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On The Cover: Site of the Alaska State Department of Environmental Conservation Seafood and Food Safety Laboratory. Photo by Susan Harrington.

Contractor

The Official Publication of the Associated General Contractors of Alaska

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PRINTED BY A.T. Publishing & Printing, Inc.

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ARCTIC & WESTERN

Kotzebue School Improve ments **UIC Construction** \$19,777,000.00 Kotzebue, AK

Barrow NSB Office Renovation SKW Eskimos, Inc. \$3,700,000.00 Barrow, AK

Barrow Landfill PHS I **UIC Construction** \$5,287,000.00 Barrow, AK

Elim Airport Rehabilitation Bristol Environmental \$4,996,628.00 Elim, AK

New Stuyahok Airport Embankment **Knik Construction** \$4,967,300.00 New Stuyahok, AK

Nome Glacier Creek Road Improvements Kiewit Pacific \$7,390,097.00 Various, AK

Nome Youth Detention Facility Add/Reno Hankal Construction \$3,342,000.00 Nome, AK

Hooper Bay School Remodel/Expansion Neeser Construction \$24,723,040.00 Hooper Bay, AK

INTERIOR

Eie ls on Refuse/Recycling Collection R & D Environmental, Inc. \$3,353,463.00 Eielson AFB, AK

FBKS First National Bank Johansen Branch Watterson Construction \$33,312,000.00 Fairbanks, AK

Delta Elementary School Wolverine \$7,400,000.00 Delta Junction, AK

Delta Junction Landfill/Septage Disposal Facility Unit/SKW, LLC \$3,242,416.01 Delta Junction, AK

Shakwak Hwy KM 1716.6-KM 1723.6 Golden Hill Venture \$6,114,928.00 Yukon Territory, AK

Shakwak Hwy KM 1749.6-KM 1759.2 Golden Hill Venture \$5,890,952.00 Yukon Territory, AK

FBKS Denali Elementary School Replacement Collins Construction, Inc. \$13,024,000.00 Fairbanks, AK

FBKS Nordale Elementary School Replacement Alcan General \$13,360,500.00 Fairbanks, AK

Circle New K-12 School Collins Construction, Inc. \$3,281,400.00 Circle, AK

FBKS Downtown Street Improve ments Exclusive Landscaping & **Paving** \$6,688,746.00 Fairbanks, AK

Dalton Hwy MP 18-22 Surfacing **Pruhs Construction** \$3,806,529.10 Dalton, AK

Tok Cutoff MP 30 East Reconstruction Wilder Construction \$15,848,483.00 Gakona, AK

SOUTHEAST

Sitka Harbor Drive/Bridge **Improvements** Swalling Construction \$5,583,420.00 Sitka, AK

Juneau M/V Columbia Refurbishment Cascade General \$7,083,043.00 Juneau, AK

Naukati New K-12 School McGraw Custom Construction \$3,020,000.00 Naukati, AK

Juneau Administrative Facilities Design/Build Johnson \$2,520,895.00 Juneau, AK

Ketchikan Ward Cove/Whipple Creek Widening Secon \$6,464,560.00 Ketchikan, AK

Juneau UAS Organizational Maintenance Shop **Dawson Construction** \$2,810,000.00 Juneau, AK

Sitka Sawmill Creek Road Upgrade S & S General Contracting \$6,187,147.00 Sitka, AK

Hydaburg School Renovation Dawson Construction \$4,595,000.00 Hydaburg, AK

Ketchikan Sea View Terrace Modernization Wolverine Supply \$2,441,500.00 Ketchikan, AK

St Paul Airport Pavement Knik Construction \$10,961,950.00 St Paul, AK

SOUTHCENTRAL

Kodiak Pacific Terrace Complex Renovations McGraw Custom Construction \$6,111,000.00 Kodiak, AK

Chugiak ASD Performing Arts Renovations Consolidated Ent. \$2,719,000.00 Chugiak, AK

Soldotna WWTP Improvements Hankal Construction \$3,261,000.00 Soldotna, AK ANCH ASD Dimond HS Phs II Demolition Neeser Construction \$6,315,451.00 Anchorage, AK

FT Wainwright Alert Holding Area Neeser Construction \$18,900,000.00 Ft. Wainwright, AK

FT Wainwright Pallet Processing Facility Neeser Construction \$9,600,000.00 Ft. Wainwright, AK

Port Mackenzie Deep Draft Dock MKB Constructors \$9,871,000.00 Port MacKenzie, AK

ANCH ASD Polaris K-12 School Addition/Renovation Unit Company \$13,170,100.00 Anchorage, AK

ANCH JM Asplund WWTF Headworks Modification MKB Constructors \$4,165,000.00 Anchorage, AK

Parks Hwy MP 39-41 Rehabilitation Quality Asphalt & Paving \$25,945,817.42 Wasilla, AK Kodiak Maintenance Storage Facility PHS II Brechan Enterprises, Inc. \$4,883,000.00 Kodiak, AK

Palmer Ice Arena Wolverine Supply \$2,157,000.00 Palmer, AK

Kenai Landfill Expansion PHS II Wolverine Supply \$3,390,000.00 Kenai, AK

Old Glenn Hwy MP 0-11.5 Rehabilitation Alaska Roadbuilders \$2,711,128.62 Palmer, AK

Seward Middle School PHS II GIS Construction \$10,073,900.00 Seward, AK

Kenai KPC Kachemak Bay Branch Expansion Jay Brandt General Contractors \$2,640,551.00 Kenai, AK

ANCH AIA Taxiway R Rehabilitation Quality Asphalt & Paving \$13,246,973.00 Anchorage, AK Kenai Peninsula Resurfacing Program 2003 Alaska Roadbuilders \$2,170,759.00 Kenai, AK

Kenai Sterling Hwy Resurfacing Alaska Roadbuilders \$2,170,759.00 Soldotna, AK

ANCH ASD Bartlett HS Renewal PHS 2B Re-Bid Alaska Mechanical \$12,654,000.00 Anchorage, AK

Anch AIA OAS Aircraft Maintenance Hangar Watterson Construction \$3,434,950.00 Anchorage, AK

ANCH Fire Station No 15 Southport Watterson Construction \$2,844,000.00 Anchorage, AK

Anch AIA Concourse B/North Taxilane Rehab Wilder Construction \$2,476,437.60 Anchorage, AK

ANCH Utility Wide Scada System PHS 2 A Price/Ahtna \$2,704,260.00 Anchorage, AK

PRESIDENT'S MESSAGE

Higher Costs Impacting Contractors

s we geared up for our construction season this year we were faced with increases in steel, gasoline, insurance and oil prices that at best promised to shrink profits and at worst harbored financial ruin in our struggles with fixed-price work.

The beginning of 2004 caught many contractors by surprise and unprepared when steel suppliers gave notice of anywhere from 20 percent to 40 percent increases on existing orders - by February, some steel prices were up 65.5 percent over 2003 prices. To add to the pain, we were also notified of a mere 10day price guarantee on new orders and some suppliers required immediate delivery while others refused to guarantee availability.

Getting that steel delivered is costing more this year, too. Gasoline prices continue to rise from an average of \$1.50 per gallon last season to just around \$2 per gallon at the beginning of June this year. Prices are expected to increase throughout the summer, climbing to over \$2 per gallon. This is negatively impacting construction with higher transportation costs, more expensive heavy equipment operations and elevated costs of goods.

In Alaska, workers' compensation insurance rates went up an average of 20 percent for all classifications this year. From my observation, it looks like an average rate increase of 30 percent for construction classifications. The rates increased not only because of increased medical expenses from claims, but also because a major insurance company declared bankruptcy. The bankruptcy left the liability fund for existing claims - the state guarantee pool - short, leaving employers liable to make up the shortage, thus contributing to the rate increase.

What's more, the rise in oil prices has

caused petroleum-based products such as asphalt, plastics and lubricants - all used in construction - to escalate.

Several events recently occurred that caused all these price increases. Supply shortages with steel were caused by China buying approximately one-third of all scrap steel on the worldwide market to rebuild their infrastructure. Some shortages resulted when a few large companies declared bankruptcy and left fewer companies to serve and compete in the market. A decrease in the value of the dollar has also contributed to rising prices.

According to OPEC, the main factors causing oil prices to escalate are "the robust growth in demand in the USA and China, which had not been fully anticipated; geopolitical tensions; and refining and distribution industry bottlenecks in some major consuming regions, coupled with more stringent product specifications."

Of course, another factor may have been OPEC cutting production to 23.5 million barrels per day (mb/d) – decreasing output by 1 mb/d on April 1. On July 1, OPEC will increase production to 25.5 mb/d, and on August 1 they will increase output to 26 mb/d. These increases in production should cause a drop in prices at the pump, but not until after most all materials for this construction season are purchased and shipped and the work is nearly halfway done.

In construction, contractors are accustomed to price fluctuations and the risk involved. Any prudent contractor factors contingencies into their bids in order to cover these normal fluctuations. However, each event listed on its own far exceeds what anyone considers "normal."

The most unfortunate result of these



ROXANNA HORSCHEL President

increases is the fact that they impacted existing, hard dollar contracts the most. At the present, project owners are holding their contractual partners to the absolute terms of the negotiated deals. I am absolutely baffled at government's lack of partnering and failure to share any of the burden of this season's crisis.

The fact that some contractors will be completing public projects for the use and enjoyment of the public at cost, or even at a loss, is not right. I hope that by the time you read this the situation has changed and we have some sort of relief available to recover our losses. As for current and future bids and contracts: once we learned about the increases, we started making the necessary corrections to cover increased costs and delays.

As for steel prices, AGC is working diligently on our behalf to get owners to recognize our situation and ask for relief. Last March, the AGC national chapter passed a resolution seeking equitable adjustments on fixed-price contracts. The Alaska chapter of the AGC mirrored this resolution and the message has been carried to the U.S. Congress as well as to local owner agencies and State representatives. AGC has also finalized an amendment to the AGC contract form that provides for price adjustments when a contractor is impacted with significant material escalations. Individually, you can do your part by sending messages to Juneau and Washington, D.C., letting our representatives know how this has affected you as an Alaska contractor.

Fuel and petroleum prices are well beyond our control. However, concentrating on conservation can lessen the blow, such as asking employees to not leave trucks and equipment running when not in use. Plus, for those of MORE THAN EVER
WE NEED TO
CONCENTRATE ON
SAFETY POLICIES,
SAFETY TRAINING
AND INCENTIVES.
ACCIDENT
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COST SAVINGS.

you doing work with equipment off road, it is important that you account for your fuel separately to take advantage of tax refunds.

The insurance increases will be difficult to reverse. Now more than ever we need to concentrate on safety policies, safety training and incentives. Accident prevention will eventually result in cost savings. This subject was another topic addressed at the AGC national convention. It was stated that while only 33 percent of workers' compensation losses are soft-tissue injuries – they account for 70 percent of the cost. The national outgoing AGC president, Jack Kelly, along with Terry D. Grey, president of the Zurich North American Construction Group, signed an agreement to work together on an education program to prevent soft-tissue injuries.

Contractors have been blindsided this year by several price hikes hitting all at once that no one saw coming. While the circumstances really justify relief, it will take something short of a miracle to accomplish. However, under the current circumstances, I believe this is a fight we should continue. AGC is working in many directions for possible solutions. It is also important for each of us to communicate our personal experiences to the Association as well as to owners and political representatives. Collectively we can make a difference.



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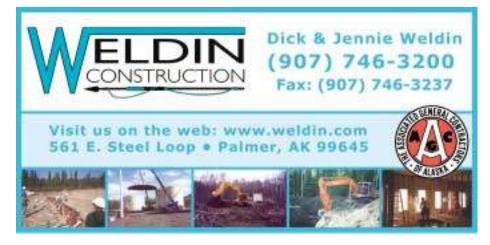
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EXECUTIVE DIRECTOR'S MESSAGE

DICK CATTANACH **EXECUTIVE DIRECTOR**

The Legislative Session In Review

valuating the recent legislation session requires reflection on what was achieved and contemplation of what might have been. What went right, what went wrong, what was accomplished, what was left unfinished? Everyone will judge the accomplishments differently depending on the outcome of their favorite bills, and as is the norm, some important legislation was passed while others died in committee.

Probably nothing was more important for Alaskans than the discussions regarding the State's fiscal problems and the potential longterm solutions. The discussions focused on three principle approaches that individually or collectively would have addressed the problem, a constitutional spending limit, adoption of the percent of market value approach for the permanent fund and a broad-based tax. Sadly, none of these initiatives were successful.

The House of Representatives once again attacked the difficult issues and passed out a POMV bill that would allow the voters to change the formula for determining distributions from the permanent fund. They followed that bill with one that established a split of the amount determined by the POMV between dividends and government. Unfortunately, they did not resurrect their sales tax bill nor did they initiate a spending limitation bill.

For a brief period, it appeared that the Senate was prepared to address the need for a broad-based tax by considering a sales tax. When that was resoundingly defeated, an income tax was quickly introduced and just as quickly met the same fate. An earlier attempt to pass a spending limit was similarly defeated. Further, the POMV bill sent over from the House did not attract sufficient support and died on the floor of the Senate.

The numerous reasons for the failure of these efforts range from campaign promises not to touch the permanent fund for government services to the highest oil prices in history diminished the sense of urgency for action. The acrimonious relationship between the political parties made bipartisan cooperation very difficult. Friction between the House and Senate Republicans further complicated matters. Some legislators believed we haven't cut the budget enough and others were opposed to new taxes. Some proposed that they simply access the permanent fund earnings with a majority vote to balance the budget and fund high priority items while others refused to support broad-based taxes without a spending limit. There were a number of fiscal plans, but no single plan had enough support in both houses to be implemented.

No matter what the reasons an individual legislator might use to justify their failure to develop a long-term fiscal solution, certain facts are irrefutable.

- Since 1990 there have only been three years when state revenues exceeded expenditures.
- Current projections by the Department of Revenue show the deficit increasing steadily over the next 12 years.
- # In fiscal year 2005 the deficit is projected to be 13 percent of the state's

budget. By 2015 it would account for more than half of the budget. For comparison purposes state expenditures were held constant, therefore the entire shortfall is due to a reduction in revenue - primarily oil royalties.

- Even with the current high oil prices, the Constitutional Budget Reserve Fund will be depleted by August 2008.
- Oil production will decline from approximately 1 million barrels per day in 2003 to 843,000 barrels per day in 2015. One-third of the oil projected for 2015 will come from fields not currently producing oil or even under development.

