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FALL 2003



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# Contractor

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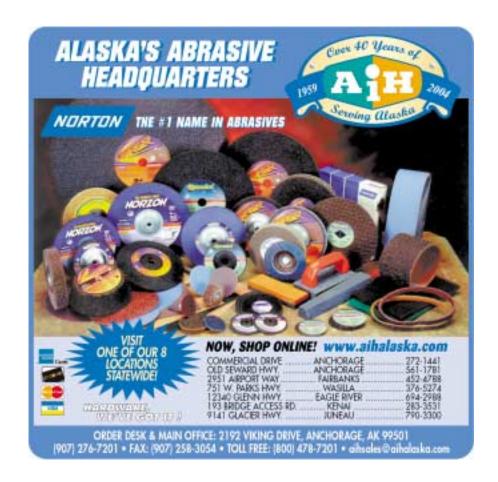
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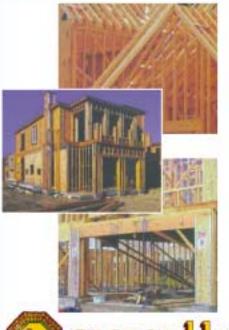
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# Ft Richardson ARRC Earthwork MP 122.9-127.5

PHS III Pruhs Corporation \$6,463,399.00 Ft Richardson, AK

# FT Richardson Whole Barracks Renewal PHS III

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Wilder Construction Co. \$5,379,304.50 Seward Hwy, AK

#### Valdez Ferry Terminal Improvements

Western Marine Construction \$13,890,741.50 Valdez, AK

#### Wasilla Stormwater Collection System

Wilder Construction Co. \$3,227,520.00 Wasilla, AK

#### **Southeast**

#### Douglas Harbor Uplands/Moorage PHS III

Dawson Construction \$2,265,000.00 Douglas, AK

## Juneau Floyd Dryden Middle School Renovation

McGraws Custom Construction \$3,846,000.00 Juneau, AK

# Juneau Back Loop Rd. Pavement Rehabilitation

Secon \$2,543,900.00 Juneau, AK

#### Juneau JIA Taxiway Rehabilitation

Secon \$27,670,006.00 Juneau, AK

## AK M/V Leconte Accommodation Space Reno

Lake Union \$3,401,566.00 Juneau, AK

# Juneau UAS ARNG Joint Use Facility

Dawson Construction \$9,446,400.00 Juneau, AK

#### Ketchikan Hospital Renovations Dawson Construction

\$3,190,000.00 Ketchikan, AK

# Petersburg South Harbor Expansion PHS IV

McGraws Custom Construction \$3,626,340.00 Petersburg, AK

#### AK M/V Matanuska Refurbishment

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#### **Wrangell Harbor Improvements**

Keiwit Pacific \$14,559,450.00 Wrangell, AK

#### **Yakutat Airport Construction**

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#### **Arctic & Western**

#### **Barrow Middle School Addition**

UIC

\$2,437,000,00

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QAP

\$4,689,630.00

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Nippon Hodo

\$7.582,240.00

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Kwethluk, AK

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**UIC Construction** 

\$14,776,000.00

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Brice, Inc.

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WINNING BIDS

# Leave a Trail



By Roxanna Horschel, President



remember years ago when I became active in AGC. At that time, AGC was considered "anti-subcontractor" and subcontractors were really only members to use the Plans Room. AGC was regarded by many as the "Good Old Boys Club."

I was active in a subcontractors association that was working hard on several items to improve contracting for subs. This association was new to Alaska and was well received. Fair contracts and prompt payment were the top priorities.

Subcontractors felt they were taken advantage of—and in many cases they were. Slow payments that averaged around 120 days had broken some companies and biased contract wording that shifted liability to subs was becoming the norm. Many felt they had to put up with this kind of treatment if they wanted any work.

When I was invited to attend a meeting with AGC to discuss subcontractor issues I was suspicious and very nervous. The meeting was attended by some of the leading general contractors in Alaska. During our meeting I discovered that AGC was really concerned they might start losing subcontractor members if they continued to be regarded as only interested in general contractor issues—more than 60 percent of the membership was subcontractors.

As it turned out, this started a great momentum and resulted in many successful improvements for subcontractors. This was

by no means a walk in the park—but through hard work and tenacity we whittled away at the barriers.

We have seen a prompt payment bill pass and now have a new improved AGC contract for subs with wording eliminated that only favored prime contractors. We have changed the organization from a general contractor association to a contractor membership without distinction between generals and subs, allowing subcontractors to become board members. We have seen subcontractors elected to the board and serve through the chairs.

Today, the AGC of Alaska is stronger and recognized as the voice for all contractors in Alaska. As I look back through the years of my involvement I am very proud of the organization. I know that the improvements we have seen would be nearly impossible without the unified efforts of the AGC. The willingness to change was, and is the key.

As Ralph Waldo Emerson said, "Do not follow where the path may lead; go instead where there is no path and leave a trail." I love that saying and I try to apply it to my own business; I believe that improvement is always possible.

As I look forward to this year as president of the AGC of Alaska I want to encourage you to become active in the organization. What are your issues? Please do not let a chosen few lead your path—through the association you can make a difference.



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# **Highway Construction**



By Dick Cattanach, Executive Director



any Alaskans affectionately refer to Alaska as a state with only two seasons - winter and construction. While said jokingly, it does seem that construction equipment emerges almost magically with spring flowers and tree leaves. Many see highway construction as an irritation, an inconvenience, and an unnecessary intrusion into the natural habitat. It's viewed as an attempt to blacktop Mother Nature, a major contributor to air and water pollution, and a contributor to the decline of the American family due to lengthening commute times.

As Paul Harvey would say, "There is another side of the story." Given Alaska's climate, highway construction can only occur during summer. Unfortunately, the construction season coincides with increased travel due to summer vacation, tourists, fishing and other outdoor activities. The adage, "you can't get there from here" seems to apply more and more frequently as increasing numbers of drivers struggle to use Alaska's highways at the same time as maintenance and construction projects occur.

Often we fail to recognize the positive changes that have occurred in our nation's transportation infrastructure. Since 1970, statistics show that carbon monoxide vehicle emissions are down 43 percent, volatile organic compounds are down 59 percent, particulate matter emissions are down 42 percent and lead emissions have been eliminated. In 2002 the federal Wetlands Mitigation Program created nearly 2.7 acres of wet-

lands for every acre of wetlands committed to road and transit improvements. During this same period, the Gross National Product (GNP) increased 161 percent, the population grew 33 percent and vehicle miles traveled increased nearly 150 percent, while new highway capacity increased only six percent. In addition, 80 million tons of asphalt pavement removed each year during resurfacing and widening projects is reused, greatly exceeding the 60.7 million tons of paper, glass, aluminum and plastic recycled nationally as a result of an extensive consumer campaign.

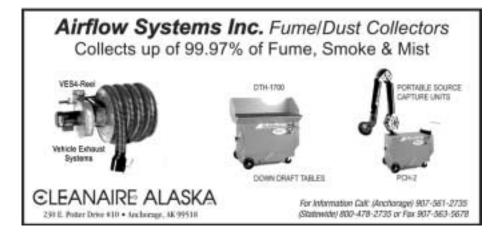
These are a few of the facts that should be acknowledged when considering improvements to the transportation infrastructure of Alaska. Despite what might be concluded from the media, wide popular support exists for expanding the transportation system. A nationwide poll conducted in 2002 found that 93 percent of all travel is on highways, and a vast majority, 87 percent, is by car but not in a car pool; 89 percent believe that it is important for elected officials to support the position that highway user fees should be dedicated only for highway improvements; two-thirds are more likely to support a gasoline tax dedicated to highway improvements; and 89 percent would support a candidate who endorses investing their fuel taxes in highway improvement projects.

The benefits of continued highway expansion and improvements are difficult to dispute. Improved safety, quicker

emergency services, improvements to the environment, improved fuel economy and reduced dependence on foreign oil are all benefits directly tied to highway improvements and expansion. Naysayers would suggest that these same benefits could be realized by increased transit ridership and bicycle usage. There is no question that such changes would provide many of the same benefits, though at a lower level; the question is at what cost. To increase ridership on transit systems requires financial incentives or increased subsidization. The current highway program in the United States requires that the federal government collect user fees and that amount is then invested in the basic infrastructure of the nation. Infrastructure users are required to procure their own transportation and pay all related costs of maintenance and ownership. Transit systems not only require subsidies from local governments but they also receive 20 percent of the highway trust fund although contributing nothing by way of fees.

Despite the high level of investment in highway infrastructure in Alaska, much remains to be done. Roads to resources, roads to rural villages and roads to connect one part of the state to others must receive greater acceptance and undergo appropriate public scrutiny. To do this in a systematic manner, Alaska needs a transportation plan; the plan should include all aspects of transportation. It should consider urban and rural demands, it should consider industrial roads and public roads, it should consider

er transit, it should consider the unique role of the marine highway system and Alaska's reliance on air travel, and it should include consideration of how the highway user fee charged in Alaska can be modified to promote the transportation plan. In many respects, the public takes transportation infrastructures for granted until needed. Without question, these infrastructures are a primary contributor to economic development and essential to the quality of life enjoyed by all Alaskans.









By Steve Mihalik General Manager, WorkSafe



# Is Your Drug-testing Provider Certified?

Substance Abuse Program Administrators Certification Sets Industry Standards.

In a world where companies are besieged with ever-evolving regulations and held liable for just about everything under the sun, having a capable drug-testing provider you can count on is essential.

So how can you tell if a provider is trustworthy, competent and capable of providing a legally defensible drug-testing program? That is where certification from the national Substance Abuse Program Administrators Certification Commission (SAPACC) comes in. Any company with certified people has demonstrated a true commitment to the industry—and ultimately, to you. We are pleased to announce that WorkSafe General Manager Steven Mihalik, C-SAPA, C-SI. has attained his professional designation as a Certified Substance Abuse Professional Administrator (C-SAPA).

The Certified – Substance Abuse Program Administrator (C-SAPA) certification is the highest level of training qualification that can be achieved in the drug testing industry. Criteria for the certification includes passing the certification exam, completion of three years of experience in the substance abuse field, completion of a minimum of 40 hours approved training in the substance abuse field within the last five years, knowledge of the transportation industry and its modal regulations and maintain high ethical and practice standards.

The bottom line benefit to you, the consumer, is knowing you have hired a company with professionals you can rely on to:

Answer all your questions no matter how complex or how many regulatory bodies may be involved;

Handle new requirements as your company grows and expands into contracts involving different agencies and different regulations;

Administer your program with professionalism and without mistakes;

Help prevent situations that could open you to liability.

A C-SAPA certified individual will have in-depth knowledge of all federal drug-testing requirements and have experience with the non-federal drug testing process. There are many "modes" within Department of Transportation (DOT) regulations, with different requirements for different agencies such as the Federal Aviation Administration (FAA), U.S. Coast Guard (USCG), Federal Motor Carrier Safety Administration (FMCA), Research and Special Programs Administration (RSPA) and Federal Railroad Administration (FRA) and many others.

To earn a C-SAPA SAPACC-certification, an individual is required to know all federal regulations, inside and out. This could save you countless hours tracking down the right people and the right information when you need advice fast. And of course the more your provider knows, the better they can answer your questions and quickly resolve any challenges that may arise in your drug-testing program.

Will your provider be there for you in the future? You may need just a few services now, and perhaps DOT regulations don't even apply in your current situation. But what if your company expands? Suddenly you may be faced with a completely new set of requirements. If you start with a strong, multifaceted company with SAPACC-certified individuals in the first place, you won't have to go through the evaluation process, develop new working relationships with your provider, or develop a completely new program all over again. So be sure to hire a provider not only for the services you need today, but also for tomorrow; the only way to do that is to hire a company that was here yesterday.

Is your provider committed to professional excellence? Companies with SAPACC-certified professionals have invested in the time and resources to have their people go through the lengthy certification education process trainings, taking the exams, and getting the years of experience in the industry they need to meet the stringent requirements. This commitment is important because you need a provider that won't make mistakes. Ultimately, you are responsible for and will be held accountable for your drug-testing program. You need to know your drug-testing provider is capable of and committed to administering your program to the highest professional standard.

They need to be beyond reproach.

In the workplace drug-testing industry, experience counts. Just like in your business, you know things that only experience can teach. SAPACC-certified individuals are required to have years of experience before they can even apply.

At WorkSafe, we are proud to be a company with three SAPACC-certified professionals. In fact, WorkSafe President Matthew Fagnani, C-SAPA, S-CI, was one of the first people in the country to earn the certification, which he has held since 1999. In addition to Matthew, Al Stoddard, C-SAPA and Steve Mihalik, C-SAPA, S-CI have also earned the certification and work to uphold the standards of professionalism at WorkSafe. We believe the certification is more than just hype—it should be a high priority when evaluating your drugtesting provider.

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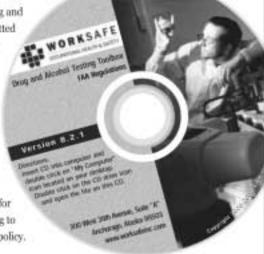
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he \$1.88 billion Knik Arm crossing concept has been replaced with a different approach. Enter the Knik Arm Bridge and Toll Authority Executive Director Henry Springer with a practical idea, realistic budget and workable plan.

