

Volkswagen Contractor Localizes Construction Sub-Contracting

October 7, 2009. Chattanooga, TN. EISENMANN, which recently won the contract to install Volkswagen's paint shop for its new auto assembly plant, has announced substantial success in localizing economic impact to Chattanooga and the state of Tennessee. The company has awarded sub-contracts to Southern Fabrication Contractors L.L.C of Chattanooga, TN and IMF Inc. of Greeneville, TN. EISENMANN has awarded a third contract to Complete Automation of Lake Orion, MI, which is licensed as a contractor in the state of Tennessee and plans to open a local office soon.

According to Tom Loafman, director of purchasing for Volkswagen Group of America, EISENMANN's announcement is the culmination of an intense effort to deliver as much economic impact to Chattanooga and Tennessee as possible. "Many of our construction packages require specific automotive expertise that is not represented locally, but through a partnership with the Tennessee Department of Economic and Community Development and the Chattanooga Area Chamber of Commerce we are working with EISENMANN and all of our other contractors to subcontract as much of the work as possible with state and local firms," Loafman said. "As a result, the local content stands at \$287 million. This substantially exceeds our target of 20% local and state participation in the construction project."

"We thank EISENMANN for joining in Volkswagen's commitment to working with local companies," said Chattanooga Mayor Ron Littlefield.

"Our partnership with Volkswagen and with companies like EISENMANN is bringing increased economic benefit to the companies and residents of Hamilton County and Chattanooga," said Hamilton County Mayor Claude Ramsey.

EISENMANN's announcement demonstrates the success of the Chattanooga Volkswagen Team, a community liaison group established in partnership with the Chattanooga Area Chamber of Commerce, according to Matt Kisber, commissioner, Tennessee Department of Economic and Community Development. "Volkswagen is living up to its commitment to the people of Tennessee," Commissioner Kisber said. "We knew it would be important to help Volkswagen and its contractors identify Tennessee companies that could do the kind of work they need. I'm proud to say that the process we put in place is working."

Trevor Hamilton, who leads the Chattanooga Chamber's Volkswagen Team, which includes a staff member from Kisber's office, reports that the collaboration is successfully supporting Volkswagen's start-up in Chattanooga. "We're helping Volkswagen deal with a host of issues to ensure that they move from construction to production as rapidly as possible," said Hamilton. "This partnership also allows us to work closely with Volkswagen in engaging local companies and workers as well as cooperating with them in recruiting additional companies to the area."

Southern Fabrication Contractors L.L.C., a locally owned manufacturer, has been awarded the fabrication and installation of the equipment support steel for the Volkswagen plant. Southern Fabrication employs 90 Chattanooga area residents.

"This is a substantial contract that will last into the first part of 2010, and it comes at a good time as the winter season is typically slower for us," said Mike Potter, co-owner of Southern Fabrication Contractors along with Richard Ireland. "Most of our work has come from outside of Chattanooga for the last few years. We're pleased to have this opportunity to work right here at home."

IMF Inc. will fabricate dip tanks for the Volkswagen Chattanooga paint and pre-treatment systems. "This is a great opportunity for our employees at a time, when business is needed," said Lynn White, president of IMF Inc. "I expect to add ten additional employees to complete this job. We have worked with EISENMANN Corporation as a supplier of fabricated equipment for the past twenty years on many projects and look forward to working with them for many more."

As the paint shop installation continues, EISENMANN plans to continue the effort to engage additional sub-contractors on the project.