Purists will argue that the August 2008 demise for the CBRF is just a case of alarmists again crying wolf or shouting that the sky is falling. They may also argue that the Department of Revenue projections do not consider the impact of a gas pipeline or the development of ANWR. But they may also believe in pots of gold at the end of the rainbow, magic lanterns and leprechauns.

Most Alaskans realize that the state can't continue to live beyond its means. We need leaders who will make the prudent, though perhaps unpopular, decisions necessary to assure that the state lives within its budget while at the same time assuring that critical state services are funded adequately. These are serious times and require serious leaders who will make the difficult choices. Alaskans need to take a stand and hold their elected officials accountable. We deserve more than excuses.



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DRUG TESTING HALVES ACCIDENT RATE for Contractors

ne-fourth of construction laborers and supervisors say they have used illicit drugs during the past year and one-fifth admit to heavy alcohol use.

These sobering national statistics contribute to preventable accidents and higher personnel and operating costs for contractors. The U.S. Department of Labor estimates that drug use in the workplace costs employers \$75 billion to \$100 billion annually in lost time, accidents, health care and workers' compensation costs.

Studies show that mandatory drug test-

ing can reduce the injury rate in the construction industry by 51 percent within two years of implementation, and lower workers compensation rates by 11 percent.

Construction is an inherently risky business in Alaska due to the extreme time demands that our short construction season places on most contractors. An accident in the construction industry can be unforgiving. If an employee has a slow reaction time to a situation or is distracted by extracurricular activities an accident can occur – resulting in a major injury or even death. Many construc-

tion firms are challenging themselves to build better workforces by proactively addressing workplace substance abuse and diminishing its potentially disastrous consequences.

When one's private life becomes a public concern

On-the-job drug use is not as large a problem as the effects on a worker from off-duty drug and alcohol abuse.

Although each drug and person is different, most drugs stay in the system 2 to 4 days. For chronic users of certain drugs, such as marijuana, which is Alaskans' drug of choice, results can be detected for up to 30 days.

Even trace amounts of drugs in a person can create significant physical and mental safety risks.

Any one of the illicit drugs can cause ongoing eye problems such as constricted pupils, jerky eye movements, bloodshot eyes, vision problems and dilated pupils. An employee who is unable to visually focus on an object or whose vision is impaired by the bright sunlight becomes a safety hazard to all employees.

Movement

Drug effects on movement such as hyper-excitability and restlessness create an environment where an employee becomes unpredictable and unreliable in their work performance. In job situations where consistencies in safety measures are critical, risks like these cannot be taken.

Behavior

Behavior issues such as impaired mental functioning and extreme mood shifts create a work environment that is most noticeable to co-workers. Non-using employees recognize the safety risk and become disgruntled and create an even more disrupted work-



place. When an employee has difficulty concentrating on a job task or ignores warning signs, the risk for an accident dramatically increases. Additionally, an employee who panics during an emergency situation and is confused on the proper action to take can make an already bad situation worse.

When a cocaine user comes off his high, he's lethargic and may not have the gumption to buckle the harness, reach for the safety rope or get out of the way of a moving crane.

Silence can be deadly

A recent case here in Anchorage is of a company who called WorkSafe concerned about a valuable employee found sleeping on the jobsite. The company refused to subject the employee to a drug test, failed to confront him about his unacceptable behavior and neglected to document the behavior. Less than five days after that first call the employee was seriously injured when he fell asleep at the wheel of a company truck. He tested positive at the hospital for cocaine. This was an avoidable accident with an active drug testing program.

Being silent on drug testing may send a message to employees that the company does not see the drug or alcohol abuse as a safety concern and may only increase the risk of these problems being introduced in the workplace.

Special challenges for construction industry

Logistical problems cause some construction companies to not consider drug testing as part of their safety package.

A trained specimen collector will understand the short season of the constructions industry and can make the most of every minute. If hiring decisions need to be made quickly the use of new instant testing technology can also be utilized.

Some construction employees may fall under mandatory drug testing if they drive vehicles over 26,001 pounds on a public road, in which case federal drug testing procedures must be followed.

WorkSafe, Inc. provides workplace drug and alcohol testing and third-party drug program management to thousands of companies throughout Alaska and nationwide. As the largest and most experienced third party administrator in Alaska, WorkSafe has helped more than 2,300 companies initiate drug and alcohol testing programs. WorkSafe is a subsidiary of NANA Development Corp







CALL FOR ENTRIES

Excellence In Construction & Safety Achievement

It's that time of year again! The RIBELIN LOWELL & COMPANY EXCELLENCE IN CONSTRUCTION AWARDS and the Brady & Company Excellence in Safety Awards deadlines are August 31, 2004*.

Some of AGC's best known names have entered and previously won. So can YOU! Now is the time to call the AGC office and request the full award rules, category information and entry form.

Here's what out members and previous winners say . . .

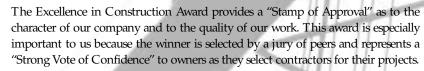
CONSTRUCTION



Jon Kumin, Kumin and Associates

As Architects, we increasingly are requested to help Owners select General Contractors through some form of "best value" process. Tangible evidence of superior performance on past projects helps guide this process. Awards such as those by AGC are viewed as just such evidence.



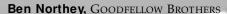






Dave Dickhaus, WILDER CONSTRUCTION COMPANY

At Wilder, we look forward to the annual Excellence in Construction Awards. There is no greater recognition than that of your peers. Not only do the awards instill a deeper sense of pride in our employees, they demonstrate to our clients that we are among the leaders in our industry, constantly and consistently striving to provide the best product to our customers.



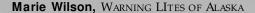
Performance valuations and commendations from owners are nice but being recognized by the AGC and a group of peers means even more. Awards such as these go a long way in demonstrating your company's ability not only to future owners and employees, but also serve as a source of accomplishment to the staff that have worked hard to earn these awards.





Jon Eng, Cornerstone Construction

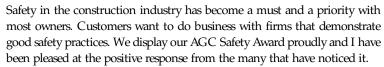
The single biggest motivator of future excellent performance involves honest recognition of how important team members are to past project excellent performance. People working in construction are competitive in nature, and look forward to having their results compared to others. Recognition of excellent performance can help make individuals, individual firms, and the construction industry become better at what they do.



The excellence in construction award says that others in the industry have recognized Warning Lites of Alaska, Inc. for doing superior work. This is an important message for both our customers and our employees.









Matt Hogge, Anchorage Sand and Gravel

Safety is a factor of success. The safe return of employees day after day is a measure of success. Recognizing safety helps promote a safe workplace. Safety Awards are a recognition that people did things right, the people that stopped the accident from happening.



Ben Northey, Goodfellow Brothers

Creating a safe work environment should be one of the most important things in any company's business plan. Continually mandating this safe work environment is not only the right thing to do but also has a huge effect on a company's bottom line. Receiving an Excellence in Safety Award from the AGC provides a reassurance that we are making safety a priority and at the same time doing the most we can for that bottom line.



Richard Wilson, Warning Lites of Alaska

The Safety Leadership Award is recognition of a lifetime commitment to safety at Warning Lites and in the construction industry. To be recognized by safety professionals in the industry makes this award particularly satisfying.



Don Weber, Northern Air Cargo

An award of this magnitude shows that you really do care about your fellow workers, your company and your associates in the same businesses. It also says to everyone in the same line of business that you have placed a high value on three very important things about safety. First: It is morally the right thing to do. That is, to provide a safe workplace for all personnel on the job. Second: It is legally the right thing to do. Third: It is economically the best thing to do because profits are quickly eroded by workplace accidents.



Terry Fike, ALCAN GENERAL CONSTRUCTION

A comprehensive safety program that is supported by management and embraced by all employees ensures that our work sites are safe work sites. Effective safety programs translate into cost savings in the form of reduced insurance premiums, reduction of employee turnover, and a more effective work force. Employees will not work efficiently in an unsafe environment.



HOW TO ENTER

To improve and simplify the entry process, a number of changes were made this year. So all entrants need to check for new categories and entry instruction. We want our AGC of Alaska members to enter, so the awards committee made that easier for you. CHECK IT OUT TODAY!

<u>* THE DEADLINE TO ENTER IS 5:00 PM, AUGUST 31, 2004 AT THE AGC OFFICE IN ANCHORAGE.</u>

Call Avery at 561-5354 for help and information.

Construction Costs In Alaska: HUMAN & ECONOMIC DISASTER

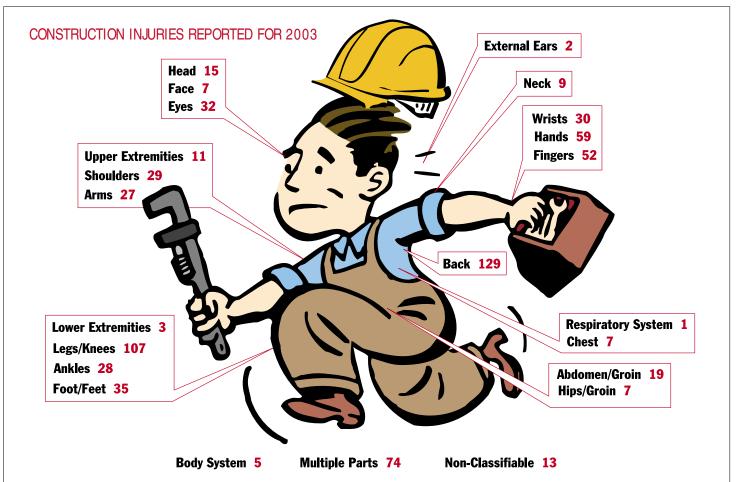
By Carl Francis

o many Americans, Alaska and Alaskans seem bigger than life. From some perspectives this is sadly true. At one time or another, most people in America have heard the stories of how expensive it is live and work in Alaska. From the time Alaska was purchased from Russia in 1867, through the Klondike Gold Rush when it was said that eggs could cost \$100 a dozen, through WWII in the Aleutians when at war's end construction equipment was simply abandoned or run into the sea to avoid the costs of return, to construction of the pipeline with estimated cost overruns in the billions and workers who made as much in a week as they usually did in a month and were known to play construction

camp poker for thousands of dollars or Monopoly for real money, the stories developed and spread. They are endless and more frequently than not, based at least partially in truth. The stories that seem to fade away are the stories of deaths and disabling injuries and their horrific costs in human, financial and social resources. It would be hard to find anyone in the construction industry who has not heard or read about fatalities or serious injuries on the job.

How often have we heard something like this, "I hated to hear about John getting killed but I heard his family got a big settlement so they should be fine." What almost always goes unsaid is that in addition to the financial costs, which are reflected in litigated settlements and workers' compensation rates, among other insurance costs, the societal costs can also be huge, equally devastating, but much harder to calculate. The costs of long-term counseling, decreased academic and career success of dependents and siblings and other societal burdens are frequently ignored.

Nationally, construction accounts for 24.4 percent of all occupational deaths. In Alaska, if we remove logging and North Pacific fishing, which are basically unique, the percentage of occupational deaths and serious or disabling injuries occurring in construction is nearly double the national average. It is recognized that the relatively small size of Alaska's con-



CONSTRUCTION LOSS TIME INJURY/ILLNESS DATA EXTRACTED FROM STATE OF ALASKA WORKERS' COMPENSATION DATA FOR 2003 BY ALASKA OCCUPATIONAL SAFETY AND HEALTH (AKOSE) SECTION OF THE LABOR STANDARDS AND SAFETY DIVISION OF LABOR AND WORKFORCE DEVELOPMENT

NOTE: DATA ONLY INCLUDES THOSE LOSS TIME INJURIES/ILLNESSES REPORTED TO DATE. EMPLOYERS HAVE 12 MONTHS TO FILE REPORTS. DATA MAY NOT REFLECT THE ACTUAL NUMBER OF CONSTRUCTION INJURIES/ILLNESS THAT OCCURRED IN ALASKA IN 2003. GARY WALLER, RESEARCH ANALYST III, ALASKA OCCUPATIONAL SAFETY AND HEALTH

struction workforce may in the short term, skew the percentages, but over the long term they are consistent.

The only way to reduce all of these costs in construction is to reduce the incident rate.

The only way to accomplish this is to improve the environment in which Alaska's construction community functions. In order to better address these issues, the Alaska Department of Labor and Workforce Development, Occupational Safety and Health Section, has joined the Contractor Community consisting of all licensed contractors including the Associated General Contractors of Alaska and other contracting groups in developing a partnership to improve worker safety in the construction industry in Alaska. This partnership has been reviewed, approved and endorsed by Federal Region 10. The Partnership is known as "Alaska Construction Health and Safety Excellence (AK-CHASE) Partnership Project.

In order to enter into this type of partnership a contractor must develop and implement programs to reduce injury and fatality rates with assistance and oversight from AKOSH Consultation and Training. The goals of the partnership are to: (1) decrease the number of serious injuries, illnesses and fatalities; (2) improve inhouse safety and health programs by promoting a cooperative relationship between construction contractors and Alaska OSH through consultative and training resources; (3) enhance employee involvement in safety and health; and (4) establish a protocol for qualifying, recognizing and rewarding construction contractors who consistently meet or exceed minimum qualifying partnership requirements.

AKOSH will monitor, verify and assist contractors in achieving these goals by utilizing consultation site visits, training sessions and employee interviews. Additionally AKOSH will do program audits to verify effectiveness of safety and health programs. Documentation of contractors' internal safety audits and training will be reviewed and evaluated.

This partnership has three levels of achievement with relative levels of incentives and recognition by AKOSH. Incentives vary from reduced penalties from enforcement inspections to qualified exemption from enforcement inspections. Recognition may include public service announcements and statewide or even national recognition, depending on the level of achievement.

Document packages, which include part-

nership requirements and application protocol, are available at all four AKOSH offices, which are in Anchorage, Fairbanks, Juneau and Ketchikan, and will soon be available online. The Program Coordination Office will be in Fairbanks with statewide outreach capability. The contact information is as follows: Carl Francis, telephone number (907) 451-2888, fax number (907) 451-2885 and e-mail address: carl_francis@labor.state.ak.us.

It is anticipated that as this partnership develops, a significant reduction in incident rates in construction will be realized. The resulting savings in financial and human resources will make life in Alaska even better than it is today. The widespread personal anguish and financial catastrophe that occurs whenever an Alaskan worker fails to return home safely should not be a factor in the lives of Alaska's construction workers.

CARL FRANCIS has resided in Alaska for 37 years,



with 24 years electrical construction experience through IBEW Local 1547 and 13 years with AKOSH (6 years in enforcement and 7 years in consultation and training).