"We're just building a simple pile-supported bridge," Springer said. "A half-billion dollar bridge is not a world class project anymore."

So how did he shave over \$1 billion off the cost of the crossing? Easy. Move the bridge northeast of the ports, past the treacherous deep water, beyond the shipping lanes, away from the Elmendorf runway approach and into shallower waters.

# **Building the Bridge**

By Susan Harrington

The project is reduced in scope and size. The plan is changed from the 60-foot tall, four-lane, railroaded, port-to-port project complete with 25 miles of overland road segments to a simple bridge. Springer's scope is shore-to-shore.

"It's just like metropolitan transit—elevated roads—this is just over water instead of over roads," Knik Arm Bridge and Toll Authority Chairman George Wuerch said.

Two causeways and 7,000 feet of locally preformed concrete sections set on pilings with spans between 250 and 300 feet is the new concept. A plan cheaper to fund, quicker to build and more likely to be driven across in this decade.

"The bridge surface will be two-lane with room for a semi to pull off on either side or for snowplows to pile snow up,"

Wuerch said. "With room for snow plows in the winter—maybe pedestrians and bikes in the summer—the bridge will handle continuous two-lane traffic under a variety of situations."



"This is a stand-alone project and we are not trying to cut funding from anything. We are going to look in every direction for funding."

—Henry Springer

Maybe even dog sleds.

"We could start the Iditarod at the port," Springer said.

Some of the earlier, more expensive, bridge versions included a rail crossing. This one includes a rail-friendly design instead.

"It will be railroad compatible for adaptations in the future," Springer said. "The grades and layout will be designed at rail grades and slope."

With Springer as executive director and Wuerch as chairman, the Knik Arm Bridge and Toll Authority has two leaders at the helm whose hearts are in construction.

"I'm an engineer, Henry is an engineer—we want to build things," Wuerch said.

And who builds bridges like this?

"Alaska industry," Springer said.
"Both the design industry and the construction industry are perfectly capable of doing this bridge. The only thing is maybe bonding limits of Alaska companies. Then there is joint venturing—local and out-of-state firms put a joint-venture

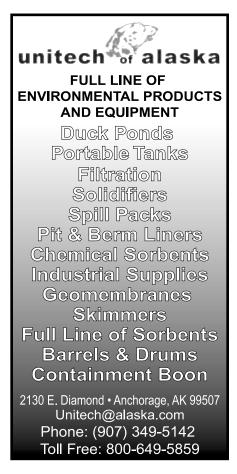
together on projects like this. Another way to reduce bonding requirements for Alaska companies is "sectioning the project—like the causeways separated from the bridge to lower individual costs," Wuerch said.

Before heavy equipment operators can start dozing and crushing thousands of cubic yards of useable adjacent material or contractors can start hauling thousands of tons of more expensive rock for the causeways, permits must be obtained, which will determine design parameters and rock quantities. There will be no pile driving or concrete section construction until funding is obtained.

"The reality now is you're not going to build things until the marbles are all lined up," Springer said.

Some of the marbles they are lining up are the permitting and environmental processes. Wuerch said that Springer is experienced in bridge building and the sciences and an avid bird lover. "The point here is we are not here to harm the environment," Wuerch said. "We are here









Digitally enhanced photo of Port MacKenzie illustrates the planned ferry vessel landings to the left of the existing barge dock. In the center, a crane is ready to load Alutiiq Manufacturing Company houses on a barge. Depicted on the right are the deep-water dock and the commodities conveyor, both planned for completion in 2004. Courtesy P N D Incorporated, Consulting Engineers.



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Licensed and Bonded General Contractors AK Contractors License # 23651 to protect the beluga and salmon runs and move people across the bridge."

And they are there to find funding to build the bridge. "We're not trying to compete with other projects," Springer said. "This is a stand-alone project and we are not trying to cut funding from anything. We are going to look in every direction for funding."

They are looking to the East for the majority of the money—in the form of congressional appropriations, economic development grants, transportation infrastructure funds, and Homeland Security funds. They have sent a lobbyist to Washington, D.C. for help in that area.

"So what we do in the meantime," Wuerch said, "while we're waiting for the funding-we work with consultants and develop a work plan and critical path. We hire three consultants to start up-an environmental expert, a conceptual engineering firm and a legal regulatory expert to reduce risk 50 percent."

Springer sees the entire project taking six years after funding is secured. "For construction only-two and onehalf to three years is doable," Springer said, "depending on shut-down windows from the permitting process—for example during beluga movement or salmon runs."

With one year allocated for design, the rest of the time is for permitting. "The actual design doesn't take that long," Springer said. "We'll have subsurface, seismic, geographical and environmental parameters from the consultants and the permits."

Springer said that the permitting includes complying with federal and state regulations including the National Environmental Policy Act, Marine Mammal Protection Act, Coastal Zone Management Program, U.S Army Corps of Engineers, Section 404 of the Clean Water Act, Title 16 dealing with anadromous fish habitat protection and many others.

"We fully recognize the environmental concerns and we are working with all those agencies from the beginning," Springer said.

And even though the Knik Arm Bridge and Toll Authority is just dealing with the marine environment—shore to shore—to connect the Port of Anchorage with Port MacKenzie, part of the mission

is to coordinate efforts with the ports.

"We are working closely with the two ports—there is a lot of cooperation with both sectors and the bridge is a very integral part of the design considerations for the ports," Springer said.

The association is an important one. The commercial and industrial benefits of the bridge set the stage for the future.

"Connecting ports provides infrastructure in Alaska for logistics growth for the next several generations," Wuerch said.

The Knik Arm Bridge and Toll Authority will own the bridge. The plan is to obtain enough funding for construction so that tolls will be low and used for maintenance and operations, not to pay bonds or loans.

"And another thing—we are not building a bloated bureaucracy here," Springer said. "We have a paid staff of two and a board of seven volunteers, we are utilizing the private sector to help with those tasks-we're not eating up funds with internal costs."





# Industrial Roads Expedite Development

by Susan Harrington

limate change is a key reason that the State of Alaska Department of Transportation and Public Facilities is building more permanent North Slope roads. In a presentation at the annual AGC Conference held at the Captain Cook Hotel in Anchorage, Senior Planner Mike McKinnon told AGC members that DOT&PF "found developers have lost 100 days of ice road use over the last 25 years."

McKinnon said that this has cut the ice-road season in half—from 200 days in 1980 to 103 days in 2002. In addition, there is new competition from other

exploration and development for oil and gas prospects in places like Greenland, Russia and Nigeria instead of the North Slope. A goal of the industrial roads program is to make Alaska more competitive by lowering operating costs to attract both exploration and development of oil, gas, minerals and coal.

In 2000 DOT&PF started a two-year resource transportation analysis study funded by then-Senator Frank Murkowski. The study identified specific projects for the Roads to Resources Industrial Roads program being developed by now-Governor Murkowski.

McKinnon said these are industrial roads, not public roads. They are being built to develop links to resources, not communities—although community links may come later as a result of development.

McKinnon said that an all-season gravel road along the foothills of the National Petroleum Reserve-Alaska (NPR-A) will enable leaseholders in NPR-A to access, explore, develop and operate under less expensive and more favorable conditions. The first generation of work will be to extend the existing road network west along the Arctic Coast to NPR-A.

Northern Economics is completing a study that is looking at the cost of developing an oil field in NPR-A. They are determining what the cost savings are in gravel roads versus ice roads and year-around roads versus seasonal roads. Northern Economics President Pat Burden explained what this means in terms of the economic feasibility of oil fields.

"Cost savings are inverse to the price for oil," Burden said. "The amount of oil that might be economically developable, or economical to produce based on the price of the road, determines the economic size of a field. You don't need an Alpine with gravel roads."

In his presentation at the Captain Cook, McKinnon said that the ice road model called for a field size of 400 million barrels. The gravel road model only needed a field size between 100 million and 200 million barrels.

Gold follows oil and gas in access priorities. Three of the items in the Roads to Resources program are gold mine access projects with one that includes a port on the Yukon River.

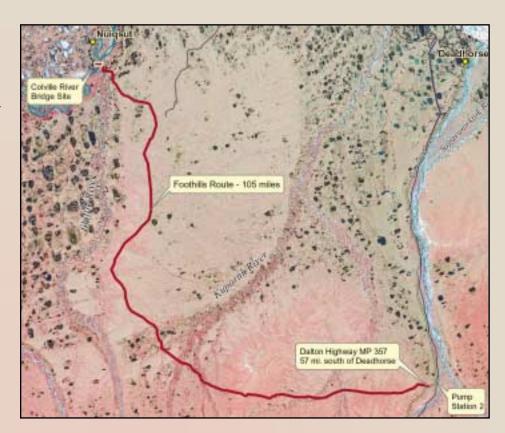
- Glacier Creek Road to the Rock Creek Gold Mine near Nome.
- Crooked Creek Road near the Donlin



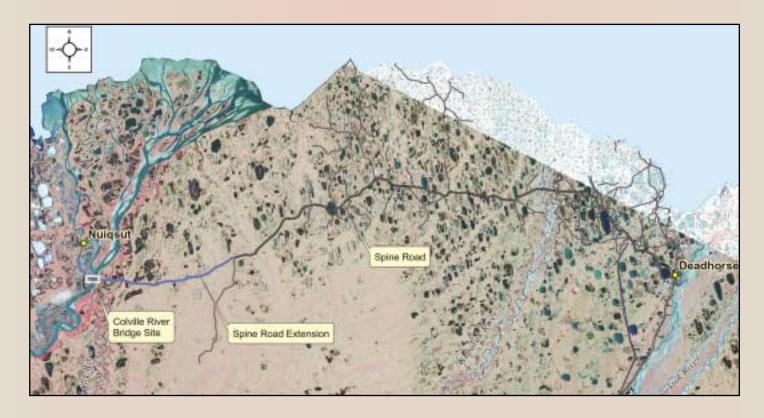
- Creek Gold Mine.
- Yukon River Port and Road Network in the western end of the Tintina Gold Belt.

Construction of the Glacier Creek Road is scheduled for the summer of 2004. This new three-mile road replaces eight miles of road with poor grade and drainage. It will access the Rock Creek Gold Mine, which holds 1 million to 2 million ounces of gold. The road will make other area claims more economical to operate, improve access to local subsistence use areas, and cost about \$8 million, according to the latest DOT&PF status report.

Design and construction of the Crooked Creek road is expected to cost over \$20 million. It links the Kuskokwim River to Native regional corporation Calista's Donlin Creek Gold Mine that is being developed by NovaGold Resources Inc. and Placer Dome U.S. Inc. Reserves at Donlin Creek are estimated to exceed 25 million ounces of gold. This road will enable mine operators to save money on fuel and freight transportation costs during exploration and construction of the

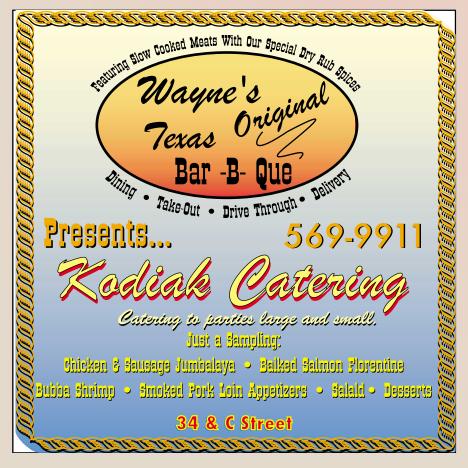


All-season gravel road along the foothills of NPR-A. Courtesy DOT&PF and CH2M HILL.



All-season gravel road along the Arctic Coast to NPR-A. Courtesy DOT&PF and CH2M HILL.





gold mine. The mine relies on air service for all operations at this time.

The Yukon River Port and Road Network project includes a new barge port on the Yukon River with a 60-mile road linking it to Calista's Donlin Creek Gold Mine and 100 miles of pioneer road segments accessing gold deposits throughout the district. The barge port will be located upstream and across the river from Holy Cross. The network provides access to several world class gold deposits.

Another road will connect the Deadfall Syncline Coal Mine near Point Lay to the Delong Mountain Terminal at the Red Dog Mine port. In consultation with Arctic Slope Regional Corporation, DOT&PF is considering a 90-mile road to enable seasonal exports of between 1 million and 2 million tons of coal per year.

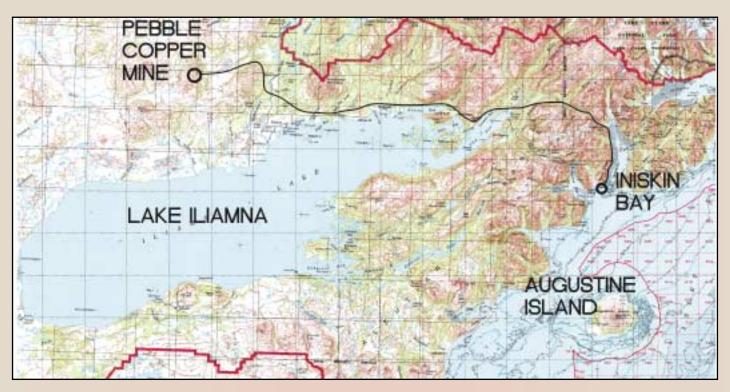
The Delong Mountain Terminal expansion project, if approved by the U.S. Army Corps of Engineers, will allow ships direct dock access to a new port with a trestle and roadway that extends to a deep-sea berth. Ships would come in through a dredged channel and turning basin.

