including Finance, Quality, Technical & Engineering, user department etc.
- Strict budget control
- Choose proper season (no rain) to start construction



Lessons learned

- Architects are located in Shenzhen, the issues couldn't be communicated and solved promptly, which caused delay of construction to a certain extent.
- Construction company are located in Hubei, they have poor relationship with local government and are not familiar with Dongguan policy.
- M&E design was too rough and caused a lot of dispute.



Aspects to improve

If we'll proceed with 2nd expansion, we'll improve in following aspects:

- Architects: a proper size architect which is located and registered in local Construction Bureau.
- M&E design: we need to verify critical point of drawing.
- Construction company: registered in local Construction Bureau; need to do credit investigation.
- Construction period control: need weekly follow up
- Documentation: all information and communication should be in written



Recommendation

For any company who have no experience for expansion, we would give following recommendation:

- Documents preparation is very important, all information and communication should be in written
- Keep good relationship with local government
- Select local architects, construction company
- Supervision company is very important for control of quality, budget and construction period
- Choose a trustable and reliable cost & quantity surveying consultancy



Q&A



Thank you !

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Plant Expansion Phase I Schedule

Plant Expansion Phase I Schedule

Plan vs Actual

←→ **Plan: May, 2011 -- Jun, 2012**

←→ **Actual: May, 2011 -- May, 2013**

Item		From	To	May,11	Jun,11	Jul,11	Aug,11	Sep,11	Oct,11	Nov,11	Dec,11	Jan,12	Feb,12	Mar,12	Apr,12	May,12	Jun,12	Jul,12	Aug,12	Sep,12	Oct,12	Nov,12	Dec,12	Jan,13	Feb,13	Mar,13	Apr,13	May,13		
Planning design and approval (Planning Permit)	Plan	2011.5.15	2011.9.30	←→																										
	Actual	2011.5.15	2012.4.30	←→																										
Construction drawing	Plan	2011.8.1	2011.11.10			←→																								
	Actual	2011.8.1	2012.5.30			←→																								
Vetting of construction drawing	Plan	2011.11.11	2011.12.10							←→																				
	Actual	2012.3.29	2012.5.30												←→															
Construction permit	Plan	2011.12.12	2012.1.15								←→																			
	Actual	2012.6.1	2012.9.7														←→													
Tender (document, assessment & award)	Plan	2011.10.21	2012.1.15						←→																					
	Actual	2012.1.1	2012.6.19									←→																		
Construction	Plan	2012.1.16	2012.6.15									←→																		
	Actual	2012.9.14	2013.5.28																	←→										



Plant Expansion Phase II – schedule plan

Plant Expansion Phase II Schedule Plan

↔ *Plan: Nov.1st,2013 -- Apr.30th, 2015*

Item	From	To	Nov, 13	Dec, 13	Jan, 14	Feb, 14	Mar, 14	Apr, 14	May, 14	Jun, 14	Jul, 14	Aug, 14	Sept, 14	Oct, 14	Nov, 14	Dec, 14	Jan, 15	Feb, 15	Mar, 15	Apr, 15
Sign contract with architects company	2013.11.1	2013.11.15	↔																	
Planning design and approval (Planning Permit)	2013.11.16	2014.2.28	↔	↔	↔	↔	↔													
Construction drawing	2014.2.1	2014.4.15				↔	↔	↔												
Vetting of construction drawing	2014.4.16	2014.4.30						↔												
Construction permit	2014.5.1	2014.8.31							↔	↔	↔	↔								
Tender (document, assessment & award)	2014.4.1	2014.8.31						↔	↔	↔	↔	↔								
Construction	2014.9.1	2015.4.30											↔	↔	↔	↔	↔	↔	↔	↔