Fergusson & Associates, Inc.

By Susan Harrington

ince he left college Jim Fergusson has worked in the construction industry. He graduated from California State Polytechnic College of Pomona with a bachelor of science in civil engineering and went to work for Kiewit the next day. In 1996, after 26 years with the company, Fergusson retired as Kiewit's Area Manager of Alaska and opened his own consulting business.

He built over \$500 million worth of in-place construction with Kiewit and originally worked with the company in California, then later Washington state, before moving to Alaska in 1984. Fergusson said his Alaska Kiewit projects include the Performing Arts Center, Alyeska Prince, Ft. Knox gold mine and a lot of other big buildings.

All this experience set the stage for developing his rather unique business. Fergusson & Associates Inc. is a project management firm that provides a triple menu of construction specific consulting services:

- Constructability Review and Support
- Owner's Agent
- Dispute Review Board

To his knowledge, no other firms in Alaska do exactly what he does. He is a licensed professional engineer in four states: Alaska, Washington, California and Nevada. Fergusson is also licensed by the State of Alaska as a general contractor. Mainly, he says, because the state couldn't figure out what type of license he needed for his business.

When doing constructability review and support he helps architects understand if what they draw is going to be easy or difficult to build. In the complex design phase of the Seward Sealife Center he worked with Livingston Slone to figure out how to get the big plastic windows in place inside the building. On the Whittier Access project he worked with Dan Sterling of CH2M Hill in the design phase. They were trying to determine how to get a bridge across Portage Lake and Dan figured out that a tunnel would need to be done instead of a bridge because of lake bottom issues. The necessity of changing the design from a

bridge to a tunnel had the added bonus of saving the State of Alaska millions of dollars.

When acting as an owner's agent he helps owners retain architects and contractors and sees that they do what they are supposed to do. He answers questions for owners and deals with issues with architects, contractors, permits and licenses. Most owners don't know how to build buildings. Fergusson says that Tony Chevrolet owner Tony Marletto said it best, "I know how to service and sell cars, I do not know how to build buildings."

The Tony Chevrolet project presented the challenge of building to national Chevrolet standards while adapting for the sub-arctic climate with the added objectives of building at the least cost and completing in the quickest time.

Another client of his in this arena of his consulting business is Anchorage Sand and Gravel. Although AS&G is in the construction industry, they don't build buildings. Fergusson acted as owner's agent for them on the Klatt Road Truck Facility, the Lang St. Pre-Cast Fabrication Plant and



the relocation of Dimond Fabrication.

He usually meets with the owner and figures out what they want to do and then helps them select a designer, works with the designer, and then selects the contractor and gets the project built. Sometimes it's a little different,

like with the Anchorage Hilton project. They already had a designer, so he worked with the contractor and interfaced with the designer and the contractor on site issues. The lobby remodel project ended up being a "terribly complex" 24/7 project because the hotel was kept open during construction.

The third area of Fergusson's consulting business is participating in a dispute review board, which is an alternate form of resolu-

tion for construction disputes. The Anchorage School District has been a repeat client in this area and he has worked with ASD and contractors on three Anchorage high schools: Dimond, South and East. He is part of a three member board that meets monthly with the district and the contractors to help resolve issues and help make decisions through a process that is much less formal and quicker than arbitration. The added benefit is that timely decisions are a lot less costly.

The secret to the success of the dispute resolution board is the monthly meetings when they talk about problems and solutions through an open dialogue that keeps both contractors and the school district happy. He says each project has a defining moment: with Dimond it was a schedule issue and they worked it out with teamwork; with South it was artistic flooring that was a major issue and was successfully resolved through the monthly meeting. The Dimond and South projects both completed on time and within budget and East is 50 percent complete with no claims. The three high schools represent over \$100 million.

Aside from the three major areas of work Fergusson does, he also engages in work that is more short-term in nature such as answering specific questions, dealing with singular project issues and serving as an expert witness. He was hired by Life Quest in the Valley to help select the contractor. Fergusson has an expert's advantage when dealing with architects and contractors because he knows the questions to ask, the answers to expect and the ability to determine if schedules are reasonable. His participation in project management

is sought after and trusted not only because of his experience and success in the industry, but also because as an impartial third-party his work is not influenced by any specific entity.

Fergusson also tries to keep a charitable project going at all times. The Red Cross

THE AGC OF ALASKA IS TRULY

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IF ANYBODY HAS A QUESTION –
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building at Eighth Avenue and Cordova Street in Anchorage was a four-year project that included tenant improvements, a parking lot, and the front atrium. He works with non-profits, who usually have little or no resources and helps them spend the money they have and get materials they need. For instance, with the Red Cross building the parking lot was completed entirely with donations.

This summer he is working with the Edward G. Monaghan Chapter of the Air Force Association on the construction of the 11th Air Force War Memorial at Merrill Field in Anchorage. The groundbreaking ceremony was held in mid-May and the project is expected to be finished in August. Fergusson said there were 1,072 Airmen killed in the Aleutians in WWII and there is no memorial to them. Now there will be. They are actively seeking donations.

Fergusson has been active with the AGC of Alaska since his days at Kiewit. He was awarded the prestigious Hardhat Award in 1996 and served as president of the organization in 1998. He said the office of president of the AGC is a very interesting position and he learned a lot, did a lot and had a lot of fun. He commended the staff, saying they are excellent, great people and they help you out a lot. While president he went to Washington, DC, and met the congressional delegation.

"The AGC of Alaska is truly the member organization of choice in the state and the spokesman for the construction industry in Alaska," Fergusson said. "If anybody has a question – that's who they go to."

He continues to serve on the board – 2004 marks his 12th year, and said, "some-

body has to speak for the industry and I want input in what they say and how they say it." He is very active with the Construction Industry Progress Fund (CIPF), a joint fund administered by management and labor. A nickel per hour of all Davis Bacon wages paid

in Alaska by participating contractors goes into the fund with the sole task of improving the image of the construction industry.

Fergusson does not support the practice of spending 99 percent of education dollars on college prep when only one-third of students continue to college. "I enjoy what we can do to enhance the image of the construction industry," he said. "I'm a staunch believer that construction is good

and it has been good to our family."

The CIPF is his pet project and the organization recently commissioned some studies to show the credibility of the industry. The Institute of Social and Economic Research of the University of Alaska Anchorage recently completed the study *A Look at Alaska's Construction Spending: A 2004 Forecast for the CIPF and the AGC of Alaska*. Economists Scott Goldsmith and Mary Killorin detail the \$5.315 billion that will be spent in Alaska on construction in 2004.

State economists exclude construction dollars from construction industry accounting by classifying companies like Spenard Builders Supply and Anchorage Sand and Gravel as retail and mining, respectively. The ISER study puts things in perspective by including data from misclassified segments of the construction industry and pooling everything together, giving a more realistic dollar amount to what is really going on in Alaska. "We're a \$5 billion a year industry," Fergusson said. "We're building your quality of life."

The next study ISER does for the CIPF will deal with the real number of people who work in the construction industry in Alaska. Fergusson thinks there are actually 30,000 full-time construction workers. He says these are the people who build houses, hospitals, grocery stores, and how we get back and forth to work. People need to wonder who is providing what they have. "We are dependent on a lot of industries, but construction touches everybody every day," he said. "We have to step up to the plate on a statewide basis and point out the importance of the statewide construction industry."

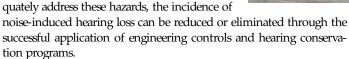


ARE YOUR WORKERS LISTENING?

PROTECTING AGAINST HEARING LOSS IN CONSTRUCTION

BY **CHRIS ROSS**General Manager, AGC NANA Training Systems

very year, approximately 30 million people in the U.S. are occupationally exposed to hazardous noise, and of these, more than one-half million construction workers are exposed to potentially hazardous levels of noise. Although federal and state Occupational Safety and Health Administration (OSHA) programs do not adequately address these hazards, the incidence of



According to the National Institute for Occupational Safety and Health (NIOSH), hearing loss from noise is the second most frequently self-reported occupational illness for American workers. For construction workers, hearing loss often begins early in their careers and can result in hearing impairment by the age of 50. See figure 1.

OSHA is considering rulemaking to revise the construction noise standards to include a hearing conservation component for the construction industry that provides a similar level of protection to that



afforded to workers in general industry. The current construction noise regulations (29 CFR 1926.52, Occupational Noise Exposure) are far less specific, informative or helpful than the general industry standards (29 CFR 1910.95). Additional challenges in the construction industry, such as worker mobility, worker resistance to health and safety issues, lack of management support for

compliance programs and the large number of small businesses – who typically have less resources for compliance – make hearing conservation programs more difficult to implement. In Alaska workers have just two years to file a workers' compensation claim after the time when a hearing loss is determined. Beginning in January 2003, employers were required to record all work-related hearing loss cases that meet BOTH of the following conditions on the same audiometric test for either ear:

- The employee has experienced a Standard Threshold Shift (STS); and
- The employee's total hearing level is 25 dB or more above audiometric zero (averaged at 2000, 3000, & 4000 Hz) in the same ear(s) as the STS.

Beginning in January 2004, a separate hearing loss column appeared on the OSHA 300 Log.

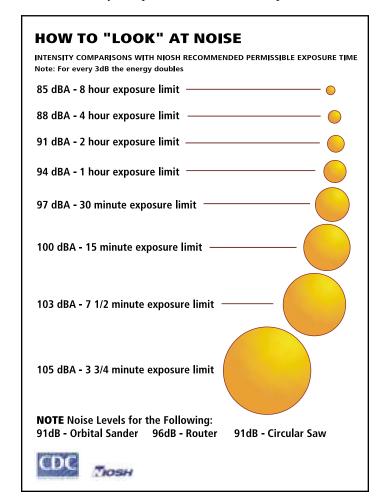
The use of hearing protection devices (HPD) in construction is also very low because of perceived difficulties in hearing and communicating warning signals. While in fact, preserving worker hearing can greatly enhance the ability to communicate and hear warning signals. One issue is over attenuation – for example where an HPD is selected with a Noise Reduction Rating (NNR) of 25 decibels, when in fact there is only a need to reduce the sound level by 10 decibels.

Noise Monitoring

The first step in preventing hearing loss at construction sites is to determine the noise levels workers are exposed to. Employees should be placed in a hearing conservation program if they are exposed to average noise levels of 85 dB or greater during an eight-hour workday. In order to determine if exposures are at or above this level, it is necessary to measure or monitor the actual noise levels in the workplace and to estimate the noise exposure or "dose" received by employees during the workday. See figure 2.

Basically, there are two different instruments to measure noise exposures: the sound level meter and the dosimeter. A sound level meter is a device that measures the intensity of sound at a given moment. Since sound level meters provide a measure of sound intensity at only one point in time, it is generally necessary to take a number of measurements at different times during the day to estimate noise exposure over a workday. If noise levels fluctuate, the amount of time noise remains at each of the various measured levels must be determined.

To estimate employee noise exposures with a sound level meter it

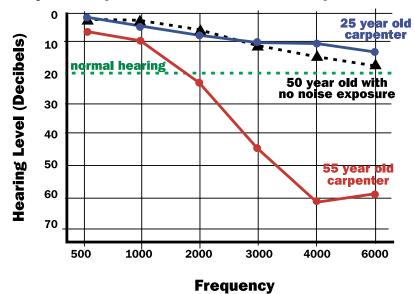


is also generally necessary to take several measurements at different locations within the workplace. After appropriate sound level meter readings are obtained, people sometimes draw "maps" of the sound levels within different areas of the workplace. By using a sound level "map" and information on employee locations throughout the day, estimates of individual exposure levels can be developed. This measurement method is generally referred to as "area" noise monitoring.

A dosimeter is like a sound level meter except that it stores sound level measurements and integrates these measurements over time, providing an average noise exposure reading for a given period of time, such as an 8-hour workday. With a dosimeter, a microphone is attached to the employee's clothing and the exposure measurement is simply read at the end of the desired time period. A reader may be used to read-out the dosimeter's measurements. Since the employee wears the dosimeter, it measures noise levels in those locations in which the employee travels. A sound level meter can also be positioned within the immediate vicinity of the exposed worker to obtain an individual exposure estimate.



The average 25-year-old carpenter has the ears of a 50-year-old person who has not been exposed to noise







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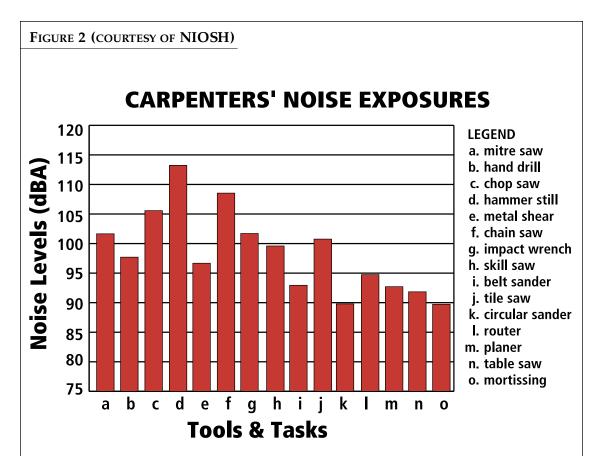
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HEARING
CONSERVATION
PROGRAM
CHECKLIST
RECOMMENDED BY
NIOSH

Supervisor Involvement

Data indicate that employees who refuse to wear hearing protectors or who fail to show up for hearing tests frequently work for supervisors who are not totally committed to the hearing loss prevention programs.

Noise Measurement

For noise measurements to be useful, they need to be related to noise exposure risks or the prioritization of noise control efforts, rather than merely filed away. In addition, the results need to be communicated to the appropriate person-

nel, especially when follow-up actions are required.

Engineering and Administrative Controls

Controlling noise by engineering and administrative methods is often the most effective means of reducing or eliminating the hazard. In some cases engineering controls will remove requirements for other components of the program, such as audiometric testing and the use of hearing protectors.

Training and Education

Failures or deficiencies in hearing conservation programs (hearing loss prevention programs) can often be traced to inadequacies in the training and education of noise-exposed employees and those who conduct elements of the program.

Monitoring Audiometry and Record Keeping

The skills of audiometric technicians, the status of the audiometer, and the quality of audiometric test records are crucial to hearing loss prevention program success. Useful information may be ascertained from the audiometric records as well as from those who actually administer the tests.

Hearing Protection Devices

When noise control measures are infeasible, or until such time as they are installed, hearing protection devices are the only way to prevent hazardous levels of noise from damaging the inner ear. Making sure that these devices are worn effectively requires continuous attention on the part of supervisors and program implementers as well as noise-exposed employees.