Alaska Industrial Development and Export Authority (AIDEA) Project Manager John Wood said AIDEA hopes to begin construction of the \$200 million project in the spring of 2006.

People in the Bristol Bay area of the Alaska Peninsula are looking at oil and gas development due to declining fishing revenues. McKinnon said that DOT&PF is beginning a resource transportation analysis for the region to determine port and road segments for the area.

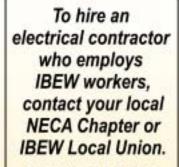
He said DOT&PF is working with the Department of Natural Resources Oil and Gas Division, the region's borough governments and regional and village Native corporations and their communities. Together they will determine the best proximities for roads and ports consistent with major oil and gas development opportunities and the highest value area model.

Off the west side of Cook Inlet near Iliamna, the Pebble Copper project with estimated reserves of over 13 million ounces of gold and nearly 7 billion pounds of copper may warrant a road to

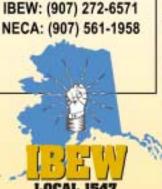


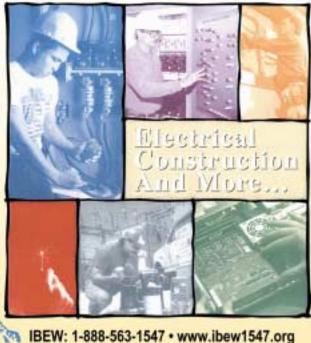
Road from Iniskin Bay to Pebble Copper Mine under consideration by DOT&PF. Map courtesy P N D Incorporated, Consulting Engineers.





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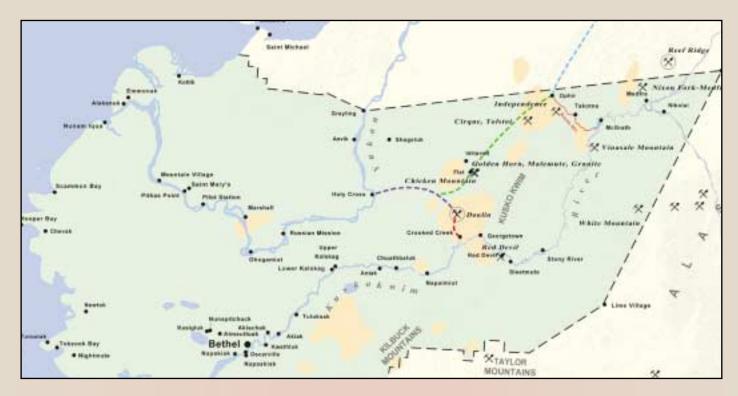
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Yukon River Port and Road Network project area shows Crooked Creek Road to the Donlin Creek Mine and a road from the mine to the Yukon River Port near Holy Cross. Map courtesy DOT&PF.



tidewater. DOT&PF is advertising for a consulting engineer firm to review existing plans for a road from a port site at Iniskin Bay to the mine site. DOT&PF expects to bring the port and road project to the design stage in late 2004 if the port/road analysis proves the project is feasible and cost-effective.

McKinnon answered questions from the audience after his presentation at the Captain Cook. Contractors wanted to know about the kind of roads to be built, maintenance and payback.

On the North Slope Roads project McKinnon said, "The first-generation roads will be two-lane gravel, with a 24-to 30-foot top, shallow grades, no guardrails and no supers."

Some of the other roads will allow for shared access, but not roads linking the NPR-A staging area to the haul road. All these roads represent millions of dollars and hundreds of jobs to the construction industry.

See "Roads" Page 59



DeLong Mountain Terminal trestle and roadway extending to a deep-sea berth in the Chukchi Sea is shown in front of the existing dock. Courtesy Alaska Industrial Development and Export Authority.





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# Stark-Lewis, LLC

By Susan Harrington

eith Stark arrived in Anchorage on April Fools Day in 1957. His uncle Mel convinced his parents, George and Betty Stark, to move the family from Sacramento, California, to Alaska. Half a century later Stark-Lewis LLC continues the Stark family association among roofing, Alaska and the AGC.

In 1953 Melvin Stark and Earl Lewis first came to Alaska with Ellis Roofing to work the summer construction season. In

1956 Melvin Stark brought his brother George along to work the summer in Alaska. It was the following year, 1957, when the Starks arrived in Anchorage to stay.

"When Melvin came up he signed up with AGC right away," Betty said. "Melvin was involved with AGC-George just did the projects."

Melvin's foresight to join AGC in 1953 garnered the company a 50-year



Betty Stark and son Keith Stark were honored by AGC Alaska in November 2003, for their company's 50-year membership.

longevity award that was presented during the AGC conference held in November.

"They all worked for Ellis Roofing until 1964," Keith said. "Then dad, uncle Mel and Earl Lewis started the Stark Corporation; they partnered with Ellis Roofing and the name changed to Stark Ellis Roofing.

The earthquake struck on Easter morning that year and created a construction boom.

"George said after the earthquake people thought if they had a pickup truck and a ladder they could be a roofer," Betty said.

"They still think that," Keith said.

1964 was a busy year for everybody. Stark and Lewis had been union roofers in Sacramento and were used to working





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in a closed shop. So they organized.

"They were on the ground with them—charter members in Alaska," Keith said. "Dad, uncle Mel and Earl got the roofers union started when they bought the business from Ellis Roofing. Now it's called Roofers, Waterproofers, and Allied Workers Local 190 with more than 100 members on the books in Alaska and over 60 active roofers."

Through the years, the Starks have continued to operate a closed shop and rely on union labor to get the job done. A succession of ownership changes have occurred. In 1974 George, Mel and Earl bought out Ellis and changed the name to Stark-Lewis Company, in 1984 Earl sold his interest to the Stark brothers and in 1987 Mel sold his interest to George.

They kept the name; by 1987 Stark-Lewis had been associated with Alaska roofing for 30 years. "It was a recognized name in the community and the state," Keith said.

Betty, who had spent many summers doing the books and payroll, took a more active role in 1996 when George passed away. At that time the company trusted to her.

"You're supposed to retire when you're 65," Betty said. "I came to work."

She stayed and worked until 1999, "when Keith told me I had to retire," Betty said. She still attends some AGC social functions and they have kept the membership all these years. She accepted the 50-year longevity award with her son Keith in November.

The AGC has kept us informed of what is happening in construction—as far as legislation—and we utilize the Plans Room," Keith said. "Not as much as we used to; with all the electronics now you pretty much get everything off the computer."

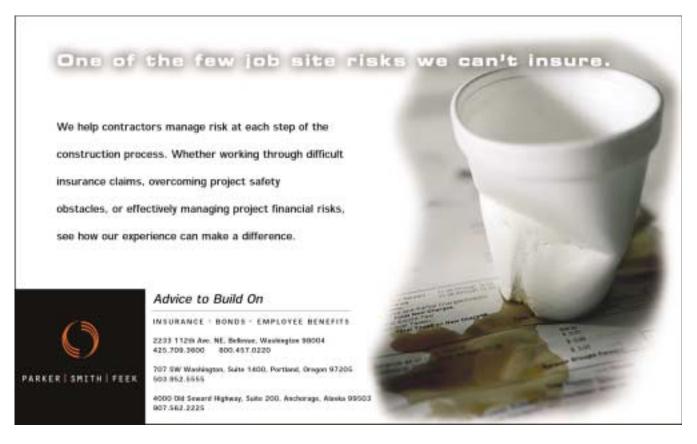
Through the years they have worked all over the state and have a core group of about half a dozen employees. Depending on the year and the project they employ between 20 and 40 roofers.

The business is focused on commercial buildings rather than residential and they have roofed a lot of buildings in Anchorage and around the state over the last 50 years. Currently they are doing the siding on the Wasilla Multi-Purpose Sports Facility along with roofing projects at Shemya Island for the U.S. Air Force and Concourse C at the airport.

"God has blessed us with the business, it has supplied an income for us and for a lot of other people," Keith said.

Their past projects list includes the AWWU Maintenance Facility, the new Carrs store at 88th and Abbott, the Alaska Native Medical Center on Tudor, the Fifth Avenue Mall, the original J.C. Penney store, the Captain Cook Hotel, the ARCO building, the Hunt Brothers building, most of the original school roofs in Anchorage, and work at Ft. Richardson Army Post and Elmendorf Air Force Base.

Their commitment to the construction industry has been to "provide a quality product honestly and with fairness to the customer," Keith said. "We do it once and do it right the first time—so we don't have to do it again."



# Associated General Contractors of Alaska Legislative Priorities 2004

#### Privatization of work done by State

Each year, state workers undertake considerable work that could more efficiently be performed by the private sector. Governmental employees involved in these activities should be transferred to more traditional governmental roles and the work should be performed by the private sector.

From projects such as the reconstruction of the St. Mary's airport road to major maintenance work on transportation projects, the State of Alaska is employing state workers to perform work normally undertaken by the private sector. The justification that the state can perform the work more cost effectively ignores cost accounting realities prevalent in the private sector. Perhaps the most condemning aspect of this endeavor is that legitimate work is withdrawn from a myriad of small Alaskan businesses that depend on it. Without such work, the viability of these firms is threatened.

#### State of Alaska Transportation System

During the November 2002 election, voters approved general obligation bonds to fund major road building for the state. This was possibly the first time that Alaskans have taken the initiative to develop a road program separate from the federal highway system. Currently Alaska is the only state that does not have a state-designed and funded highway program. Only Delaware, Hawaii and Rhode Island have fewer road miles than Alaska. Alaska has a majority of the nation's coastline, but has no program to develop and maintain the state's docks and harbors.

Alaska has world-class mineral deposits, but no transportation corridors for access.

To realize its potential, Alaska needs a transportation system that considers all modes of transportation. As part of the mix to finance the construction of the system, the state should consider a combination of taxes and revenue bonds. The logical tax to support this development would be the gasoline tax. Alaska has the second-lowest gasoline tax in the nation, and at eight cents per gallon is 60 percent below the national average. An increase in the gasoline tax to pay for the increased transportation infrastructure and maintenance needs of the state would allow the citizens of the state to help contribute to the development of the state's resources. In addition, a tax based on resource development would help underwrite the costs of infrastructure development that would allow the development of ports and harbors as well as roads and airports.

Further, the current transportation infrastructure of Alaska is inadequate and requires continued planning, upgrades and expenditures to assure the citizens of Alaska are provided with essential services. There is little doubt that the economic benefit derived from the investment in Alaska's transportation infrastructure far exceeds the matching funds required to secure the federal matching funds. Accordingly, the state is encouraged to continue providing full funding of the federal highway matching funds.

#### **License bonds for contractors**

As part of the licensing of contractors, the State of Alaska



requires that all general contractors post a bond of \$10,000 and all specialty contractors post a bond of \$5,000. This requirement allows contractors to represent themselves as being licensed and bonded by the State of Alaska. While this representation is technically correct, the public using a contractor perceives a degree of protection not afforded at the current bonding levels. The current levels are inadequate to protect the public against all but the most minuscule claims. As a means of protecting the public, the existing law is a sham. As a barrier to entry to keep unscrupulous contractors from the industry, the law is ineffective.

To better protect the public, the bonding requirement should either be eliminated or increased to a meaningful level. If eliminated, the public would be put on notice that they will have to do the required due diligence to protect themselves and their investment. Alaska would be adopting a true "let the buyer beware" system in dealing with licensing contractors. If increased to a meaningful amount, the public would be protected but the bonding would become a "barrier to entry" for small firms. Either of these alternatives has a myriad of disadvantages, but each deals with the problems of the current system. To perpetuate the current system, however, deceives the public, protects unscrupulous contractors and does little or nothing to the vast majority of contractors.

#### Long Term Fiscal Plan

It is in the best interests of the state that the legislature and administration adopt a long-term fiscal plan that deals with the issue of falling petroleum revenues, appropriate levels of taxation, utilization of the permanent fund and incentives to encourage new economic growth. Part of this plan should include an increase in the gasoline tax and a designation of those funds to underwrite the costs of highway maintenance.

The long-term fiscal plan should also include an approach to the maintenance and enhancement of the capital assets of the state. Frequently, capital budgets trumpet the addition of new facilities but fail to address the necessary maintenance and upkeep of existing facilities. Good

stewardship requires that appropriate maintenance of existing facilities be incorporated within the operating budget while the expansion or enhancement of facilities can be accomplished in a capital budget.

The capital budget should also deal with the issue of utilizing the bonding capabilities of the state to address existing capital deficiencies. Bond repayment, however, requires the use of operating funds so the quantity of bonded projects should not exceed the state's ability to fund the required annual payments. Undoubtedly, a level exists at which the bonded debt optimizes the growth of the state without penalizing future operations or opportunities. The goal should be to use bonded debt up to that level, but care

Please see "Priorities," page 60



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## **Western Marine**

By Susan Harrington

Inc. has been in Alaska since 1962. This general contractor began work in Alaska with a maintenance dredging and float replacement contract in Seward, Valdez and Cordova for the State of Alaska, Division of Waters and Harbors. For the last 42 years they have been continuously involved in marine projects in the Aleutians, Pribilof Islands, Kodiak, Prince William Sound, Southeast and Western Alaska.

Western Marine was founded in 1961 by Waldo Olson, who remained at the helm until 1980. Waldo's son Jim Olson, who had been project superintendent for the company for many years, became president and continued to run Western Marine until 1994.