Administrative

Keeping organized and current on administrative matters will help the program run smoothly.

Bottom line – has the failure to hear warning shouts or alarms been tied to any accidents or injuries? If so, have remedial steps been taken?

NIOSH Web site for hearing plan: http://www.cdc.gov/niosh/hpprgmch.html

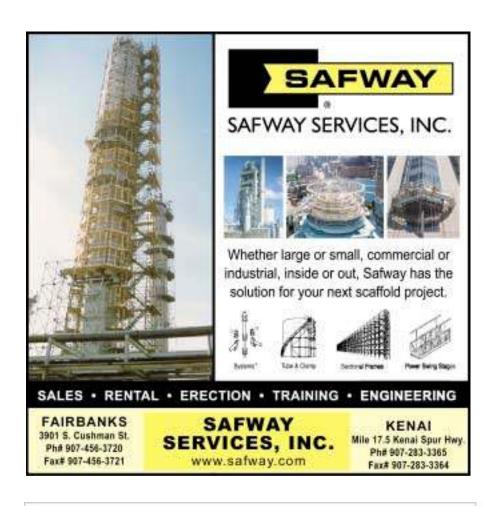


CHRIS ROSS, General Manager, AGC/NANA Training Systems



GENERAL ESTIMATES OF WORK-RELATED NOISES (COURTESY OF NIOSH) 194 Loudest tone possible Rocket Launch 180 165 12-Gauge shotgun Jet engine at takeoff 140 120 Ambulance siren Pneumatic percussion drill 119 114 Hammer drill Chain saw 110 108 Continuous Miner Bulldozer, Spray painter 105 103 Impact wrench Hand drill 98 96 Tractor Belt sander 93 90 Hair dryer/Power lawn mower Exposures > 85 may cause hearing loss 80 Ringing telephone Normal conversation 60 For more information on occupational 30 Whisper hearing loss or other work-related injuries or illnesss contact the National Institute for Occupational Safety and Health (NIOSH) at 1-800-35-NIOSH or Weakest sound www.cdc.gov/niosh heard by the average ear 0 DHHA (NIOSH) publication No. 2001-104



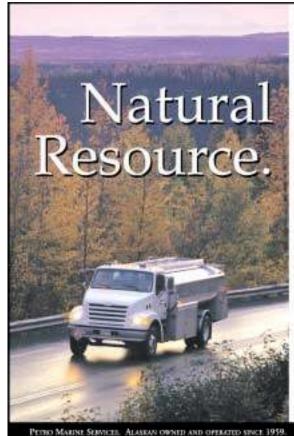




- Use the buddy system watch out for each other, get help with heavy or awkward loads.
- Become familiar with and use your PPE - it could save your favorite part: hearing, sight, head, toes, back, lungs, skin, or life).
- There is no job so important that it cannot be done safely. Take whatever time is necessary to get the job done right.
- Make sure alarms and signals are working correctly on trucks, forklifts, heavy equipment.
- Using fall protection is for sissies - right? Yeah, right. Sissies that want to avoid OSHA fines, serious injuries, workers' compensation claims, and down time on the job.
- Call for a utility locate before digging.
- Trenching or excavating this summer? Trenches over 4 feet deep must have a safe exit such as a ramp or ladder within 25' of every worker.
- Guard rails and toe boards are required on any scaffold over five feet high. Only scaffold grade planks are acceptable.
- Ladders need daily inspection and placed 1' away from the wall for every 4' of height.

- Good housekeeping is an essential part of every job. Work areas, aisles, walkways, and equipment shall be kept clear of loose materials, tools, and scraps.
- All electrical tools and equipment should be properly grounded or be of the double-insulated type. Keep extension cords in good repair discard or replace any cords that are damaged, spliced, missing ground plugs or cut.
- Know how to properly use hand and power tools before starting the job by following operating instructions and using the proper accessories. If you are unfamiliar with how a tool operates or is to be used, talk to your supervisor.
- Use supplied safety features and guards that are provided on equipment, machinery and tools. Do not remove or defeat these safety devices such as blade guards, nail gun guards, table saw blade guards and other guards.
- Compressed gas cylinders may contain up to 3,000 psi pressure - plenty of pressure to kill or maim. Keep valve caps in place, secure tanks with chain or webbing, use and store cylinders only in an upright position.





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CONTRACTORS & THE LAW

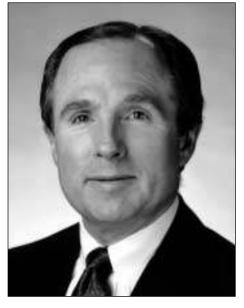
The DANGERS POSED by a Disgruntled Employee

n April decision of the Alaska Supreme Court demonstrated once again the severe dangers posed by a problem employee not only to the employer, but also, if the employer is a subcontractor, to the general contractor.

The case involved a soils remediation project on a military site with an international environmental engineering firm as the general contractor, an excavating subcontractor and the subcontractor's employee. The employee was foreman of the subcontractor's crew and thus responsible for the subcontractor's performance of the general contractor's safety plan.

During late-May and early June, hot and windy conditions led to respiratory complaints by the employee, which did not prompt what the employee thought was an adequate response from the general contractor. Right after the 4th of July, the location of the work changed to a place where there was a pungent gasoline odor. After further complaints by the employee, the general contractor tested the ground water and found no contamination. Not satisfied, the employee filed an OSHA complaint, prompting an investigation, apparently without further action by OSHA.

Following the completion of those tasks



By ROBERT J. DICKSON

in late July, the employee was reassigned to a job on another project under a foreman who the employee said was "hard on his men." After several days on the new project, the employee complained of serious back pain and on August 12, filed a workers' compensation claim, which his employer later termed "bogus." The employee had a doctor's note that excused him from work until the end of August. When the employee did not show up after August 31st, he was terminated for failure to show up for work.

The employee filed a lawsuit claiming retaliatory discharge against the employer and defamation and other tort claims against the general contractor, but lost in the trial court. The supreme court reversed, holding that in order for an employee to prevail on a claim for retaliatory discharge, the employee need show only that he (1) engaged in a "protected activity" (meaning any activity considered by the courts to be legal and socially important); and (2) suffered an adverse employment decision. If the adverse decision happens reasonably close in time to the protected activity, causation is presumed. The employer can avoid liability by demonstrating that it had a good faith business reason to terminate the employee such as insubordination, failure to show up, unsafe work, or a legitimate reduction in forces. If the employer asserts these defenses, the employee can try to prove that these reasons were merely "a pretext."



IF THE
"FORBIDDEN MOTIVE"

PLAYED ANY ROLE

WHATSOEVER IN

THE ADVERSE

EMPLOYMENT ACTION,

THE EMPLOYER

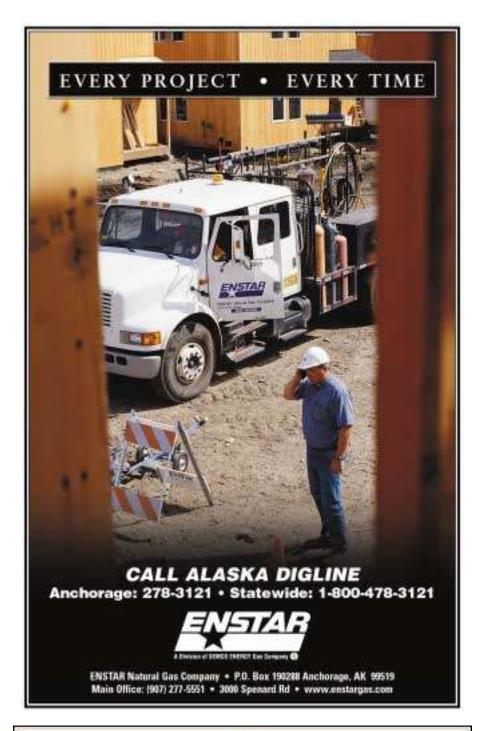
IS LIABLE

If the employee can document actual statements by the employer that the firing or reassignment was connected to the employee's "protected activity," the employee need show only that the "forbidden motive" was merely a "motivating factor," as opposed to the "determinative factor." Thus, if the "forbidden motive" played any role whatsoever in the adverse employment action, the employer is liable unless the employer can demonstrate that the employee would have been fired regardless of the employee's protected activities.

The court went further, ruling that under these circumstances, the employer would now be subject to tort damages as opposed to merely breach-of-contract damages. Tort damages are much broader and include things like pain and suffering, emotional distress and other non-economic damages difficult to quantify. Contract damages are limited to economic damages such as lost wages for a predictable period of time.

The lessons from this case are that when safety complaints or workers' compensation claims are made, whether valid or not, an employer should not take any adverse employment actions except for the most egregious and well documented safety violations or insubordination by the employee. All correspondence, written or electronic, relating to the employee should be drafted with the expectation that the employee's lawyer will some day scrutinize it for the slightest sign of "forbidden motives." Finally, the general contractor should be very careful in communicating with the subcontractor about the employee to avoid appearances of "forbidden motives."

ROBERT J. (BOB) DICKSON is a partner of the Anchorage law firm— Atkinson, Conway & Gagnon, Inc.







ADT Security Services, Inc.

By Susan Harrington

ne hundred thirty years ago when gold miners first crossed Chilkoot Pass in search of Alaska gold ADT Security Services began business as the American District Telegraph Company in New York City. It would take the company 127 years to find their gold mine in Alaska through the purchase of Alaska General Alarm in

Today, ADT Security Services is the largest alarm company in North America with offices in Canada, the U.S. and Europe. The company has gone through much growth and many changes over the years and was acquired by Bermuda-based Tyco International Ltd. in 1997 from United Kingdombased Hawley Group Ltd. that had purchased the company in 1987.

ADT currently monitors over 7 million customers around the globe. In Alaska all signals are routed to the six monitoring centers located in Colorado, Nebraska, Missouri, New York, and Florida. In case one center goes down, calls are automatically routed to another center, as happened earlier this year due to heavy snowfall in Colorado.

Their specialty is state of the art security installations and they have a large stable of both commercial and national accounts. The company is a frontrunner in high tech solutions such as cutting edge biometric technology. "Biometrics is available, but until recently it was expensive and there is a limited market in Alaska, although it is taking off in the Lower 48," National Account Commercial Security Representative Deborah Fachko said.

ADT has a strong presence in providing security equipment such as camera surveillance for the finance and banking industries in Alaska, as well as many retail and business establishments. They have contracts with the U.S. Marshals to provide security for federal facilities and federal judges, the Department of Defense to provide various security measures in Alaska, and for security upgrades with the U.S. Postal Service.

On the residential side, the company recently negotiated very attractive security packages for AARP and USAA members. Residential clients are another strong point for the company. ADT's security system monitoring includes electronic access control, video surveillance, fire and life safety, intrusion detection, critical conditions, disasters, security management



and more.

"We're also about life safety, not just burglary," Fachko said. "A residential facet of the business is preventing carbon monoxide poisoning - there were so many tragedies in the last year that the Municipality issued new regulations - and that's a need we can meet with our fire and carbon monoxide monitoring services."

Although 75 percent of their installations are done postconstruction, she said it would obviously be easier to install during construction. In residential settings that is done during pre-wire, once the electrical is roughed-in and before the insulation goes in. Commercial applications are done after the electricians are through.

"We've got a great group of people who work as a team," Fachko said. "Our focus is to provide the customer with the best quality service available." In order to do that the company focuses on a security tie-in by putting employees through very rigorous background screening and security clearance. Once a person has been offered a position they go through a background investigation, drug testing, credit check and past-employer verification. Employees are knowledgeable of privileged, confidential information - a responsibility that both the company and the employees take very seriously. Something else ADT takes seriously is their commitment to cultural diversity in the workplace and they make sure their employment practices are non-discriminatory.

ADT transferred Alaska General Alarm's AGC of Alaska

We've got a great group of people who work as a team

membership when they bought the company and continue to enjoy the benefits of AGC membership – notably use of the Plans Room, referrals from fellow members, OSHA notifications and helpful management perspectives. Branch Manager Jeffrey K. Schwartz, former Alaska General Alarm manager said, "ADT has inherited a great legacy through Alaska General Alarm and their relationship with the AGC starting back in 1978. Through their various programs, e-mail announcements and workshops, the AGC has proven to be an invaluable tool in ADT's continued work in construction here in Alaska."

Fachko, who along with half of the ADT staff of 12, is also a former Alaska General Alarm employee. She said the Alaska office in Anchorage is fully staffed with sales professionals, administrative staff and technicians who provide service, repair and installation of security monitoring services. Technicians routinely fly all over Alaska to take care of business in Fairbanks, Kodiak, Juneau, Southeast and other communities in the state. All of the employees live in Alaska and their earnings are recycled back into the economy. Some, like Fachko, are proactive in the community.

She is Vice President of Gateway Rotary, active at the local and state levels of the Anchorage Business and Professional Women (APBW), serves as a director of the board for Southcentral Counseling Center and is participating in strategic planning for the 2nd Annual Women's Summit to be held late next winter.

Fachko was named Business Woman of the Year by ABPW for 2003-2004. She said she was honored and shocked to receive the award. It was given to her for bringing AWARE to Anchorage. AWARE stands for Women's Active Emergency and it is a corporate-sponsored program of ADT. Since 1992, the company has offered the AWARE program to victims of domestic violence in over 170 American communities and over 24 cities in Canada. Through the AWARE program, ADT donates and installs security systems in the homes of battered women. ADT also donates the monitoring of these systems for as long as the need exists.

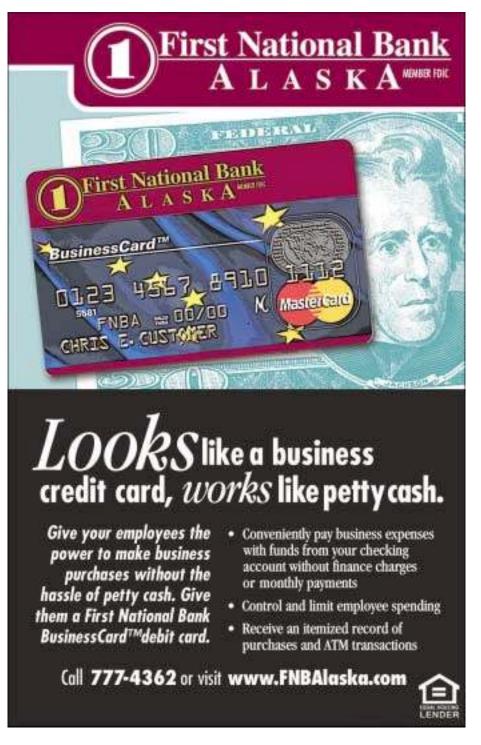
Fachko wanted to do something about domestic violence in Alaska and applied to get the program in Anchorage, a process that could have taken years. "Because of the high rate of domestic violence in Alaska it got bumped up at corporate and was up and running in a short time," she said. "ADT funds

the program – it's free to the community." Because of logistics, AWARE is just in Anchorage but Fachko would like to see it expanded to Juneau and other communities in Alaska.