Current president, Kriss Hart, born in Glennallen and raised in Juneau, has been with Western Marine 24 years. He started as an engineer surveyor and worked his way up through the ranks. Western Marine is a hands-on company and Hart is involved with running projects from beginning to end. Hart is currently in Juneau working on the \$5.6 million Auke Bay East Stern Berth ferry terminal project for the State of Alaska, Department of Transportation and Public Facilities.

Vice President of Construction Joe Zech, who is a State of Alaska professional engineer, has been with Western Marine four years. Zech is currently in Valdez working on the Valdez Ferry Terminal Improvements, a \$13.9 million project. He joined the company as a project manager because he liked their style.

"Western Marine treats their people great," Zech said. "We have a good working relationship and have worked together for a long time. We know each other and work together well. The crew and management work well together—most of the people have been with us for a number of years and I've enjoyed working with and getting to know all of them during the 14 years I've been working in Alaska."

Safety is a big concern with Western Marine. "Safety is and has to be a number one priority for us," Zech said. "We are very safety conscious because we are working in a marine environment, around a lot of heavy equipment and many times in unfavorable weather conditions."

In fact, Western Marine received five awards from the U.S. Army Corps of Engineers for Safety and Contractor Of The Year during 2000 and 2001. One of the projects meriting the accolades was the very dangerous and difficult dredging of the Wrangell Narrows. They drilled, dredged, blasted and removed about 40,000 cubic yards of rock, hardpan and sediment along a 6-mile stretch of the narrows in strong tidal currents.

"Several contractors said it couldn't be done—but we did it," Chief Financial Officer Bill Kerzie said.

It's what they do.

"Western Marine is a general marine contractor," said Kerzie, a member of the team for twenty-eight years. "Pile driving, dredging and underwater drilling, constructing boat and harbor facilities—we have been involved in nearly all the boat and harbor facilities in Alaska in one aspect or another. We were instrumental



in a good part of the Southeast Alaska Ferry System."

How do they do it?

"We have good people and great teamwork," Kerzie said. "Lots of experience, a nucleus of good people who have been with us for some time, plus the help of new technology."

With technology comes training and Associated General Contractors of Alaska helps in that area.

"On this Valdez project we have a 1,000 Hour Minority Apprentice Training program in effect," Zech said. "We are always training and reviewing current training standards and get help from the AGC to keep up with that training. We utilize the AGC Blue Book to search for new projects coming out, and use available AGC contracts and forms. AGC is behind the scenes and eager to help whenever they can—we see these benefits and use them often."

Western Marine has been an AGC of Alaska member since 1989.

"We wanted to be part of the AGC of Alaska organization because this is the area where we do most of our work," Kerzie said.

Connecting with the community is another facet of Western Marine's style.

"We try to participate in local community charities where we are currently working, whenever we can," Zech said. "We participate as individuals, and as a company, to larger charities that benefit the whole communities that we work in."

Another big part of that involvement is through local hire.

"Employee-wise, we have a core group of individuals who know and understand our equipment and the type of projects we build," Zech said. "We've developed a network of people that we know and enjoy working with throughout the state of Alaska that will work with us periodically depending on the project requirements. We use Alaskans for most of our barging and mobilization to our projects and hire locally when we can—because it makes sense."

Western Marine is usually the prime contractor with a small workforce of between seven and 30 people, depending on the project.

"We have a skeleton crew," Kerzie said, "then pull from the local area—

many of our jobs are Alaska preference. We have a great mix of people—a lot of local hire."

Also, as is true with the Valdez project, Western Marine's subcontractors are Alaska firms—employing even more Alaskans.

"Valdez is a 2-year project with three large subcontractors," Zech said, "one from Anchorage and two from Valdez—100% local hire."

"Western Marine's main office is in

Seattle because of barging and logistics. Most of our major suppliers are located on or near the Seattle waterways and most of the barging tends to start there," Zech said. "We're very familiar with Alaska and keep coming back because that's what we know."

Kerzie put it another way, "We've been in Alaska a long time; our contractor's license is Number 15, if that tells you anything."





### **EDUCATION REPORT**

# Where Will You Find New Employees in 2010?

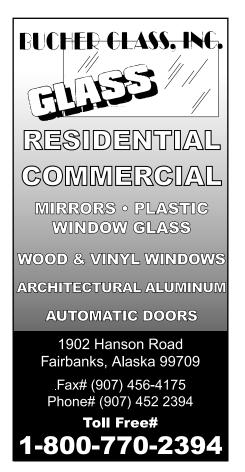
Submitted by Vicki Schneibel, MAT Training Director



ere's some interesting workforce and demographic data.

According to the U.S. Dept. of Education, 73 percent of employers rate the writing skills of recent high school graduates as fair or poor and 63 percent express dissatisfaction with graduates' math skills.

Research conducted by the National Center for Construction Education and Research (NCCER) shows that the construction industry must recruit 240,000 new workers annually.



In a September 2003 Training magazine article about educating the workforce to create more smart people, Chicagobased consultant Edward Gordon wrote, "By the year 2010 the number of people between the ages of 35 and 45 will fall by 15 percent, as a proportion of the total populations in North America, Europe and parts of Asia. ... In the United States, about 70 million baby boomers will exit business over the next 17 years with only 40 million workers coming in by 2020."

Gordon cited a study done by All India Management that found, "by 2020 there will be a universal shortage of workers representing 32 to 39 million jobs. ... the United States will be short 17 million workers."

Did you know that when you call Delta Airlines your call is being answered in India? What this could mean is that even if you go outside the country to recruit workers, there are fewer candidates and it will be more competitive. And in the U.S., not only will there be fewer workers available, but their values will be different.

According to Gordon, Monster.com

Chairman Jeff Taylor "worries about this human capital shortage. Taylor sees an approaching 'smart-people gap' as wide as the Mississippi River." Gordon went on to recommend that "U.S. business must increase incumbent worker training," and "U.S. business must increase its support of stronger community-based career educations programs."

For example, the East Tennessee Chapter of AGC started an AGC high school by partnering with their school district. The AGC high school, East Ridge Academy, in Chattanooga, is in its second school year and is considered very successful.

I've met the teachers, the principal, and the AGC contractor who has been instrumental in making it happen and winning friends for the school; his name is Ron Tanner. Ron also chairs the AGC of America Workforce Development Committee.

There are many forward-thinking AGC chapters attempting to address the increasing worker shortage. AGC of St. Louis is doing some great work in developing construction workers, too.



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NCCER urges contractors to not only recruit, but to train and retain. Also, the industry must continue to improve the image of the construction industry.

According to NCCER, the last Wall Street Journal Job Almanac Rank of Jobs, published in 2001, shows some improvement for construction workers. Remember, construction started at the bottom of the list of 250 jobs! Progress, indeed, but slow and a long way to go!

 Job
 2001 Rank
 1996 Rank

 Laborer
 244
 248

 Roofers
 240
 243

The irony to the low ranking of construction jobs is that on a national scale construction (skilled journeyperson) pays the fourth-best wages ranked by education. Construction is only behind professional degrees, Ph.D. degrees, and master's degrees.

All of this points to business playing a more active role in education. Your AGC chapter has begun working with the education system at many levels. We've uncovered opportunities and we have "tools" for the construction industry to take a major role here in Alaska.

From what I see and have experienced, the message I want to share and reinforce is that now is the time for construction to make a major impact on the young people to not only enter construction, but to encourage them to stay by being a partner in their continued education. We have significant and well-respected tools to do so. Plus, the wages our industry offers are second only to oil and mining in our state. That's a huge draw—if we use it well!

I'm pleased to report that the U. S. Senate just passed the Workforce Investment Act, a reauthorization of funding. We could have some influence on how that is spent in our state.

Whether we philosophically agree that it is the responsibility of business to play such an active, forceful and, yes, even a financial role in the education system or not, it is here and business is a partner.

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#### AGC of Alaska Executive Director Dick Cattanach pointing to Stark-Lewis, the newest 50-year member on the longevity wall.

# Longevity **Wall Unveiled**

Associated General Contractors of Alaska is 55 years old and has 625 members. A longevity wall acknowledging the 248 members who have been with the association for 10 years or longer was unveiled during the recent annual conven-

Stark-Lewis LLC joined a select group when they were recognized as the sixth AGC member that reached the 50-year membership mark. Last year AGC honored the first five members that had already passed the 50-year membership level.

"It shows a commitment to the industry," AGC Executive Director Dick Cattanach said.

Swalling Construction Company Inc. was the first on board in December 1948. One month later, January 1949, Kiewit Construction Company joined. First National Bank Alaska

became a member in June 1948, followed by Yukon Equipment in July 1948 and Anchorage Sand and Gravel in August 1948.

It would be five years before the fledgling organization had another member with 50-year fortitude. There were other members that joined, but none of them lasted. Fifty years ago, back when they were known as Ellis Roofing, Stark-Lewis LLC joined in April 1953. Their member profile is on page 24.

While most of the members are Alaska companies, or companies from Outside who do a lot of business in Alaska, Cattanach pointed out one unlikely member that has been around almost fifty years. The Seattle Daily Journal of Commerce has been paying dues since December 1958.

#### # Years Member 55 Swalling Construction Co Inc 54 Anchorage Sand & Gravel 54 First National Bank Alaska 54 **Kiewit Construction Company** 54 Yukon Equipment 50 Stark-Lewis LLC 47 M-B Contracting Co Inc 46 Advance Door Systems Inc 45 Seattle Daily Journal of Commerce 45 Walsh & Co Inc 44 Andy Milner Co 43 Brady & Company Inc 43 Honeywell Inc 43 Kenneth A Murray Insurance Inc Simplex Grinnell, LLP 43 43 Totem Equipment & Supply Inc 40 Johnson Controls Inc

39	Allen & Petersen Co
39	Rain Proof Roofing, LLC
38	Wells Fargo Bank Alaska,
	NA(NBA)
37	Allied Building Products Cor
36	Ribelin Lowell & Co
35	Lynden Transport Inc
34	Jackovich Industrial &
	Construction
34	Spenard Builders Supply
33	A & A Roofing Company Inc
33	Foss Maritime Co
33	Ken Brady Construction
	Co., Inc.
33	Parker Smith & Feek Inc
32	GHEMM Company Inc
32	Warning Lites of Alaska, Inc
32	Willis of Alaska Inc
31	Ace General Contractors Inc

31	Alaska Winter Inc
31	Safeco Surety
29	Pacific American
	Commercial Co
29	Urethane Contractors
	Supply Co Inc
28	Comanche Corporation
28	Inland Petroservice Inc
28	NC Machinery Co
28	Senco Alaska Inc
28	Totem Ocean Trailer Express
27	Arctic Surveys
27	Key Bank Alaska NA
27	Shattuck & Grummett Inc
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26	Unit Company
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(Alaska General Alarm)

25

- 25 Alaska Reclamation Inc.
- 25 Denali Drilling Inc.
- 25 Northland Services
- 25 Proctor Sales Inc
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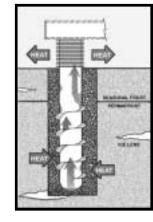
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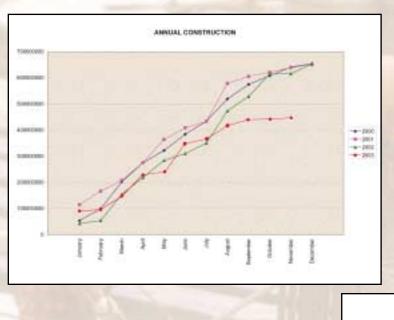
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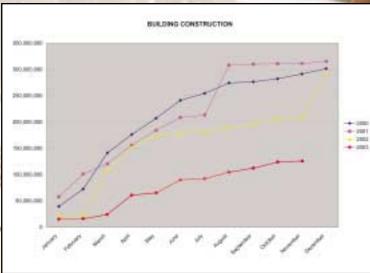


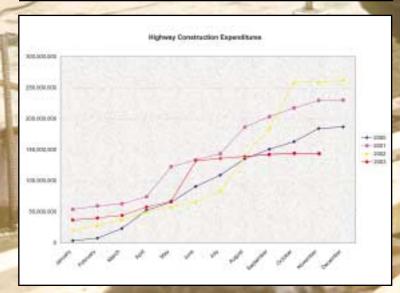
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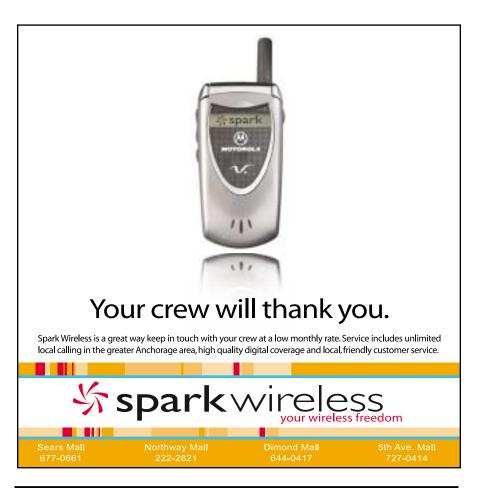


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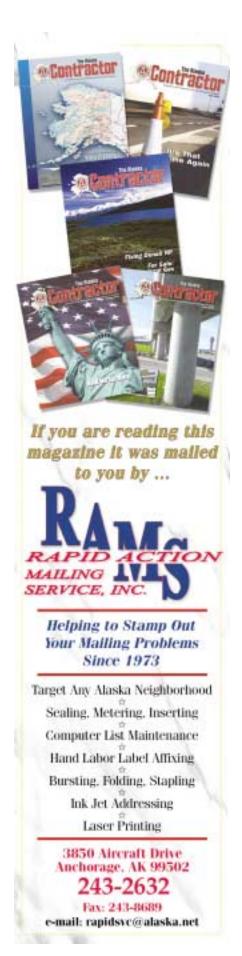
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### **Battling Bureaucratic Delays**

by Russell C. Brooks

elays, especially those that cannot reasonably be anticipated, are among the most costly situations for construction firms to manage. Even when companies have some contractual protection for delays, costs such as lost opportunities, uncompensated overhead costs and the potential for weather delays, eat into profits. It is cru-



Russ Brooks is managing attorney of Pacific Legal Foundation's Northwest Center located in Bellevue, Washington, and is PLF's lead attorney on a number of high profile environmental cases.

cial that the potential for such delays be minimized as much as possible and Pacific Legal Foundation is helping do just that through an important Alaska legal case.