Her next project is to look into local company support for the Red Cross. Nationally, ADT is a supporter of the Red Cross, Habitat for Humanity, Oprah Winfrey's Angel Network and is a charter sponsor and

active supporter of the National Crime Prevention Council.

Fachko has been in Anchorage since 1965 when her father was stationed at Elmendorf Air Force Base. She stayed and raised her children here. "I have a wonderful husband, Tim, and we like to garden, we like to read, and the community service is fun," Fachko said. She spends a lot of her spare time doing community service – it's her hobby.



St people

BY ROBIN L. RIVETT

sk a neighbor, someone not in the construction business, the purpose of government regulation and you might hear, among other things,

that regulations help make our lives better or safer. Though this may be partially true, the excessive application of regulations by overzealous bureaucrats, often at the urging of special interests, is wreaking absolute havoc on local economies and individual citizens everywhere.

Alaskans are learning this fact in spades. Take, for example, what happened at the Pogo Mine near Fairbanks, where private investors are risking almost a quarter of a billion dollars in a venture that will create hundreds of good jobs to support families throughout the region. Unfortunately, environmental zealots had other ideas.

A Fairbanks-based environmental advocacy group made a last minute challenge to the mine's federal NPDES permits. This action, had it gone forward, would have cost the mine owners a year or more of bureaucratic wrangling and hundreds of construction and mine workers their jobs had mine owners not negotiated the recently announced settlement. For the bureaucrats and zealots, it is all about power, not people.

Pacific Legal Foundation has been fighting this kind of regulatory abuse for years. In 2001, PLF beat back the illegal ESA listing of Oregon coast salmon where bureaucrats had intentionally not counted hatchery fish released into local streams. Obviously, this listing was more about exercising power than protecting fish. Fortunately, this victory was successfully defended on appeal in the Ninth Circuit and has created tremendous opportunities to challenge other similar mislistings.

In Idaho, the target of regulators is 72-year old Donald Cutler, whose "crime" was that he wanted a little lawn and a place to park his pickup truck. After filling just one-tenth of an acre on his lot for the project, the EPA informed him that he had filled protected wetlands without a federal permit. They said he would have to pay a \$25,000 fine and remove the fill dirt.

Federal environmental regulators claim to have jurisdiction over "wetlands" where there is a hydrological connection to a navigable waterway, also known as "waters of the United States." In Mr. Cutler's case, EPA's jurisdictional claim is almost funny. It seems Mr.

Cutler's "wetlands" are close to Meadow Creek, which flows through a culvert, under a highway, into Goat Creek, into Valley Creek and finally into a navigable waterway, the Salmon River. Thus, in the federal regulators' minds, placing clean fill on Mr. Cutler's parking place damages "waters of the United States." PLF will defend Mr. Cutler in court, but the point stands, this isn't about environmental protection, it is about exercising regulatory power over land use.

The battle against regulatory abuse is raging, but not all the news is good. Even modest efforts by state government to apply an even hand to environmental regulation are being overturned. Just ask Cominco Alaska, Inc., operators of the Red Dog Mine. They worked with state regulators that had been delegated certain federal permitting authority by EPA, developing reasonable air quality practices for an addition to the mine.

The feds, it seems, had other ideas. Nullifying state regulators' selected measures to improve air quality, the EPA demanded alternate measures that are less cost effective for the mine and will actually result in more overall emissions. The Alaska Department of Environmental Conservation sued EPA, demanding that the state approved practices be left in place. Unfortunately, both the Ninth Circuit and U.S. Supreme Court found that federal authority would prevail.

Whether the issue is permitting for a mine, reasonable use of private property or one of thousands of other regulatory matters, one fact remains constant – the exercise of bureaucratic power over constitutionally protected personal liberty must be challenged.

Pacific Legal Foundation is pleased to be associated with organizations like AGC of Alaska, supporting our mutual goals of limit-

ed government and individual and economic liberty. By supporting these two organizations, you are making a difference for yourself, your industry, and your nation.

ROBIN L. RIVETT, an attorney with Pacific Legal Foundation since 1975, is a principal attorney in the Environmental Law Practice Group and directs PLF's three regional litigation centers.







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Building Alaska's Future for 50 Years...

KENBRADY CONSTRUCTION COMPANY

ntegrity and hard work have seen Ken Brady Construction Company through 50 years of building success in Alaska. As the company celebrates their golden anniversary this year, they celebrate the unpretentious enterprise of a carpenter who came to Alaska with his bride from northwest Arkansas in 1951. This company with modest beginnings has built an



impressive construction volume reaching \$40 million annually, while successfully transitioning into the second generation of family management.

Ken Brady worked as a carpenter when he and his wife Dorothy first came to Alaska. Going door-to-door in Anchorage, he fixed cabinets, doors or whatever work he could find.

In 1954 Ken and Dorothy founded Ken Brady Construction Company. The company progressed from household repairs to remodeling jobs, and eventually to new commercial construction projects.

One of the first new buildings constructed was the Anchorage Inn, built in 1956 for Fred Axford at \$13 per square foot. Today, the building is still standing and houses the Union Hotel.

By 1957, Ken and Dorothy Brady took the next step and incorporated their growing business in the Territory of Alaska. Now, the urban landscape of Alaska is dotted with Brady-built schools, churches, banks, hospitals, office buildings, retail stores, malls and other government, military and commercial buildings.

The company continued to grow after Alaska reached statehood and was very busy rebuilding schools after the 1964 earthquake. They have completed 19 school projects in Anchorage and several more in other areas of the state.

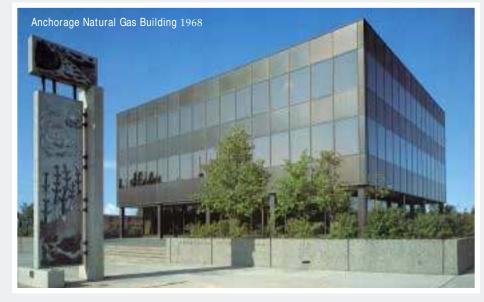
Over the years, the company has worked primarily in Southcentral, Southeast, Kodiak and Fairbanks – mostly in urban areas. The 1970s saw the company grow significantly and pioneer design-build and fast-track construction in Alaska with the building of Alaska Regional Hospital and numerous other large facilities in Anchorage and Fairbanks.

Mike Brady has been working for the company since 1964 when he was going to elementary school; he can remember helping his dad on Sundays and said he probably started officially in 1967. Tim Brady hired on with the company in 1976 and Mike came in from the field to work in the office in 1978. The brothers have been active in management since 1982 and have completed over \$375 million in construction projects in Alaska during that time frame.

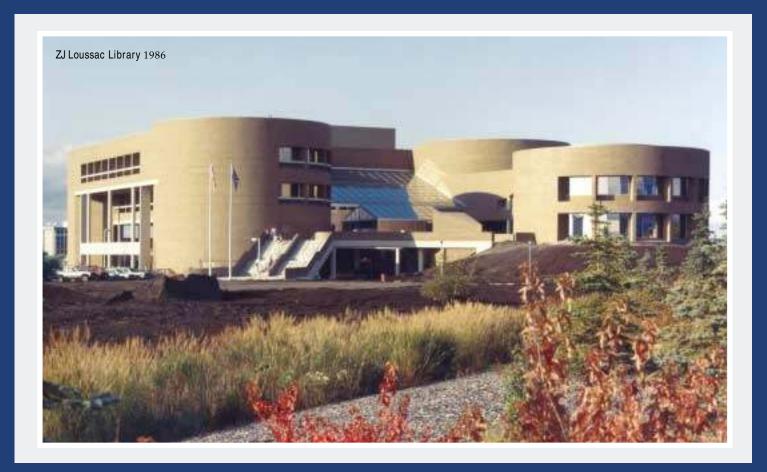
"We were able to make a successful transition to the second generation and that is quite an accomplishment; most companies that make that attempt fail," Mike said. "Being in construction we are people driven instead of capital driven, that may have something to do with it."

Mike serves as chairman of the board









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and vice president and takes care of the administration, financial and legal aspects of running the company. Tim is president of the company and is responsible for all the construction related operations including bidding and estimating.

"We're a people business and have had the good fortune to work with some really outstanding construction professionals," Tim said.

Both Tim and Mike attribute the overall success of their company to the people who run their projects. Longevity is a big factor; current key people

have been with the company from 10 to 30 years.

The key man who oversees it all is General Manager Jim Conway who has been with the company since 1986. "There is no doubt that Jim is one of our greatest assets," Mike said.

"We have also been fortunate to have our Seattle Office Manager, A. V. Merkley, with us since the early 70s," Tim added. "We've had a lot of really great people through the years."

Another key company man was Paul DuClos; he retired in 1999

Mike Brady [LEFT] Tim Brady [BELOW]



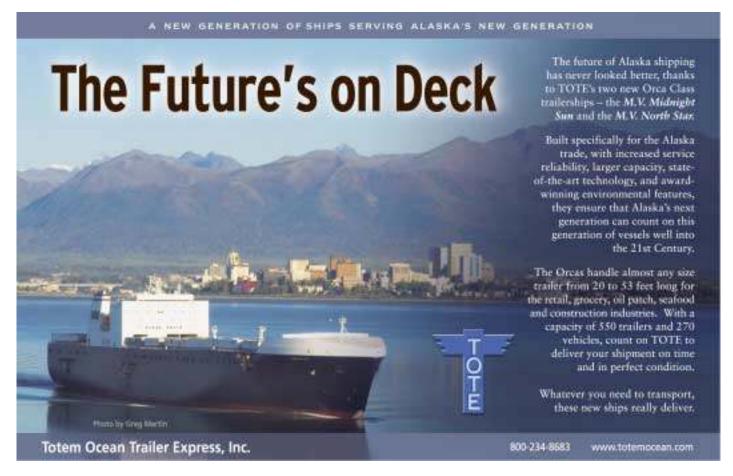
after almost 30 years and was a mentor to Tim and trained him in company operations. "In addition to Paul DuClos, Mike

> and I have worked with people such as Joe Donald, Hank Weckel, Paul Sauer, Jim Wheeles and John Halterman in our earlier years. Their influence has had a lot to do with whatever success we enjoy today."

> The Brady brothers are quick to recognize the valuable contributions that are made by their employees. The company workforce varies between 25 and 55, depending on project status and phase. Total project employment, including subcontractors, has varied from 50 to 200 people on different projects. They are especially proud of the people they have running their projects.

> Project Superintendent Dave Taylor and Project Engineer Josh Houser were both instrumental in the Fairbanks Wal-Mart project completed last April.

Dave Taylor also worked on Wal-Mart stores in Kodiak, Wasilla and Ketchikan, as well as the Nesbitt Courthouse and the UAF Westridge Natural Science Facility. Project Superintendent Dick Donohoe built Goldenview Middle School and the Business





Nesbitt Courthouse 1996

Education Building at UAA and is currently supervising the DEC Seafood and Food Safety Laboratory. Project Superintendent Bill Moores recently completed the UAA Ecosystem/Biomedical Health Facility and is currently assigned to the new St. Andrew Parish in Eagle River. Project Superintendent George Miller was responsible for the recent design-build projects for Denali Alaskan Federal Credit Union and Northrim Bank. Project Manager Duane Hanson was a key player on the Courthouse and UAA jobs and is currently managing the DEC Food Lab.

Tim said they only have a couple of products to sell: integrity and experience. Their workforce has a combined experience factor of several hundred years, and their integrity is something they pride themselves on.

"We are an Alaskan family – we're not going anywhere – we have a responsibility to

our families and our neighbors to make positive contributions to our community," Mike said. "Obviously we are not here to make a quick buck and get out of town."

In recent years, most of the company's volume comes from design-build projects where they provide design services as well as construction services for an owner, and team-build projects where they participate early in the design process and offer value engineering solutions and material options.

"These types of jobs provide us with the opportunity to demonstrate our experience and ability," Tim said. "We can quickly analyze different assemblies or building materials and the impact their use will have on an owner's budget and schedule."

The company enjoys repeat business from diverse clients that include Northrim Bank, Denali Alaskan Federal Credit Union,

the State of Alaska, the University of Alaska, Anchorage School District and Wal-Mart. These clients have kept them busy with remodels and new construction.

The recent opening of the Fairbanks Wal-Mart marked the fifth such store built by KBCC. The Fairbanks store was approved, designed, built and opened in less than one year – one and a half years sooner than a typical Wal-Mart. "The cooperation between the owner, design team, subcontractors, suppliers and Fairbanks city officials was tremendous," said Tim. "Had any member of our team faltered, this job would not have met the owner's expectations."

The team-build approach was used; Wal-Mart had a prototypical design that was modified to the climate and conditions in Fairbanks. "We spent an awful lot of time on conference calls working out details and material selections that would best allow us to complete the site work and building shell before winter," Tim said. "All in all the job came together very well." Dynamic compaction was used because of voids left by melted permafrost and it took 300,000 blows by 15-ton cylinders dropped 50 feet with three 100-ton cranes over an 8-week period of time to consolidate material on site. "We initially worked two 11-hour shifts during the dynamic compaction phase and then went to seven 12s," Tim said.

The Kodiak store, along with the Ketchikan and Wasilla Wal-Marts were all design-build projects and the Bradys would like to build more Wal-Marts in Alaska. "They are a great owner to work for, very competent and very professional," Tim said.

"We expect that they will be expanding some of their stores to accommodate groceries in the near future," Mike added.

The company is currently working on the St. Andrew Parish in Eagle River, the new and the Alaska State Department of Environmental Conservation's Seafood and Food Safety Laboratory - a \$10 million proj-



ect in Anchorage.

As for giving back to the community, they Alaska Sales and Service dealership in Wasilla help out with a lot of charities and their favorites are the Red Cross, the Boy Scouts and the Boys and Girls Club, a favorite of their father's. "Dad was instrumental in get-

ting the Boys and Girls Club established in Alaska," Tim said.