When access to materials or the site of construction involves crossing government land, it is imperative that government officials responsible for access know that they must follow the law in allowing access. PLF has taken up the case of one Alaska family that may lose everything because the National Park Service is ignoring requirements to be "reasonable" and instead using every bureaucratic means possible to thwart these residents' access to their property.

PLF's client in this case, a family known in local newspapers as the Pilgrims, owns and leases 410 acres on three parcels that are completely surrounded by the Wrangell-St. Elias National Park. In April 2003 their home burned, leaving this family of 17 living in a temporary outbuilding that lacks even basic insulation.

As the Pilgrims prepared to use a tracked vehicle to transport the necessary supplies and construction materials along the McCarthy-Green Butte Road, the only road that provides access to the Pilgrim's property, the Park Service demanded that they acquire a permit. Even though they had used these vehicles on this road before without needing a permit, the Pilgrims worked in good faith to comply







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2522 Arctic Boulevard Anchorage, Ak 99503 (907) 276-0521 www.rsa-ak.com only to find the Park Service less than helpful. In fact, just a few days later the Park Service closed the road to all motorized traffic without prior notice, a public hearing or requesting any public comment.

The Park Service now claims that before any traffic can be allowed on this road, a thoroughfare that has been used for decades, the Park Service will have to comply with the National Environmental Policy Act by performing an environmental assessment and publishing the results for public comment. Apparently the Park Service believes that closing the road does not even require public notice, but comments to environmental documents are critical. PLF is in court seeking reasonable access so that the Pilgrims can protect themselves, their livestock and their property.

These federal actions are impacting the Pilgrim's livelihood as well. Included in their property are several mines, facilities that must be prepared for the winter or face damage, some of which will be temporary but much of which is permanent. If this abuse of government authority is allowed to stand, the rights of inholders across Alaska are potentially at risk.

This brings us to what we see as the broader issue in this case, whether government functionaries should be allowed to deprive people of access rights that have been authorized by Congress. The Alaska Native Interest Lands Conservation Act created the Wrangell-St Elias National Park in 1980. This law also recognized the existing rights of property owners to have reasonable access to their land, something we believe the Park Service is not doing in this case.

Among the legal precedents PLF hopes to establish in this case is that agencies like the Park Service are bound to the intent of Congress when implementing the law. Several Congressional documents clearly lay out the legislative intent

that those with inholdings be treated fairly when seeking reasonable access to their property.

Whether the issue is an Alaska resident seeking to repair his damaged home or a construction company that has relied on materials from an inholder's borrow pit, government regulators must treat the situation with fairness and within the law

or be subject to legal challenges like the one being pursued on behalf of the Pilgrim family by Pacific Legal Foundation.

Russ Brooks is Managing Attorney of Pacific Legal Foundation's Northwest Center located in Bellevue, Washington, and is PLF's lead attorney on a number of high profile PLF cases.

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### Port MacKenzie Industrializes

### By Susan Harrington

An industrial revolution is going on across the inlet from Anchorage. The Matansuka-Susitna borough, owner of Port MacKenzie and the adjacent 8,000-acre industrial park that comprise the port district, is moving forward to form the future.

"We are designing our port to export natural resources," Port Director Marc Van Dongen said. "We aren't trying to compete with the Port of Anchorage, which brings containers in."

Sand, gravel, coal, peat, limestone and timber are some of the natural resources that will be exported from Port MacKenzie.

Operations at the port district are expected to generate enough income to continue expansion and keep the enterprise self-sufficient. Besides having lease payments, taxes, wharfage and dockage fees, the Borough is intending to sell gravel, which will generate royalties to help finance activities.

"We can sculpt the port district the way we want it," Van Dongen said. "It's the evolution of building."

Communications and electrical utilities were installed in 2003 and a 15-mile natural gas line is being designed with a

\$250,000 grant from the Denali Commission.

Construction of an \$11 million 1,200-foot long deep-draft dock is scheduled to begin this summer. The dock will extend out to 60 feet below mean lower low-water and will accommodate Panamax and Cape-sized vessels.

Road improvements are ongoing, with plans to reduce the grade on two hills from 10 percent to 5 percent in 2005 and pave the first six miles of Point MacKenzie Road this year. Also, Burma Road rights-of-way will be purchased as a first step in the planned construction upgrades.

Construction is projected to begin in 2005 for a 100-vehicle parking lot and terminal buildings large enough for 150 passengers to wait prior to boarding a planned cargo and passenger transport/rescue boat (Knik TRB).

Ferry Vessel landings will be designed this summer, with construction scheduled to begin in 2005 for completion in 2006.

Van Dongen said that Lockheed Martin will complete the design in 2005 for the vessel, which is to be constructed in Ketchikan beginning next year. The 190-foot long and 70-foot wide vessel is expected to be operating by the fall of 2006. The \$23 million Knik TRB will be funded 100 percent by the Department of the Navy, Operations and Research.

After the first Knik TRB, each additional TRB vessel in the fleet is expected to cost \$9 million.

The Knik TRB is a multi-use vessel to be used as an interim transportation link between the Port of Anchorage and Port MacKenzie until the Knik Arm bridge is built. It will also be used as an emergency rescue vessel should a plane





Operator working at NPI jobsite. Photo by Ron Arvin, Construction Manager, NPI, LLC.





Tandem Caterpillar D-6 and D-9 dozers at NPI jobsite. Photo by Ron Arvin, Construction Manager, NPI, LLC.



go down in the inlet and to support construction of the Knik Arm bridge.

Rail spur reconnaissance is underway with the preparation of an environmental impact statement and plans for right-of-way purchasing, design and construction. No start date has been scheduled or projected for construction of the rail spur connecting the port district to Willow.

Van Dongen said over 40 companies have shown interest in leasing sites from the Borough. The list of businesses asking about a piece of the port is long and includes a variety of industrial and commercial ventures:

- Golf course.
- Tire recycler.
- Surveying firms.
- Engineering firms.
- Joist manufacturer.
- Petroleum company.
- Sheet metal company.
- Electricity generation.
- Berry processing plant.
- Construction companies.
- Fish waste fertilizer plant.
- Liquid Natural Gas company.
- Building module manufacturer.
- Timber development company.
- Foam core panel manufacturer.
- Fiberglass insulation manufacturer.
- Coal exporting from Sutton via truck.
- Float and gravel air park like Lake Hood.

The 8,000-acre port district will be buffered with a quarter-mile greenbelt to the north and west. The 12.5 square miles are zoned commercial industrial and lots are available for leasing only, with long-term leases available. Van Dongen said there will be no selling of property and no residential development, but there will be a series of skiing and hiking trails throughout the district.

Currently there are two businesses in the industrial park. Each has a 30-year lease. Both are very busy with multi-million dollar construction projects.

Alutiiq Manufacturing Contractors LLC (AMC) was the first leaseholder for the port district. AMC is a wholly owned subsidiary of Afognak Native Corporation.

AMC Chief Executive Officer William D'Atri said AMC has been at the

port since 2000 and leases three lots. Their first project at the site was building their 22,000 square foot plant that specializes in construction, manufacturing and fabrication. In the long-term they would like to double the length of the building.

AMC has built and shipped more than 60 homes to the Bush in Western Alaska. Those have been barged across the inlet to the Port of Anchorage and transferred by cranes to larger vessels for shipment.

"They're designed for the worst Alaska has to offer—earthquakes, wind and snow load," D'Atri said.

The modular units are built like boxes with an integrated structural system consisting of a steel frame set on preformed concrete footings; there are no interior load-bearing walls. Insulation has a high R-factor with R-50 in the floors and ceilings and R-38 in the exterior walls.

D'Atri said AMC has been successful with the year-round manufacturing of houses, which has provided jobs, mentoring and apprentice training for Afognak shareholders, Alaska Natives, Native Americans and Alaskans. In fact, in a recent contract the AMC payroll was one-third shareholder, with 15 percent Native hire for the entire project.

Housing is market specific and over the last year they have learned the plant is useful for other types of construction. Alutiiq was awarded a \$17.8 sole-source design/build contract by the Alaska District of the U.S. Army Corps of Engineers for a state-of-the-art infantry training range at Fort Richardson Army Post. During the design phase they decided buildings and features for the Stryker Brigade Combat Team could be constructed by AMC at the Port MacKenzie plant instead of in the field.

Alutiiq Management Services, LLC Program Manager Christopher Dillon said, "By going modular, we've done it in one year instead of the scheduled two and for 25 percent less money than by using conventional onsite construction methods—it's a new prototype for the Army."

The training range is geared toward urban warfare and by the middle of December 2003, the project was done except for the shoot house and final

inspection, which were both scheduled to be completed the first week of January 2004. "The Command was very happy to get the range one year early," Dillon said.

D'Atri described the shoot house as a 1,500 square foot rat maze in the floor plan of a house. It is being built by Range Systems of Minnesota and is built with steel walls lined with Kevlar and titanium impregnated rubber blocks designed to

take 5,000 rounds of live ammunition before needing to be replaced. The blocks are held in place with compression fittings.

Covered with a pavilion roof, action in the shoot house is video monitored and controlled, like the rest of the range, to test the soldiers with pop-up targets requiring split-second firing decisions—friend or foe.



As part of the training, the soldiers review recorded battle sessions in a 54seat auditorium. The auditorium is part of a 120-foot long by 28-foot wide building constructed of four modules built at the plant. AMC built five other modules to construct three other buildings housing

offices, a mess hall and a mudroom, which were then spliced together in the field.

D'Atri said AMC is going to "utilize this project as a jump point to provide other similarly constructed buildings to villages in the Bush."

"We found the plant was easily modified to commercial use," Dillon

said, "and by retrofitting the home design for a new market we are pursuing a future market for community centers and health clinics."

Dillon said that based on their work at Ft. Richardson they are being considered by the Corps of Engineers for construction of a battlefield complex, a much larger range at the Ft. Greely Donnelly Training Area. Alutiiq entered into a joint venture with Chugach McKinley, a wholly owned subsidiary of Chugach Alaska Corporation, and formed the project-specific Donnelly Construction Joint

" Ft. Greely is a logistical challenge period. Because of all the folks doing their work and all the different things going on up there—it is a total infrastructure crunch." - Bill D'Atri

> Venture. Together, they will provide a \$40 million Battlefield Training Area (BTX), which is a horizontal battlefield. The project is funded for 2004 with federal dollars from a Congressional appropriation. More funding may be released in 2005 to begin work on a \$30 million Military

Operations in Urban Terrain (MOUT) battlefield. D'Atri said MOUT is a small town. For both BTX and MOUT, AMC will do a good portion of their work at Port MacKenzie.

"Ft. Greely is a logistical challenge-period," D'Atri said. "Because of

all the folks doing their work and all the different things going on up there—it is a total infrastructure crunch."

"By doing the work offsite," Dillon said, "It keeps the money here and keeps the port working."

"A model that got developed by serendipity came through with flying colors," D'Atri said.

Dillon said that the Corps of Engineers incorporated their modular design into the standard designs, and now just a building pad is needed on site for the buildings and features.

AMC is looking to a long future at Port MacKenzie and so is the latest leaseholder, who is constructing a foundation for future growth.

NPI, LLC holds the other long-term lease and will export wood chips to Japan, Korea and China. They contributed \$3 million toward the new deepdraft dock and will spend an additional \$8 million on an articulated loader and conveyor system.

In their initial production year, NPI is slated to produce 200,000 tons of wood chips. Production is expected to increase to 400,000 tons in years two and three, and thereafter.

"We are very attractive to Asian markets," Nininger said. "Freight accounts for 30 percent of the cost and we are only eight days from Japan. That is four days closer than Vancouver or the Columbia River and five and one-half days closer than Coos Bay, where most of the wood chips are shipped from the West Coast."

In addition to the freight advantage of being closer to the market, Nininger said their wood chips are considered high grade because of the strong fiber and brightness of white spruce.

"That's why Howard Hughes built the Spruce Goose out of spruce," he said. "White spruce is very bright and requires less bleaching, so it is less expensive and more environmentally friendly."



Alaska white spruce wood chips will go to pulp mills in the Far East for newsprint and high-grade printing paper. Aspen and birch will become kraft products such as cardboard for cake boxes and poster board.

For their field operations, NPI will use two portable chippers in the woods and truck the wood chips to the storage area at Port MacKenzie. They have timber contracts with AHTNA Regional Corporation from Gulkana to Chitina centered around Glennallen, as well as some Valley holdings through the State of Alaska, Mat-Su Borough and from private timber sales. Because wood chips have a shelf life, NPI won't start field operations or begin stockpiling wood chips until after break-up, when they expect to lay a 5-acre asphalt pad.

Currently, NPI is engaged in site work at Port MacKenzie, which includes clearing and leveling their 18-acre leasehold for a staging area and commodities stockpile area, and building an upland 1.25-mile road.



We can sculpt the port district the way we want it. It's the evolution of building."— Marc Van Dongen, Port

Director, Mat-Su Borough

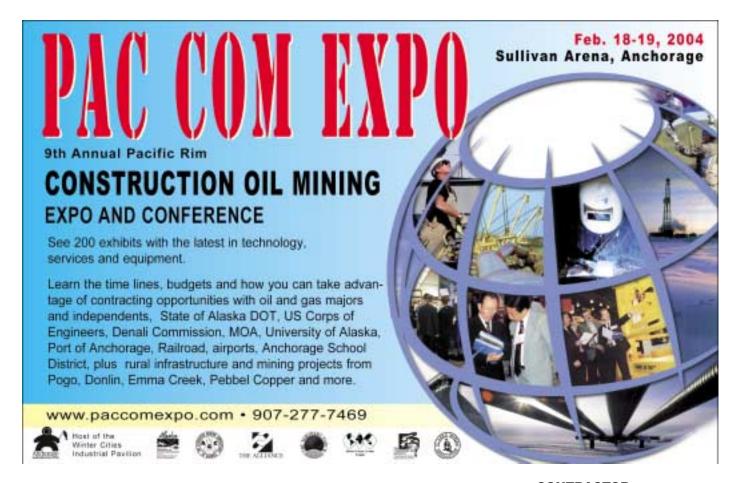
"Lu Young Lane is being built to Mat-Su Borough standards," Construction Manager Ron Arvin said. "It's the main road to access all the upland leaseholds and runs parallel to Don Young Road, which is the road that runs down to the barge dock."

NPI will spend the spring installing the conveyor, which will start arriving

from Phoenix vendors in mid-March. The ship loader features will be installed after the deep-draft dock construction is complete this summer.

Nininger explained that NPI's activities are in compliance with the State of Alaska Forest Act that requires replanting

See Port Mackenzie, Page 61





Foss Maritime landing construction equipment on a remote beach near Chayvo on Sakhalin Island in Russia. Photo courtesy Foss Maritime.

that began operations in 1889 with one small rowboat painted green and white. One hundred and fifteen years later, the company has over 200 vessels, mostly tugs and barges, which are still painted green and white. Alaskans have seen these boats working in their waters for over 75 years. Foss has been a member of AGC of Alaska since 1970—for 34 years.

"We've always been involved in tug and barge business in Alaska—throughout all Alaska waters," Vice President of Marine Transportation Don McElroy said. "We provide major marine operations—a lot of services in support of construction a lot of work."

Foss has one office in Alaska, a seasonal operations office at the Red Dog mine north of Kotzebue. In October 2003, Foss completed 14 years of lighterage operations in the Chukchi Sea at the Red Dog mine for TeckCominco. Four tugs and two barges have lightered over 11 million tons of zinc and lead concentrate from shore to ships which are anchored three to four miles offshore. The operating season is roughly a 100-day ice free period and during that period, storms may occur which may cause periodic shutdowns. In some extreme conditions, seas over 20 feet and winds up to 60 knots or more are experienced.

In addition to the Chukchi Sea, Foss has a presence in Southeast Alaska, Prince William Sound and other Alaska waters.

"Foss provides towing for Sampson Tug & Barge, a Sitkaowned, Seattle-based common carrier that moves a significant amount of cargo destined for construction projects in Alaska," McElroy said.

Foss also operates a tug and barge that provides delivery of railcars for the Canadian National Railroad from Prince Rupert, British Columbia, to Whittier, Alaska. The railcars are offloaded directly to the railroad tracks in Whittier. Heavy equipment, construction supplies and other freight then makes its way to Anchorage, Fairbanks and the North Slope from the rail spur in Whittier.

A key strength at Foss is its experienced vessel operators. Because Foss does not have a lot of turnover there is a high percentage of people who have been with the company for many years.

"That helps us maintain consistency of service when so many employees have been here such a long time," McElroy said. "They have consistency and longevity—plus, a lot of pride in the company—pride in its history and in what we still do today."

For many years Foss Maritime was a family company, and in many ways it still is. SaltChuk Resources Inc. acquired the company in 1987 and continues the tradition of naming vessels after Foss family members.

SaltChuk is also the parent company of Totem Ocean Trailer Express Inc., Delta Western and Seacoast Towing—sister companies with a presence in the Alaska transportation arena.

"We are very proud of our history in Alaska and feel it's a very, very viable place and there are a lot of good projects there," McElroy said. "Foss's motto for the 115 years has been 'Always Ready' and we are ready for the problems and the opportunities that arise in the future in Alaska—especially relating to construction."

To solve marine transportation challenges, Foss uses teaming agreements, alliances and innovative equipment. Their management culture is passionately committed to quality assurance and safety.

"Safety includes people, property and the environment," McElroy said. "We put our money where our mouth is with training and have a very, very high focus on safety."

In October 2002, when the lighterage barge Kivalina ran hard aground near the Red Dog mine port during a major arctic storm, Foss reported that no oil was spilled and there were no injuries during the 72-hour salvage effort. Safety training paid off in the extremely efficient recovery of the beached barge, which was repaired and back in service this past season.

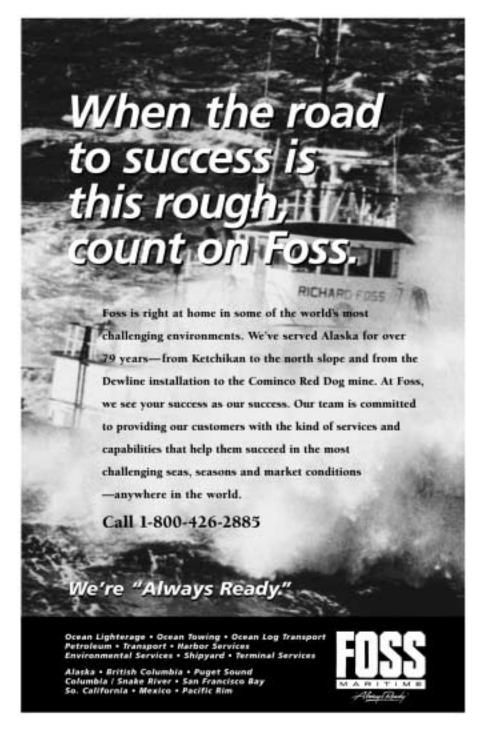
"One other thing that we're involved in," McElroy said, "and, although it is not in Alaska, it supports opportunities for Alaska, is oil and gas exploration and development in the Russian Far East. We recently delivered cargo to Sakhalin Island in the Russian Far East, with over the beach operations this past summer. We have had success there and we will continue to pursue future opportunities."

Paul Gallagher, Director of Sales for Marine Transportation at Foss spent several weeks on Sakhalin Island last summer in support of delivering cargo to the Sakhalin 1 project for Exxon Neftegas. He saw a lot of comparisons between the Russian Far East and Alaska.

When describing what Foss was doing in the Russian Far East, Gallagher said, "it's basically the same thing we have done historically in Alaska, we used our tugs and barges to deliver construction equipment in a logistically challenging environment."

Gallagher said that it is a remote, harsh place to work with a lot of challenges when it comes to moving people and equipment in and out. The quality of the roads, airports, telephone system and basic infrastructure are far below what we are used to in Alaska. However, he found the people hardworking, well educated and very hospitable. He ran into a lot of expatriate Alaskans who are working in the oil industry over there, which is described as the new frontier.

Foss tugs and barges continue to work in Alaska every day while they assist other customers throughout the world using the experience that they acquired working in the remote areas of our state.



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### **Building a New Frontier**

Alaska's construction leaders share at least three outstanding traits: grit, ingenuity and teamwork. And they've got plenty of each to spare.

Those qualities spelled success in projects completed in 2003, for which the state's top construction companies were recently honored at the annual convention of the Associated General Contractors of Alaska. The yearly awards event, held in Anchorage in November, pays tribute to companies and individuals that best epitomize on-the-job excellence.

Special recognition goes to Pete Stone of Alaska Modular Space. Stone is this year's sweeps champ in three categories, including the Hard Hat Award, AGC's most prestigious prize.

"I am humbled," said Stone, who shared the Hard Hat Award with Vance Taylor of Door Specialties of Alaska.

Stone, general manager of Alaska Modular, also saw his company make the list of the Ribelin Lowell & Company Excellence in Construction Awards, winning "Specialty Contractor, Vertical Construction" category for procuring, delivering and installing doublewide classrooms to Kivalina Kotzebue for the Northwest Borough School Arctic District. With a borough budget crunch initially stalling a



The Ribelin Lowell & Company Excellence in Construction Award over \$5 million vertical went to the Elmendorf AFB Privatization Housing Project for Osborne Construction.



Vance Taylor, left, of Door Specialties and Pete Stone, Alaska Modular, won the coveted Hard Hat Awards for Excellence for 2003.

contract deal, the company ultimately faced a tight barge deadline, racing against winter to deliver the materials to the Seattle depot with just two hours to spare.

"We were sweating that one," said Stone, whose company went on to complete the project ahead of schedule.

Alaska Modular also gained notice in Excellence in Safety Awards, sponsored by Brady and Company, honored as a "Safety Record Associate with less than 25 employees." Stone said his four employees review general and specific safety concerns with every project. "We're very safety conscious," Stone said. "We never say 'hurry and get it done.' We won't risk the safety of our employees nor our customers."

Another big winner was Cruz Construction Company. The Palmer-based firm won in the "Heavy Construction under \$3 million" category for building a 78-mile ice road capable of bearing 90-ton loads along the 230 KV transmission line on Golden Valley Electric's Northern Intertie project.

Cruz Construction also was recognized for its "Excellence in Safety Record" based on 10,000 to 25,000 man hours a year.

"It's very much an honor to be recognized by your peers for these achieve-



Winning top honors for transportation over \$3 million was Wilder Construction for Elliot Highway MP28-72.

ments," said company president Dave Cruz. "We'll continue to work hard to do it again."

Osborne Construction Company was the winner of the "Vertical Construction over \$5 million" category for its work on new and renovated housing quarters at Elmendorf Air Force Base.

The company was responsible for 188 units of new building construction and the renovation of 200 existing units. The project included tot lots, a community center and remodeled administration building. Challenges arose when an unidentified buried dumpsite was discovered, prompting extensive coordination with all involved parties and restructuring the scheduled work. In the end, the project was completed nearly a year ahead of schedule.

Wilder Construction was the winner of the "Heavy Construction over \$3 million" category for the Elliott Highway rehabilitation and paving project. The work stretched over nearly 43 miles of gravel roadway that had never been paved before. This made for some staggering logistics. By the time the project was completed, crews had crushed 312,000 tons of rock with on-site machinery. They laid 151,000 tons of asphalt treated base and 110,000 tons of asphalt. The project originally was





Dokoozian and Associates claimed the honors for the job between \$1 million and \$5 million on the Elmendorf 206th Combat Communications Facility upgrade.

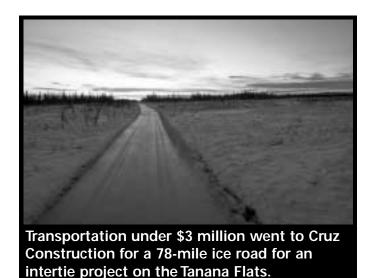
designed as a high float treatment project, but Wilder submitted a modified plan that resulted in placing 2.5 inches of asphalt over 4 inches of asphalt-treated base. The result was a better quality job completed in a single construction season.

"If we had not made that change, there's no way it would have been completed in one season," said construction manager Clif Olmstead. "It was an opportunity for the state and ourselves, something we both recognized and talked about."

Dokoozian & Associates won the "Vertical Construction between \$1 million and \$5 million" category for national defense construction and upgrades of a combat communications complex at Elmendorf Air Force Base. The project, conducted for the Alaska National Guard, called for threat-proof thermal pane windows, the first such installation in Alaska. Crews encountered multiple other challenges, including heightened security resulting from the September 11, 2001 terrorist attacks and the war in Iraq. Even with tighter measures in place, the project had to move forward without impeding the work of National Guard teams that were awaiting deployment at any time. Then came gale-force winds in March and flooding from torrential rains.



Governor Frank Murkowski addresses the AGC with construction plans the State of Alaska hopes to put into place and introduces the new Alaska Hire program.

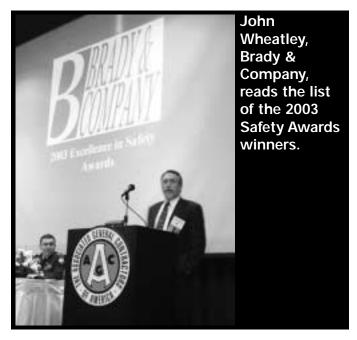


Even with all those roadblocks, the project was completed five months ahead of schedule, an accomplishment made possible by teamwork, said company general manager Jim Dokoozian.