Aside from the busy business of running the company, both Bradys are heavily involved with the AGC of Alaska, of which the company has been a member since 1970.

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They are also affiliated with other professional organizations.

Mike was vice president of AGC Safety Inc. and is a past director of the AGC of Alaska board. His involvement in safety has paid off. The company has enjoyed an excellent safety record, one he says their dad would be proud of. They attribute this to on-going safety training, site-specific safety programs for each project and hiring trained people. Mike is also a management trustee for the Alaska Laborer-Employers Trust and is a past chairman and past director of the Anchorage Economic Development Corporation.

Tim is a past president and a lifetime director of the AGC of Alaska. He has also served on the Municipality of Anchorage Platting Board and the Better Business Bureau board. Plus, he is a member of the Anchorage Downtown Rotary Club and is the vice president of properties for the Western Alaska Council of Boy Scouts of America. He has served on numerous AGC committees and was awarded the prestigious HardHat award in 1992 for significant contributions to the construction industry. In 1995, he was recognized by the AGC of America as the National Chapter President of the Year.

"This is a very satisfying industry to be in; it is gratifying to be part of a team that creates a product that's going to be serving people long after those who built it are gone,"

He was very active in establishing AGC of Alaska's Build Up! and On Site! programs.

"The Build Up! program is aimed at fifth graders," Tim said. "We try and expose them to the many different trades and careers available in construction. We want to reach kids before they decide what they don't want to do.

Research has shown that even though kids aren't deciding what they want to be when they grow up, by 11 or 12 they are deciding what they don't want to do, and one of the goals of this program is to spark an interest so construction doesn't get deselected."

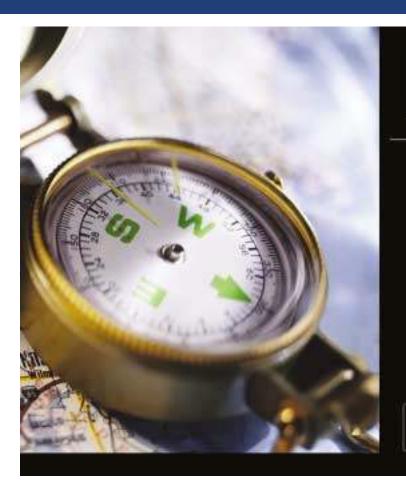
They would like to see more young people interested in and prepared for taking advantage of the opportunities available in the industry.

"Construction work is not unskilled labor – which is a common misconception – it's just a different training path than college, and a great opportunity," Mike said. "It is a myth that construction wages are low."

He knows skilled craft workers who are retiring in their 50s and drawing excellent monthly pensions. He believes that if more students were made aware of the true facts about the industry a greater interest would be generated to replace retiring workers. Interest is needed because the construction workforce is rapidly aging with not nearly enough young people entering the trades.

For this second-generation company, the first generation was instrumental in preparing them for the mission.

"We have a good work ethic," Tim said.



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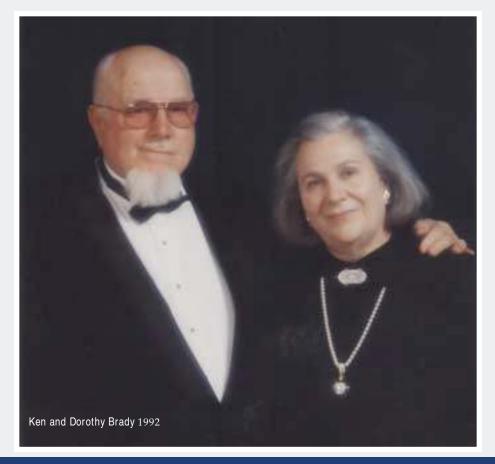
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MMC Marsh & McLennan Companies Anchorage (907) 276-5617 "Our dad gave us an awful lot of responsibility at a young age and we grew into it."

"He would give us something and say, 'do it,' and we did," Mike said. "You grow up in it and it's what you know."

Ken Brady passed away in 1992 at the age of 71. Dorothy Brady is still involved in the company's direction and has always been a great role model. Dorothy worked in the company office every day for 25 years and raised seven children, setting an example of hard work, endurance and commitment to family. "Mom is the epitome of grace," Tim said. "She's had to put up with Dad, seven kids and now 17 grandchildren and I have never heard her say a bad word about anybody."

"This is a very satisfying industry to be in; it is gratifying to be part of a team that creates a product that's going to be serving people long after those who built it are gone," Tim said. "Our family is so proud to have lent a hand building our great state over the last 50 years; we hope this company sees the next five decades unfold because we truly believe it will be an exciting time that will provide even more opportunities for young Alaskans and their families."









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STRUCTION SAFETY



laska has just joined the ranks of states with an OSHA partnership program to reduce losses in the construction industry. The Associated General Contractors of Alaska (AGC) and the Alaska Department of Labor and Workforce Development, Labor Standards

and Safety Division, Occupational Safety and Health (AKOSH) recently developed an exciting new program to assist contractors throughout the state.

Committing to Safety Excellence

The Alaska Construction Safety and Health Excellence (AK-CHASE) provides incentives to AGC (and other) contractors who have excellent safety and health programs. AK-CHASE provides a

framework for construction contractors to voluntarily enter into a strategic partnership with AKOSH in order to improve worker safety and health on construction contractor worksites. By working closely with AKOSH consultation safety experts, partnering construction contractors will share and demonstrate their commitment to safety excellence.

Based on a model developed by the AGC and OSHA in 1998, AK-CHASE will offer contractors three tiers or levels of participation of safety performance. "The partnership

was established to foster a team effort between construction contractors, associations, insurance companies and AKOSH to reduce fatalities, injuries and illnesses in construction," says Cliff Hustead, AKOSH Assistant Chief of Consultation & Training.

According to the US Bureau of Labor Statistics for 2002, the overall accident rate in Alaska exceeds the national average. This accident rate is unacceptably high - therefore the focus of AK-CHASE is to address this problem.

Meeting the Criteria

These three levels of increasingly higher standards of performance are determined by meeting an established set of criteria for construction safety excellence. In return for meeting these criteria, AKOSH, after making a verification inspection and reviewing the application, will be placed on a lower priority for a general scheduled inspection (enforcement inspections triggered by employee complaints, accidents and fatalities will still occur in accordance with AKOSH procedures) and receive training and assistance in developing site-specific safety and health programs.

So what are the other benefits of participation in the AK-**CHASE program?**

Participation in AK-CHASE can serve as a benchmark for your safety and health program. You can enter at the Blue level, then progress through Gold and finally Flag level the highest level of achievement.

Increasing your safety performance will decrease your workers' compensation insurance costs.

Participation in AK-CHASE can be a good public relations tool, and could be a factor in bid opportunities or contract awards. Many purchasers of construction services are becoming more cognizant of contractor's safety performance.

Preventing injuries to your workforce should already be a major goal for your company. Participating in AK-CHASE will help you to achieve this goal, and your employees will appreciate your concern for their safety.

According to Grey Mitchell, Labor Standards and Safety Division Director, "this partnership provides a golden opportunity for construction contractors in Alaska to get proactive about reducing workplace accidents and the associated costs. In today's competitive business environment, contractors that participate in this partnership will have a tremendous advantage."

Implementing the Program

To enter into this partnership, the construction contractors must, with assistance and oversight from AKOSH, develop and implement programs to reduce injury rates. Participating contractors must provide oversight to ensure their employees comply with safety and health regulations and safe operating procedures. The contractor shall control safety and health hazards and initiate and maintain an effective safety program. AKOSH consultation will assist in this process through training and consulta-



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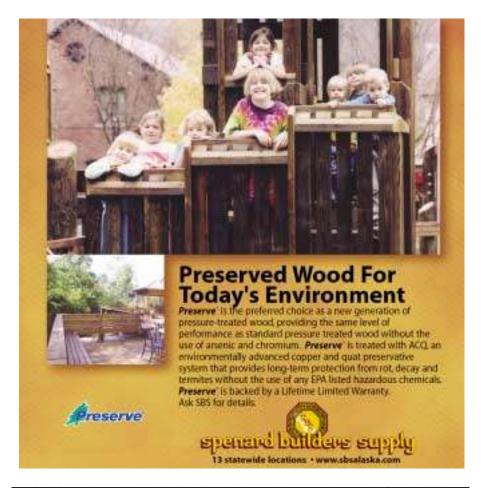
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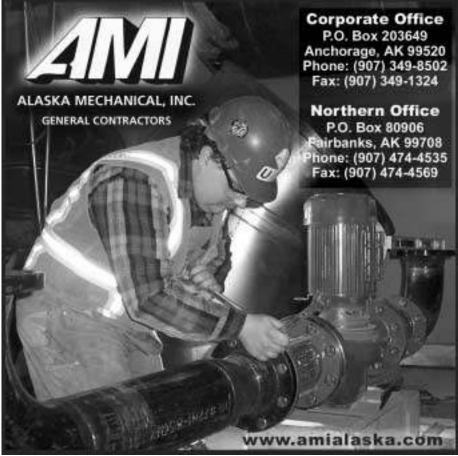
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tive visits to verify that partnership requirements are met and that program goals are being attained.

Consultation visits include conducting employee interviews, reviewing evidence of regular and effective safety audits and inspections by company personnel, and reviewing training documentation, accident investigations and injury/illness data.

The partnership project goals are:

- ☐ To achieve a decrease in the frequency of serious injuries, illnesses, and fatalities for the participating construction contractors;
- ☐ To improve construction contractor safety and health programs;
- ☐ To provide better utilization of AKOSH resources by using this partnership as a tool to reduce the need for enforcement inspections while achieving a higher level of worker safety and health;
- ☐ To provide maximum leverage of AKOSH consultation resources by promoting more active employer action and responsibility in safety and health management;
- ☐ To promote a more cooperative relationship between construction contractors and AKOSH:
- ☐ To foster enhanced employee involvement in safety and health through "near miss" or similar programs;
- ☐ To enable participating construction contractors and AKOSH to better share resources like training, hazard identification and effective and efficient abatement methods through improved communications; and
- ☐ To establish a protocol for qualifying, recognizing and rewarding construction contractors who consistently meet or exceed the minimum qualifying partnership requirements. There will be three levels of recognizable achievement. These levels will be termed AK-BLUE, indicating initial acceptance into the Partnership, and AK-GOLD and AK-FLAG represent progressively higher levels of achievement.

Establishing the Partnership

Interested contractors begin the process by performing an Employer Self-Evaluation Checklist (see figure 1), completing an application form available from AKOSH and attaching the following additional documentation:

- ☐ Summary of contractor's OSHA 300 logs for the last three years;
- Copies of any written safety and health programs; and
- Copies of any program implementation documents.

Contractors must also have a written safety policy, ensure that all required training is completed for employees and supervisors, perform daily site inspections and monthly comprehensive inspections, provide for employee participation through a "near miss" or other hazard recognition program, establish an effective process for hazard correction and discipline for non-compliant employees and supervisors, promote employee participation in safety meetings and inspections and work with AKOSH on an annual program evaluation.

Once accepted into the first level, AK-BLUE, contractors can begin working toward higher levels of achievement and recognition – AK-GOLD and AK-FLAG. Although final details are still being completed, partners at the AK-BLUE level will demonstrate additional safety program elements and program effectiveness, including a 15 percent reduction in injuries and illness over a five-year period. The AK-GOLD level has higher levels of training and program requirements and participating partners will be expected to serve as mentors for incoming partners.

AKOSH is offering a variety of incentives to partners, including special recognition, certain exemptions on citations and inspections according to level of achievement, and some penalty reductions (SEE FIGURE 2).

There are over 300 of these partnerships with Federal OSHA across the nation and they have produced some very impressive results. Here are just a few examples:

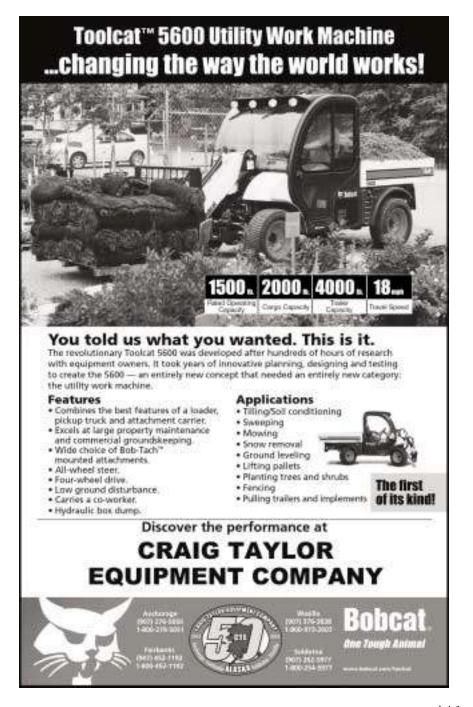
Homebuilders Association of Metropolitan Denver, 2001 Results: Between 2002 and 2003, the master builders participating in this partnership showed a 65 percent reduction in total recordable injuries and illnesses, a 73 percent DART (days away from work, restricted or transferred) reduction, and a 20 percent loss ratio reduction. The partnership has become a tool for both builders and

sub-contractors alike to ensure that safety is being enforced and interpreted in the same manner from job-to-job and builder-tobuilder.

■ Idaho Construction General Contractor/Construction Manager Partnership, 1996 Results: This partnership has reduced construction fatalities in Idaho. During the pre-partnership period 1990-1995, there were 25 construction fatalities in Idaho. During the period 2001 through 2002, there have been 3 construction fatalities. During the period 1991 through 2001, the Idaho

workers' compensation claims rate for construction SIC codes was reduced from 25 injuries per 100 employees to 14.2 injuries per 100 employees.

■ Associated General Contractors Houston, 1999 Results: Partners conducted a total of 575 inspections and eliminated hazards from their job sites, including: 167 Fall Protection Violations, 176 Electrical Hazards, 31 Caught Between, and 27 Struck-by. Approximately 12,000 employees were affected by eliminating these hazards. This partnership has allowed AGC staff



THE ALASKA CONTRACTOR | 41

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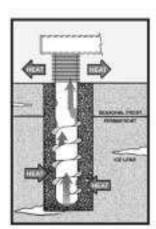
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WORLDWIDE

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and AGC member companies to improve communication with OSHA through participating in safety and health committee meetings.