"We have longtime subcontractors and workers, a very loyal crew of people who work together real well," Dokoozian said. "They're genuinely nice people as well as hardworking people. They always find a way to satisfy the owners' needs."

Roger Hickel Contracting won the "Vertical Construction under \$1 million" category for its work on the Medical Park Family Care Center remodeling project. The challenge was to complete the job -- including asbestos abatement, electrical upgrades and installation of new rooftop air conditioner units -- without hampering the day-to-day work of the medical clinic staff. Roger Hickel Contracting was up to the task, completing the project on time and within budget.

Acme Fence Company won the "Specialty Contractor, Heavy Construction" category for its Phase I





Acme Fence Company took the Ribelin Lowell Excellence in Construction Award for Kodiak Area Guardrail project.

work in the Kodiak Area Wide Guardrail project. The effort was the largest highway barrier project ever put out for bid in Alaska, yet Acme managed to come in \$600,000 under the next bidder. The work entailed two major work zones more than 70 miles apart as the guardrail was installed in solid rock conditions. And though 30 percent of the guardrail had to be moved, adjusted or eliminated because of unforeseen utility conflicts, Acme completed the work on time and without any lost-time accidents.

GHEMM Company was the recipient of the new. "Community Service Excellence Award," created to recognize efforts to help a nonprofit organization achieve its goals. Big Brothers Big Sisters of Fairbanks was the beneficiary of GHEMM Company's remodeling assistance. The company and its subcontractors donated design services, project management and equipment for an effort valued at \$25,000. This helped Big Brothers Big



Traci Johnson of Spenard Builders accepts the Safety Program Award for Commemorating Achievement. Dave Taylor of Brady & Company makes the presentation.



Alaska Modular won the specialty contractor award for vertical construction for Northwest Arctic Borough School District.

Sisters keep the cost within grant funds received for the new office space.

Standouts in job safety also were honored at the AGC convention, where Brady and Company announced its Excellence in Safety Awards. Spenard Builders Supply won the "Safety Program Excellence Award." The company has long been safety conscious, but launched an intense program in the last two years, said Traci Johnson, office manager and chair of Spenard's safety committee. The company has reduced accidents and injuries with such efforts as better maintenance of the lumber yard and switching from metal bands for lumber units to polyester cord straps. There also are employees incentives for keeping their areas accidentfree -- safety tokens that can be redeemed for merchandise, such as jackets, car emergency kits and fishing knives. The result numbers speak for themselves: Serious incidents plummeted, from 35 in 2002 in the Anchorage area to 13 so far this year. Statewide there was an 80 percent improvement in the company's lost-day rate.

"It took supervisors buying into the safety program from the top down," Johnson said. "They're the front-line guys who work with employees every day. If they believe in safety efforts, everybody will pay attention, too."

Unit Company was honored for its "Excellence in Safety Record for a General Contractor based on over 25,000 man hours a year." Company president Derald Schoon said worker safety, while always important at construction sites, was extremely critical in the company's role in the missile defense effort at Fort Greely. The work involved a major remodel of existing buildings.



Trent Larsen, Unit Company, receives the Safety Award for a Subcontractor or General Contractor over 25,000 man hours per year.



**Dave Taylor hands** the award for Safety Record/ Associate to Matt Hogge of Anchorage Sand and Gravel.

"That's usually most risky because it means tearing everything apart," Schoon said. So industry awards for job safety means a lot to the crews.

"Crews change, especially up there," Schoon said. "A lot of these are new people. That's where the credit goes. Our people take pride that their efforts got recognition."

The following were the AGC construction and safety winners:

Hard Hat Award (AGC's most prestigious)—Shared by Pete Stone, Alaska Modular Space, and Vance Taylor, Door Specialties of Alaska.

Vertical Construction over \$5 million—Osborne Construction for the Elmendorf Air Force Base privatization housing project.

Vertical Construction between \$1 million and \$5 mil**lion**—Dokoozian & Associates for the Elmendorf Air Force Base 206th Combat Communications Facilities upgrade.

Vertical Construction under \$1 million—Roger Hickel Contracting for the Medical Park Family Care Center, Phase I.

Construction over \$3 million—Wilder Heavy Construction for the Elliott Highway rehabilitation and paving project.

Construction under \$3 million—Cruz Construction Company for Northern Intertie Project 230 KV Transmission Line, Tanana Flats.

Specialty Contractor, Heavy Construction—Acme Fence Company for Kodiak Area Wide Guardrail, Phase I.

Specialty Contractor, Vertical Construction—Alaska Modular Space for providing doublewide classrooms to



Betty Jo Oja accepts the Safety Leadership Award on behalf of her husband Levi, project manager for Goodfellow Bros. Inc.



Patti
Anderson,
wife of AGC's
outgoing
president
Phil, speaks
in the Quarter
Deck of the
Captain Cook
Hotel during
the Women's
Lunch.

Kivalina and Kotzebue for the Northwest Arctic Borough School District.

**Community Service Excellence Award**—GHEMM Company for providing remodeling assistance to Big Brothers Big Sisters of Fairbanks.

**Volunteer of the Year**—Bardi Scarbrough, Wilder Construction.

**Associate of the Year**—Brady and Company.

**Supplier of the Year**—Chuck Warren, Anchorage Sand and Gravel.

**Fifty-year Longevity Award**—Stark Lewis LLC, an Anchorage roofing and siding contractor.



Special guest U.S. Senator Lisa Murkowski addresses the AGC Women's lunch.

Safety Program Excellence—Spenard Builders Supply. Safety Record for over 25,000 man hours a year—Unit Company.

Safety Record between 10,000 and 25,000 man hours a year—Cruz Construction Company.

Safety Record/Associate with 25 or more employees —Anchorage Sand & Gravel Company.

Safety Record/Associate with less than 25 employees—Alaska Modular Space.

**Safety Leadership Award**—Levi Oja, project manager of Goodfellow Bros.



Final remarks as AGC president are made by Phil Anderson, left, at the association's gala dinner dance, while incoming president Roxanna Horschel and executive director Dick Cattanach also speak to the membership.

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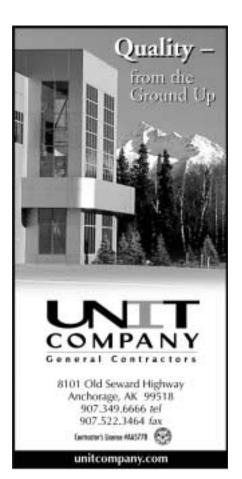


### **Construction Site Safety Orientation**

By Chris Ross, CSP

etting your employees trained and operating in a safe environment can sometimes be challenging. Many companies have difficulty in finding the time to train, developing the right program and then getting all the employees together.

AGC/NANA Training Systems offers two safety orientation training solutions for your employees on a regular basis.



One course used by many construction employers across the United States is the One-Day Construction Site Safety Orientation (CSSO), developed by the National Center for Construction Education and Research (NCCER).

The second course is the OSHA 10-Hour Construction Outreach Training Program.

#### **Construction Site Safety Orientation**

The CSSO was developed to provide initial safety training for new employees, students in craft training programs and experienced employees with new job assignments. The curriculum and training materials are designed to provide clear and easy-to-understand safety information to help prevent injuries and losses. It is important to note, however, that this is just an orientation course and that additional training may be required for certain tasks, such as confined space entry or using respiratory protection.

Through our affiliation with AGC and NCCER we can also register students in the national database, where student training records are maintained and transcripts are available upon request.

The CSSO course outline consists of six-hours of mandatory training, plus an additional two hours of site-specific or company-specific training. This allows us to tailor the course to fit the needs of the participants.

The six core topics are:

- Introduction to OSHA/Safety
- Fall Hazards and Types of Protection (Ladders, Scaffolding, Floor Openings)

- Electrical Hazards
   (Including Hand and Power Tool Safety)
- Trenching Hazards/Heavy Equipment (Excavation, Heavy Equipment, Cranes, Signs and Barricades)
- Struck By/Material Handling (PPE, Rigging)
- Construction Health
   (Hazard Communications,
   Housekeeping, Hearing, Ergonomics)
   The optional topics include:
- Respiratory Protection Overview
- Confined Space Entry Awareness
- Lockout/Tagout
- Fire Protection
- Welding and Cutting Hazards
- · Asbestos Awareness
- Permits
- Concrete Work
- Cold Weather Precautions

The day concludes with a written test, which must be scored at 70 percent or higher in order to receive recognition from NCCER.

#### **CSSO Course Objectives**

Upon completion of this course, the trainee will be able to:

- 1. Identify the role of OSHA in job-site safety.
- 2. Describe the impact of an accident on the company, the individual, and the family.
- Identify various fall hazards, means of fall protection, where/when fall protection is required, and company/site fall protection requirements.
- 4. Understand the proper use of ladders

- and scaffolding.
- 5. Recognize various electrical hazards on a job site.
- 6. Understand the proper use of hand and power tools.
- 7. Identify the hazards of and the safety procedures for working in or near an excavation.
- 8. Describe the emergency procedures for trenching accidents.
- 9. Identify the hazards of working on or around heavy equipment.
- 10. Explain the different signs and barricades on a job site.
- 11. Identify the hazards of material handling.
- 12. Describe proper rigging safety.
- 13. Describe the proper use of personal protective equipment.

#### **OSHA 10-Hour Construction Outreach**

The Outreach training program is also designed to develop safety awareness in new construction employees. These classes are designed to be delivered to workers, so the emphasis is on hazard recognition, avoidance and control; not citing OSHA standards. Our instructors tailor each presentation to the needs and understanding of the participants.

The best environment to teach this course is where all the participants are from the same industry or company, we can also teach these classes on an open-enrollment basis.

The Construction Outreach course is very flexible. It consists of three mandatory sections, three optional selections from a list and the balance of the course may be on any other relevant construction safety topic.

The mandatory sections include one hour of:

- · Introduction to OSHA
- Electrical
- Fall Protection

Then the instructor may choose at least three of these topics:

- Personal Protective Equipment
- · Materials Handling and Storage
- · Hand and Power Tools

- Scaffolds
- Cranes, Derricks, Hoists, Elevators and Conveyors
- Excavations
- · Stairways and Ladders

The remainder of the course may include topics listed above, or include special hazards for a particular jobsite or company construction activities.

Upon successful completion of the Construction Outreach Course, students are issued cards from the OSHA Training Institute.

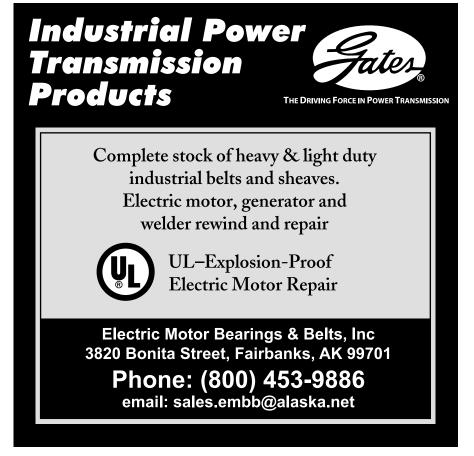
### **Scheduling Training**

Our next CSSO classes are scheduled for January 21, 2004 and February 18, 2004. We are just finalizing our plans for the next 10-hour Construction Outreach class, tentatively in early February.

AGC/NANA Training Systems has a full calendar of training activities and courses. We offer 40-hour HAZWOPER and HAZWOPER refreshers twice per month, along with many other construction safety related courses. Be sure to check the calendar on our website at www.agcsafetyinc.com for the latest schedule, or just call us at 565-3300.



Chris Ross, CSP is the General Manager of AGC-NANA Training Systems





### **Interpreting Contracts**

### by Bob Dickson

Inderstanding how courts interpret contracts will assist the contractor not only in determining exactly what performance is required under the contract and what work will be legitimately considered extra, but also in resolving other performance issues. The following is a list of principles that courts apply in interpreting contract language, and thus which the contractor should use in addressing contract interpretation disputes.

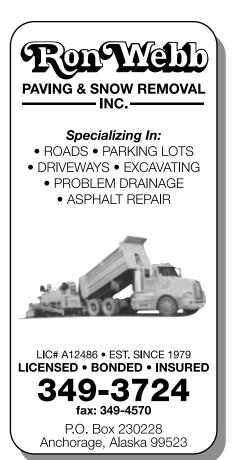
- 1. The ordinary, common and usual meaning of a word will be used unless both parties agree otherwise.
  - 2. Technical terms and words of art

will be given their technical meaning. This means terms used ordinarily in the construction industry will be interpreted as those familiar with construction usually interpret them.

- 3. The contract will be interpreted so as to give all terms, provisions and sections meaning. An interpretation that leaves a term or provision useless, meaningless, or otherwise of no effect will be avoided.
- 4. All circumstances surrounding the formation of the contract will be taken into account in determining the appropriate meaning.
- 5. That meaning will be adopted that gives the most effect to the principal purpose of the contract and of the specific term or clause in question.
- 6. Where one party repeatedly gives a particular meaning to a phrase during the course of the contract and the other party knows of that interpretation and does not object, the court will adopt that meaning given to the phrase by the parties themselves.
- 7. Where there is an irreconcilable inconsistency between a general provision and a provision that covers the same topic more specifically, the specific provision will qualify the meaning of the general

provision.

- 8. Courts will try hard to reconcile seemingly irreconcilable terms, and give the terms meanings that will permit reconciliation.
- 9. Where a contract is ambiguous, and is therefore capable of more than one reasonable meaning, the interpretation is preferred which operates against the party who drafted either the contract or the clause in question.
- 10. Where handwritten provisions are inconsistent with printed (boilerplate) provisions, the interpretation is preferred that gives effect to the handwritten provisions.
- 11. Where the dispute over the interpretation involves the public interest, such as public safety, the interpretation will be preferred which favors that public interest.
- 12. The following is the order of preference when a term is subject to different meanings deriving from different contexts. In other words, the meaning derived from A will be preferred over the meaning from B. B will be preferred over C. etc.
- A. The meaning expressly set out in words in the contract;
- B. The meaning implied from the actions of both parties during the course of performance of that contract;

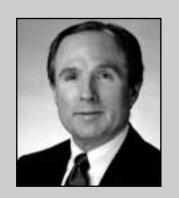


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- C. The meaning implied by the actions of both parties on similar previous contracts between the same two parties;
- D. The meaning implied by industry or trade usage.
- 13. Just because two parties disagree over the meaning of a term does not make the term ambiguous. An ambiguity exists only where the disputed terms can reasonably (in the opinion of the judge) be interpreted in at least two different ways after applying all of the foregoing aids of interpretation.

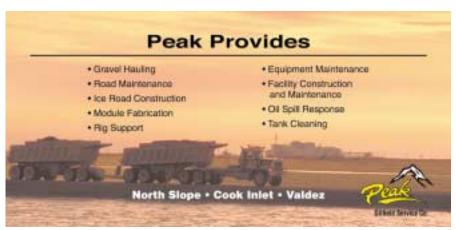
14. The Order of Preference clause that appears in most construction contracts will be used only when the arguably inconsistent terms cannot be reconciled using all of the aids of interpretation. If the courts can reconcile the terms, there will be no need to apply the Order of Preference clause. For example, where the specifications provide for a thickness of "approximately" 18 inches, but the drawing shows exactly 27 inches and calls out the dimension, the court will interpret the contract to require 27 inches because the term "approximately" technically means something "more or less" and 27 inches is "more."

Finally, there is no substitute for carefully reviewing the contract terms, both specs and drawings, and carefully visually inspecting the site—all before bidding; as well as asking questions at the prebid conference. But oral answers to questions at prebid conferences cannot be relied upon unless they are reduced to writing and included in the contract as addenda.



By Robert J. Dickson Robert J. (Bob) Dickson is a partner in the Anchorage law firm of Atkinson, Conway, & Gagnon, Inc.







### Application for Contractor Membership



### The Associate General Contractors of America & of Alaska

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Names of persons desig	nated to represent the firm in A	GC affairs
		Highway   Heavy   Utilities   Industrial   Specialty
bescribe officer types of	work performed	
What percentage of firm	n's total business is General Cont	tracting?
Date of organization		
If so, give the name(s)		ent name or any other name?n membership and name(s) under which formerly
of Alaska on the basis familiar with the firm a elected, to membership will be governed by the	of foregoing statements and read its work. This firm certifies that in accepting the privileges a Articles of Incorporation and I wes Schedule of the Alaska Ch	The Associated General Contractors of America and AGC refers to the persons named below who are personally that the foregoing statements are correct, and agrees, if it will also accept the obligations of membership' that it Bylaws of the National Association and also by the Rules napter as long as a member, and furthermore agrees to
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### Roads (continued from page 23)

AGC of Alaska Executive Director Dick Cattanach asked McKinnon, "Where is the money going to come from?"

McKinnon illustrated a variety of construction financing options based on project locations. In Nome, federal money is being used for the Rock Creek road because there is some limited public access. Money for the Donlin Creek road is coming from a state bond and Federal Aid to Highways funds. That road is considered multi-purpose for mining and development so federal funds can be used. Federal highway funds probably cannot be used to construct the North Slope roads due to lack of public access; the money for those roads is coming directly from State of Alaska financial structures including various bonding tools and the general treasury.

Maintenance will be accomplished through franchises with oil and gas firms using the roads on the North Slope and through agreements with mining operators in other areas, McKinnon said.

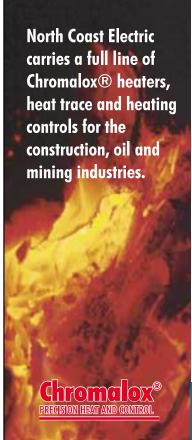
He went on to explain that the focus on industrial roads is for oil and gas prospects because of the payback money to investment in infrastructure by the state is bigger.

In the case of the North Slope roads, McKinnon sees payback to the state through oil and gas royalties generated by development. For the mining roads he sees the economic return through jobs and business opportunities, not royalties.

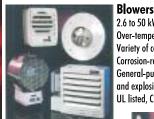
Since the AGC convention in November, the routing for the initial North Slope road and the Pebble Copper road have both undergone changes, which illustrates the dynamic process of the Roads to Resources Industrial Roads program.

"With some luck and a lot of hard work," McKinnon said, "we'll have the North Slope road going in 2006."









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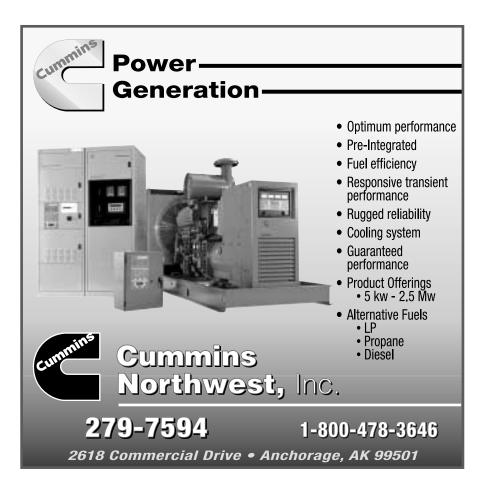
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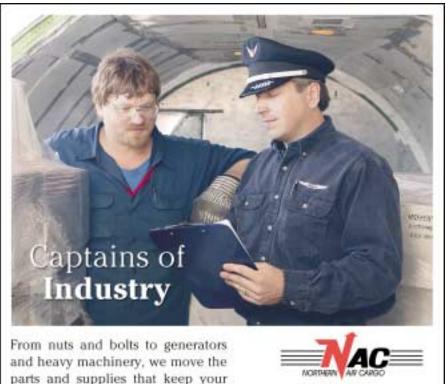
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### Priorities (Continued from page 27)

should be exercised not to exceed the threshold.

### Funding for vocational/technical education

A majority of Alaska's high school graduates do not go to college, yet the state's high school curriculum is oriented to college preparation. The state should adopt a more balanced funding approach to better prepare those students not pursuing post-secondary education for the world of work.

Currently the State of Alaska has 1.5 positions in the Department of Education and Early Development devoted to the students not pursuing a post-secondary education. As a consequence, these students are ill prepared for the world of work, have little idea of the opportunities available to them and are not prepared to contribute to the economic growth of Alaska. The educational system of the State of Alaska is failing these students and their future employers, and constraining the growth of the state by not focusing on the needs of this valuable group of Alaskans.

### **Project labor agreements**

One of the fundamental principles of the Associated General Contractors is that the industry is best served by the maintenance of a fair and open competitive construction market. This is particularly important in public works contracting since it is incumbent on all parties to assure that the interests of the public are protected during the selection of the contractor and the prosecution of the work. Accordingly, AGC opposes any process or approach that restricts or inhibits the ability of firms from bidding on public projects.

The argument that project labor agreements assure a higher level of local hire is spurious. Local contractors tend to hire more local workers than do non-local contractors. Project labor agreements merely limit the pool of eligible bidders and potentially increase the cost of public construction. In some cases, project labor agreements may actually encourage the utilization of non-local contractors and hence non-local labor.

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### Port Mackenzie (Continued from page 45)

or regenerating. They do not clear-cut trees or use chainsaws; instead they use a mechanical feller-buncher on selective logs that are then skidded to the chipper where the entire tree is chipped, limbs and top included. The operation also results in low stumps that are close to the ground.

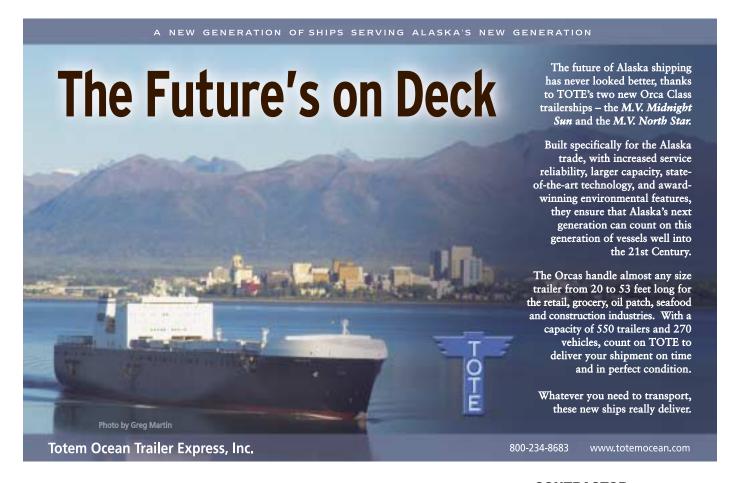
NPI wants to be certified by the Sustainable Forest Initiative (SFI), which has an independent inspection, audit and certification process to ensure compliance with international forest sustainability management standards.

"Asian markets require SFI Certification, and it puts a green stamp on your product," Nininger said.

Both Nininger and Arvin are excited about the work that NPI is doing at Port MacKenzie and the opportunities for jobs it has created in Alaska for Alaskans. They expect to employ 120 full-time, permanent workers when fully operational, including



Machine gun bunker for Stryker Brigade Combat Training Range, with typical AMC buildings in the background. Photo courtesy AMC.

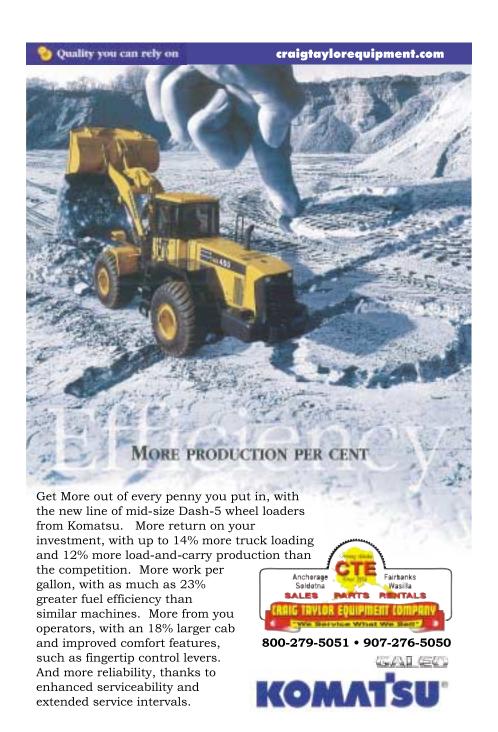


subcontractors. For example, they expect to work with North Star Terminal and Stevedore Company for stevedoring services. NPI will also export wood chips from Valdez, where they have a long-term contract with the City of Valdez.

"All the people who work for NPI are Alaska residents or Mat-Su residents and many, including myself, were born and raised in Alaska," Arvin said. "Terry Nininger has been in Alaska for nearly 30 years."

Both AMC and NPI are confident their Port MacKenzie pursuits will prevail, as is Van Dongen. He has a shortterm plan and a long-term vision. He believes the port district will accommodate expansion well into the future.

"In 75 years to 100 years," Van Dongen said, "there will be more people living in the Valley than there will be in Anchorage."



### Knik Arm Bridge and Toll Authority (KABTA)

### **Board Members**

### **Voting Members**

### George Wuerch

Chairman of the Board and former Anchorage Mayor

### **Mike Barton**

Commissioner of the Alaska Department of Transportation and Public Facilities

#### **Bill Corbus**

Commissioner of the Alaska Department of Revenue

#### **Dave Haugen**

Vice President of Lynden, Inc.

#### Darcie Salmon

Century 21 Commercial Investment Network Real Estate Broker and former Matanuska-Susitna Borough Mayor

### Non-voting Members from the Legislature

Senator Lyda Green R-Wasilla

### **Representative Bill Stoltze** R-Chugiak

Governor Frank Murkowski appointed the seven members of the KABTA board. One of their first acts after they all got together was to hire Heinrich "Henry" Springer as executive director. Springer's background includes 10 years as executive director of the Associated General Contractors of Alaska, 25 years as a bridge construction engineer for the Department of Transportation and the former Alaska Highway Commission and as a member of the Alaska Legislature House of Representatives for Nome. Springer has been an Alaska resident for 44 years.



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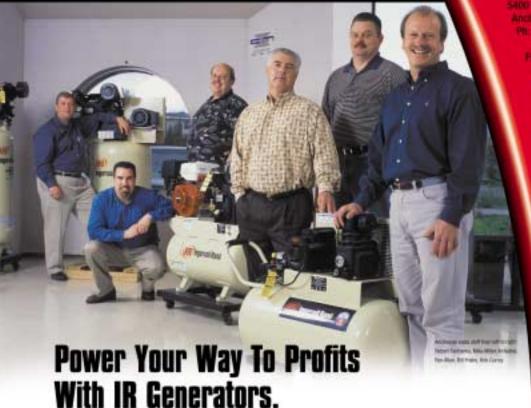
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