- Associated General Contractors Oklahoma, 2000/2002 Results: The current rates for DART and TRC (total recordable cases) in the evaluation year 2002-03 are lower by 90 percent and 60 percent, respectively, for the general contractor compared to their previous experience. Eighty-four percent of management received the OSHA 10hour course or equivalent. The general contractor conducted nine training sessions affecting 311 employees on various subjects including: equipment operation (backhoe, forklift, bobcat, boom lift, scissor lift), fall protection, scaffolds and excavation.
- Associated General Contractors South Texas, 2002 Results: As of the 2003 review, this partnership's average TCIR (total case incident rate) dropped from 6.3 in 2002 to 1.2 in 2003, for an 81 percent reduction. The average DART rate dropped from 2.1 in 2002 to 1.2 in 2003, for a 43 percent reduction. Partners carried out 112 selfinspections at participating job sites and identified and corrected 138 hazards.
- Associated General Contractors Austin. 2001 Results: In the 2003 review, this partnership covered 252,896 employees. Partners carried out 18,425 self inspections and identified and corrected a total of 6,788 hazards.

Training requirements for construction contractors vary according to the specific hazards involved, but the most common training requirements include:

- Hazard Communication (Right to Know)
- Recognition and avoidance of hazards
- First aid/CPR
- Respiratory protection
- Fuel gas and procedures
- Arc welding and cutting
- Heavy equipment operator
- Powered lift truck operator
- Fall protection
- Trenching and shoring
- Confined space entry
- Scaffolds
- Ladders and stairways
- Control of hazardous energy

(lockout/tagout)

- · Personal protective equipment
- Emergency actions and evacuation
- Hearing conservation

Training is Available

AGC/NANA Training Systems offers this training to all construction contractors, as well as many other courses including HAZWOP-ER and refreshers, OSHA 10-hour and 30hour Construction Outreach, 16-hour and 40hour Construction Safety Supervisor, 8-hour Construction Site Safety Orientation and competent person training for fall protection, trenching and shoring, confined space entry and much more. AGC/NTS also provides assistance to contractors and other employers who need assistance in developing safety and health programs, developing systems ensuring regulatory compliance and reducing losses. The firm can also provide assistance to contractors to develop safety manuals, perform site inspections, develop medical surveillance programs and conduct industrial hygiene monitoring. Phone (907) 565-3300 for details or visit www.nana-nts.com on the Web.

Interested in Applying?

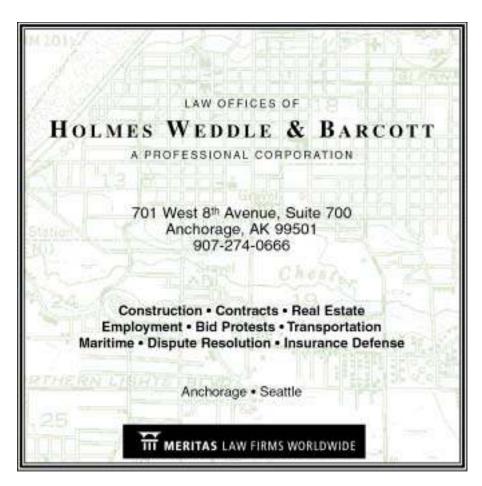
Carl Francis is the AKOSH partnership coordinator for the AK-CHASE Construction Partnership. He can be reached by telephone at (907) 451-2888 in Fairbanks, or by e-mail at carl_francis@labor.state.ak.us. All consultants in AKOSH will be signing up construction companies, evaluating them and assisting them in qualifying for the partnership.

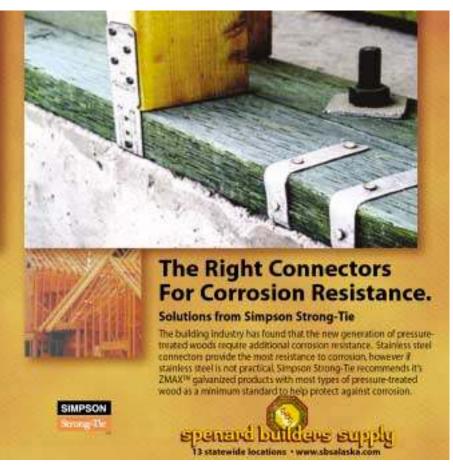
AKOSH will have the partnership documents posted on their Web site in the near future, but in the meantime contact Carl Francis, your local AKOSH consultation office or AGC/NANA at 565-3300 for partnership application packages.

EMPLOYER SELF-EVALUATION CHECKLIST FOR PARTNERSHIP AT THE AK BLUE OR BASIC LEVEL

Management Commitment and Leadership Y N

- ☐ Policy statement: goals established, issued and communicated to employees
- Program reviewed/revised annually
- ☐ Participation in safety inspections by supervisors
- ☐ ☐ Commitment of resources is adequate





Attention Contractors

Please remember these rules when working near electrical facilities:



This important utlery message is brought to you by Chaguch Elicenic Association.

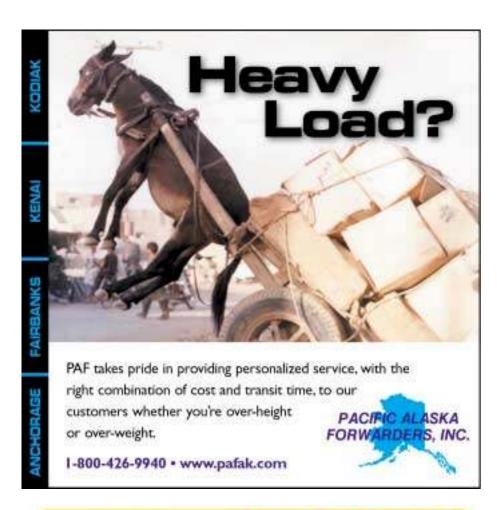
- Maintain a minimum of 10 feet of clearance from all overhead electrical facilities.
- Call 278-3121 to have underground utilities located before digging.
- Hand dig within 3 feet of the location of buried electric lines.
- Work safely around electric facilities. If you're in doubt about an electric safety rule, call Chagach Safety Manager Ken Thomas at 762-4545.

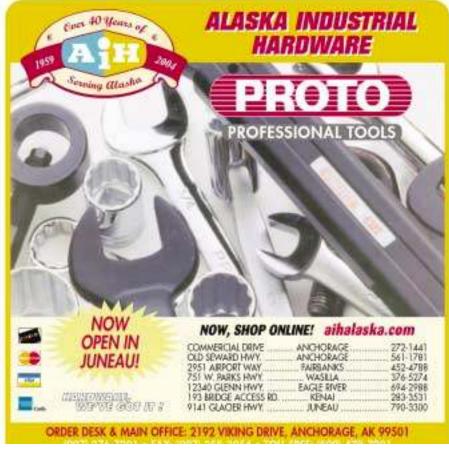




Y	N		
		Safety rules and procedures incorporated into site operations	
		Supervisors observe, communicate	
П		and enforce safety rules Safety and Health programs are	
_	_	reviewed by AKOSH consultation	
·			
ASS Y	sign N	ment of Responsibility	
		Supervisors knowledgeable	
		and accountable Supervisor safety and health	
_	_	responsibilities are understood	
		1 0	
		employees follow safety regulations	
Identification and Control of Hazards Y N			
		Periodic documented safety	
		inspections (monthly) by on-site	
		management, (daily) by foreman,	
		craft journeyman or qualified employee representative.	
		Documentation should utilize a	
		site-specific checklist format.	
		(at least weekly) Preventive controls in place (PPE,	
_	_	maintenance, engineering controls)	
		Action taken to address hazards	
		by the Employer, fully developed and implemented disciplinary program—	
		zero tolerance for immediate danger	
		to life or health (IDLH).	
Training and Education			
Y	N		
		Supervisors and employees receive basic training	
		ĕ	
		needed, e.g. documented tailgates	
		for non-typical tasks	
J		Employee training program exists, is ongoing and is effective	
		Training is internally certified	
		and records are maintained	
Record Keeping and Hazard Analysis			
	N	Records are maintained of employee	
_	-	illnesses/injuries	
		Supervisors perform accident	
		investigations, find causes and initiate corrective action	
		Employees participate in accident	
_	_	investigation, find causes and recom-	
		mend corrective action	

First Aid and Medical Assistance Y N ☐ ☐ First aid supplies and equipment, including stretcher, are available on site when a three-minute to fiveminute emergency response is not available and at least two employees are first aid and CPR trained ☐ ☐ Employees are trained in first aid and CPR at all remote worksites □ □ Reliable communication for summoning emergency response available at all work sites ☐ ☐ Employees understand emergency action plan and procedures Other Safety/ Health Programs Which May Be Required Y N ☐ ☐ Hazard Communication Program ☐ Hearing Conservation Program ☐ Energy Control Program (lockout /tagout) ☐ ☐ Hazard Assessment for Personal Protective Equipment ☐ ☐ Emergency Action Program Confined Space Program ☐ ☐ Fall Protection Program Employee Involvement Υ Ν $\ \square$ Employees are required to attend safety meetings at least weekly. Documented tailgate meetings prior to all non-typical tasks ☐ ☐ Employees participate in site inspections, which are documented, including notes of all corrective action taken. ☐ ☐ Employees are trained in required safety programs and procedures and how to identify safety problems. Training review for all new projects or at least annually. Project specific orientation must be included. ☐ ☐ Employees comply with safety and health regulations and safe operating procedures. ☐ ☐ Employees wear provided personal protective equipment. ☐ ☐ Employees are required to notify supervisors of serious and imminent hazards immediately. (Fully implemented "Near Miss" or equivalent.) **Evaluation Comments** Y N □ □ Written program meets the





requirements for a partnership

Comments attached





 $\ \square \$ Site inspection meets requirements for a partnership Comments attached Qualify for partnership approval Comments attached **Evaluation Comments** Y N ☐ ☐ Qualify for partnership pending corrective action or program modification Comments attached

AKOSH INCENTIVES

☐ Participating contractors will receive the following incentives according to the level of safety and health program achieved. AKOSH Consultation verification visits to sites will be scheduled at the discretion of the Chief of AKOSH Consultation.

BLUE

- · Exemption from programmed enforcement inspections through completion of all corrective action, including all extensions.
- · Will not receive citations for otherthan-serious violations identified during enforcement action that may occur after expiration of the exemption. (Provided that the corrections are made within a prescribed period of time.)
- · Will receive special recognition from AKOSH, designating the contractor as a qualifying participant in the AK-CHASE program at the AK-BLUE level.

GOLD

- · Exempt from programmed enforcement inspections through completion of all corrective action, including all extensions, or six months, whichever is longer.
- Will receive special recognition from AKOSH, designating the contractor as qualifying participant in the AK-CHASE program at the AK-GOLD level.
- Will be given the maximum good faith penalty reductions available under AKOSH enforcement programs for any citations issued during an enforcement

- action that occurs after expiration of the exemption.
- Will not receive citations for any other-than-serious violations identified during any enforcement action that may occur after expiration of the exemption.

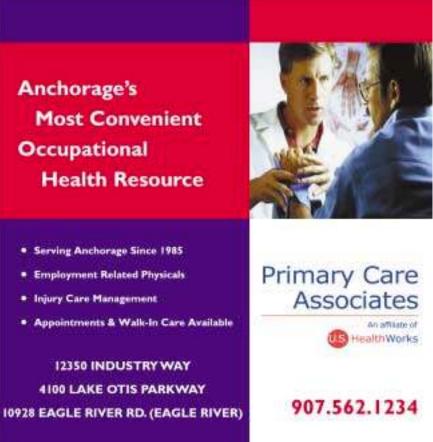
FLAG

- Will be given special recognition from AKOSH designating the contractor as a participant in the AK-CHASE Program at the AK-FLAG level.
- AK-FLAG participant job sites will not receive another programmed enforcement inspection within the next 12 months.
- AK-Flag participants will receive unprogrammed enforcement inspections only in response to imminent danger in plain sight of a public right of way, fatalities/catastrophes, and formal complaints. AKOSH will use telephone or fax to address all other complaints except those involving injuries requiring hospital admission. When an inspection of a non-formal complaint is deemed necessary by special circumstances, a copy of the complaint will be provided to the participant's Safety Director or other designated representative at the time of the inspection.
- AKOSH will not issue citations for other-than-serious violations provided the violations are abated at the time of the inspection.
- If cited by AKOSH, AK-FLAG participants will receive the maximum good faith and history penalty reductions available under existing AKOSH Enforcement policy.
- During an AKOSH enforcement inspection of a multi-employer work site, AK-FLAG participants, whose program has previously been verified by an AKOSH Consultation visit, will not be included in the inspection unless the Enforcement Officer documents that the participant is responsible for any employee exposures to serious hazards such as falls, struck-by, caught in/between, excavation or electrocution hazards.

BLUE, GOLD and FLAG

 Participating construction contractors may promote the agreement and status as a partnership.







Associated General Contractors of Alaska

Legislative Accomplishments 2004

Annually the AGC Legislative Committee sets forth the legislative priorities for the chapter and the construction industry. Since the 23rd Legislature recently concluded its work during the regular session, it's appropriate to determine how successful we were in accomplishing our priorities and develop strategies for improving the chance for success of those priorities that were not addressed.

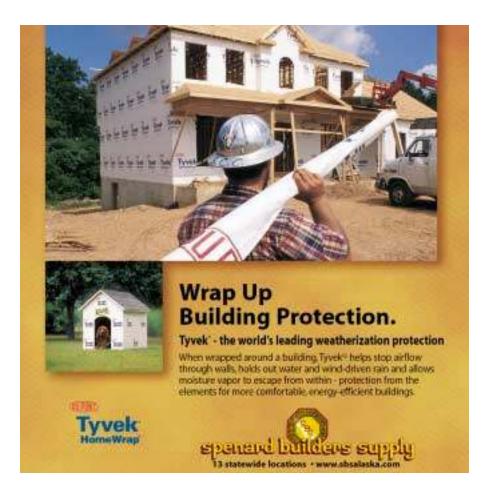
- Long-Term Fiscal Plan The rhetoric on this subject rose to a new level this year, but even statewide support for a plan was not sufficient to produce any meaningful result. The Governor is to be commended for his efforts. The House passed one part of the plan, the POMV, but the bill failed to attract sufficient support to pass the Senate. In fact, the Senate became the graveyard for elements of a long-term fiscal plan such as a sales tax, an income tax, a constitutional spending limit, and the POMV as all died on the floor of the Senate. Optimistically, the rhetoric from the past session will carry forward to the special session and if necessary, the elections in the fall. The possibility of something meaningful happening in the next few years is higher than it has ever been.
- Privatization of work done by State This issue is difficult to correct through legislation. In fact, AGC's strategy has been to use legislation as a final resort when all attempts to deal directly with the governmental agencies have failed. The Department of Transportation is very aware of the issue and has made a concerted effort to minimize the areas of competition with the private sector. Much, however, still remains to be done.
- State of Alaska Transportation System The State of Alaska has done a com-

- mendable job of identifying projects that need to be built if Alaska is to grow and prosper. Lacking from that planning is the source of the funds to pay for the new road initiatives. Utilizing Alaska's allocation from the federal highway formula takes money from current needs and represents a "beggar thy neighbor" approach. AGC believes that a better solution is a combination of general obligation bonds and revenue bonds paid by an increase in the state's motor fuel taxes. At least the dialog has focused on building new roads.
- Funding for vocational/technical education Vocational/technical education is the ugly stepchild of the education system. Unfortunately, construction crafts rely primarily on students displaying interests in vocational rather than academic education. Many legislators support more financing for this area, but the budgetary problems of the schools throughout the state precludes any additional funding. AGC continues to stress the need for increased funding but the likelihood of anything happening in the foreseeable future is minimal.
- Other Legislation AGC worked on during the session As is normally the case, AGC was frequently called on to comment on legislation that impacted the construction industry or businesses in

- general. Of particular interest to the business community was the proposed workers' compensation legislation that would change the process for appealing decisions. Traditionally, workers' compensation legislation was introduced by an ad hoc committee of management and labor representatives and was usually considered neutral in terms of favoring one side or the other. The current legislation was introduced by the Administration with no consultation from either management or labor. Although the Administration made significant changes to the bill based on consultations with labor leaders, labor still ended up killing the bill. AGC believed that the positive aspects of the proposed modifications out weighed the alleged problems and supported the bill. The issue will be part of the special session and should it fail there, it will undoubtedly be the subject of future legislation.
- AGC was also actively involved in assuring that "the sale, lease, rental and construction of real property" were not included in the Senate's sales tax bill. Even though the bill ultimately died, the concerns of the construction industry were addressed. AGC was also involved in supporting, modifying or opposing legislation jointly with the Departments of Transportation and Labor, the Alaska Railroad and the University of Alaska.

In the final analysis, AGC experienced no major victories, nor suffered major defeats. All our issues are long term problems that require continued commitment and focus. Some are closer to reality than are others, but all merit our attention.







www.kalaq.com





Seattle Daily Journal of Commerce

By Susan Harrington

eattle is historically the gateway to Alaska and the Seattle Daily Journal of Commerce has supported the AGC of Alaska since before statehood. The newspaper has established great relationships with Alaska firms and agencies over the years. The current management of the company wasn't even born when the newspaper, now entrenched in the fourth-generation of family ownership and management, joined the newly formed AGC of Alaska back in 1958.

President, Denis Brown, along with his two sons, publisher Phil Brown, and his younger brother Matt Brown, advertising manager, and cousin John Elliott, systems programmer, run this Seattle daily that has been around since 1893.

the newspaper since 1909, when great-grandfather M.F. "Monte" Brown bought into the paper.

Housed in the restored brick Journal Building in downtown Seattle's historic Pioneer Square District since the 1930s, the newspaper employs 40 people, publishes nearly 20 pages a day, six days a week, prints 5,000 copies and publishes an online version for a growing subscriber base of more than 1,500 additional readers. Leaders in the fields of construction, architecture, engineering, commercial real estate, finance, environment, government, law and all

related businesses start their day with the Seattle DJC.

"We're very interested in the whole construction process interesting buildings and challenging projects, innovative design," Phil Brown said. "Airport projects, road building, pipelines and marine facilities can be pretty challenging. We have had articles about remote areas that are difficult to get materials to and how the climate can impact construction in Alaska."

He said that it is a difficult thing to keep a company in the family through four generations. "There are a lot of challenges, including getting along with family members and paying the taxes to pass the company from one generation to the next. The best way to succeed at keeping it in the family is to think of the long-term outlook for the business and the people involved - not this week or next year even."

Phil Brown said you can't fall into the trap of "we've done things a certain way and that's how we're going to do them." He is constantly thinking of minor improvements and has encountered and overcome challenges. He faced some resistance from some people along the way and he dealt with that by making it known that "people need to either recognize that change is coming and the company needs them to work or look for another job."

Changes Phil Brown has helped bring about include changing the environment of the company, adding more staff-written articles on local construction and local real estate, improving production to make it more efficient and the whole Web site concept.

Now in his seventh year as publisher, Phil Brown has The Brown family has been involved in the ownership of been with the newspaper since 1985 when he graduated

> the University Washington – and wasn't sure of a career path. He started working as a reporter, then editor, then later as publisher. His father, Denny Brown, is still active in the business, but Phil Brown is in charge of the day-today operations.

transition," Phil Brown said.

As president of the company, his father has been supportive of the changes Phil Brown has made. "In a family business, once you turn over the reins, if the older generation is not willing to do that [support changes], there is not going to be a successful

The biggest change over the last several years that he has been involved with is adapting to the Internet and determining how to distribute the newspaper online so people get it right away.

Phil Brown said that he started moving in that direction even before he was in charge. Prior to the Internet they had a dial-up service for people who didn't want to wait for the newspaper to be mailed.

Cousin John Elliott, a computer programmer, designed all the computer systems for the newspaper, including the early dial-up system. He has been with the newspaper for 17 years and enjoys working for the family business because he gets to do a little bit of everything - from business planning all the way to changing the toner cartridge and running errands. He likes his broad range of duties, especially

—JOHN ELLIOTT

the main focus of his work - the online version of the newspaper, which predates the Internet and has been available since 1987. He says even then there was enough interest to economically justify the dial-up version.

The current Web site version has been around since about 1993, and helps other aspects of the business in ways such as providing a search engine for subscribers and employees; their reporters often use it to research stories for the newspaper. Hyper-linking is another facet

that provides more detail, so if a reader wants more depth to a story or needs an address, the extra information is only a click away.

Elliott also created Plancenter.com and has seen tremendous interest and growth with that aspect of the business. That Web site is a joint partnership between the Seattle Daily Journal of Commerce and the Valley Plans Center and includes buildings, roads, utilities and miscellaneous construction industry projects in Washington state, Oregon and Alaska with all proposals, addendums, meetings, plans and specifications available online. It is similar to Alaska's Plans Room that is available online with physical offices in Anchorage, Fairbanks and Juneau.

The online version of the newspaper actually has more content than the print version and has increased circulation and broad-

ened geographical distribution. The online version is also more expensive than the paper edition that is mailed out, and subscribers decide what configuration they want. There are 19 packages to choose from with print, online, and plans room mixes of news, notices and specifications. The construction packages include bids, awards, up-coming projects, building permits and access to plans.

Of course, subscription rates alone don't cover the expenses of running a newspaper; the advertising manager is Matt Brown. This August will mark 11 years that he has worked full-time on the newspaper.

While most of his family went to the University of Washington, he decided to branch out across the Cascade Mountain range to the eastern portion of the state where he attended Washington State

University. There he earned a bachelor's degree with a history and communications minor.

"I never really thought I would work here after college," Matt Brown said. "At first I thought about being a history teacher, but thank goodness I took some of those communications classes."

He added, "I've done a little of everything here, from obtaining building permits to travel editor to now being the advertising manager. The newspaper business is exciting and always changing so it's

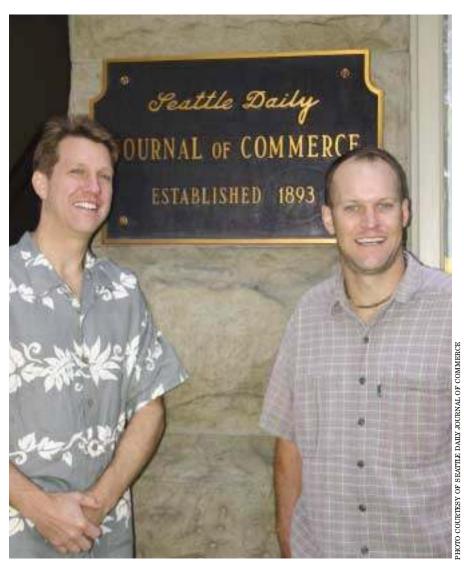
> easy to come to work and see what tomorrow will bring."

Matt enjoys being a part of a company that has been in business over 100 years and in the family nearly that long, and looks forward to the future.

Matt Brown has lived in Washington State his entire life and has visited Alaska twice on fishing trips. He first came to Alaska with his dad when he was 14 years old. He remembers going to Soldotna and the Kenai River and fishing for Chinook. "I'd never seen fish that big," he stated.

"I did some fishing while my dad drove down to Homer for business." Matt Brown said. "I also came up the following year and have been hooked on fishing ever since."

Older brother Phil Brown has never been to Alaska, but said he plans to visit the state someday and would really like to visit Denali National Park



Publisher Phil Brown [left] and Advertising Manager Matt Brown.

and meet with some local businesses.

They are all kept busy in Seattle with the production of the newspaper, plus community involvement in associations and charitable works.

The company has long been a supporter of the University of Washington, most actively with the construction management program – both financially and by publishing articles about that program.

They are actively involved in the AGC of Washington and a supporter of the United Way of King County. They've also kept their membership with the AGC of Alaska to maintain a connection with the construction industry in Alaska.

"Seattle is the gateway to Alaska," Elliott said. "Watch out for the next gold rush."



EDUCATION REPORT

By VICKI SCHNEIBEL, MAT Training Director

High School Activities This School Year



On Site Construction Visits

AGC hosted three different small groups of high school students from the Kuspuk School District this winter.

On December 10, 2003 we hosted the first group of about nine students. We visited the site of the new South Anchorage High School. Thanks to Neeser Construction Inc. and their Superintendent, Wayne Anderson. We also benefited from David Rein, Anchorage School District Project Manager, who joined our tour.

As we toured the project we shared with the students all the careers required to make a project like the South Anchorage High School happen. The students thoroughly enjoyed seeing the new high school. AGC received a letter of thanks from the students. Thank you Neeser!

January 21, 2004 we hosted a different group of Kuspuk School District students and toured the Concourse "C" project at the Ted Stevens Anchorage International Airport. This visit was thanks to Kiewit Construction Company and Michael Maresca, who was our tour guide.

Maresca encouraged the students to ask questions and speak to the subcontractors we met as we toured. The students were able to see some of the newly required security measures going in due to recent world events. Maresca answered questions about himself and his own career.

April 27 we hosted the last group of students from Kuspuk School District. Thanks to Alcan General Inc. we visited the expansion and remodel of Wendler Middle School.

The Project Manager, Mike Laudert, oriented the students to the project in the job office before we began our tour. Following the tour we returned to the job office where Laudert answered questions and lead a discussion on the various careers involved in the project and those needed in the construction industry.

National Center for Construction Education and Research (NCCER)

We've had a strong year for NCCER usage in high schools around





the state. As of May 11, our NCCER under AGC sponsorship statistics are:

- 64 Certified Instructors
- 83 Students with NCCER Certificates
- 101 Students are on the National Registry

Further, through AGC accreditation and sponsorship NCCER was taught in:

- 54 classrooms in Alaska this year
- 15 school districts for 32 classes
- 2 post-secondary schools for 11 classes
- correctional facility for 2 classes through a UAA Mat-Su Campus effort

Craft Skill Assessments

As of May 11, AGC has proctored 114 Craft Skill Assessments and 5 Performance Verifications (hands-on assessments). Crafts that we assessed are:

Commercial Carpentry
Commercial Electrician
Finish Carpentry
Frame Carpentry
Industrial Carpentry
Industrial Pipefitter
Academic Carpentry (entry level)

Pipeline Assessments

To date AGC has certified nine pipeliners to be Performance Evaluators who will send their documents to us following each Performance Verification so we can process the documents for a fee. We recently proctored an assessment called "abnormal operating conditions, general" for four pipeliners for a fee.

I anticipate this service will pick up momentum as we continue. I receive calls nearly every week from pipeline maintenance subcontractors asking questions about how to obtain their certificates. I also receive calls from pipeline owners who are looking to establish their system of certification requirements for their subcontractors.

Memorandums of Understanding (MOU)

We've signed a few MOUs this year. An MOU with Alaska Works Partnership was signed to work together on high school career fairs. Between both organizations we've had a presence at eight career fairs. We also have an MOU with the People's Learning Center in Bethel. AGC is their sole NCCER sponsor for both training and skill assessments.



Students ask questions about all the safety features in the Wendler Middle School science lab. Mike Laudert is in the back facing the students.



From nuts and bolts to generators and heavy machinery, we move the parts and supplies that keep your industry moving. And with nearly 50 years of experience, we do it better than anyone in Alaska.



www.nac.aero



BANKING & CONTRACTORS

By JEAN REYNOLDS-CHIN



How Letters of Credit Can Work for You

eed a new piece of equipment but aren't familiar enough with the vendor to warrant a sale on terms or financing? Or maybe you need to guarantee the payment of construction contracts, or give assurance that a

job will be properly completed.

These are all situations in which a contractor can use a

letter of credit. Simply put, a letter of credit substitutes a bank's creditworthiness for your credit to guarantee payment.

A letter of credit is sometimes confused with a letter of recommendation, or something based on reputation or character.

In fact, a contractor gets a letter of credit much like he or she would take out a loan. There is an application process, and the decision to issue a letter of credit is based on the credit standing of the applicant.

Commercial vs. standby

There are two common types of letters of credit: commercial and standby.

A commercial letter of credit is used to make a purchase, particularly a large purchase from a supplier not familiar with the buyer and unsure of the buyer's creditworthiness. This is most common in international purchases. With a letter of credit, a financial institution will make the payment to the supplier when certain documents ensuring delivery of the contracted goods are delivered to that financial institution.

among contractors, and is actually not intended to be used. It backs a contractor's commitment by using a bank's credit to reinforce his or her own credit. The standby let-

A CONTRACTOR GETS A LETTER OF CREDIT

MUCH LIKE HE OR SHE WOULD TAKE OUT A LOAN.

ter of credit is only drawn on, for instance, in the case of default, when a job is not completed, or some term is not met.

Most letters of credit, whether commercial or standby, are irrevocable. If necessary, they can be changed through amendments.

How a letter of credit works

The following is a step-by-step example of the standby letter of credit process:

The "buyer" and "seller" (e.g. contractor and municipality) agree on terms, which include dollar amount, dates and terms of completion of a job, etc.

The buyer applies to a bank for a standby letter of credit. This involves a credit check, and the buyer must provide appropriate documentation, including financial statements and the actual language for the letter of credit.

bank issues a letter of credit. It generally stipulates that the bank has a security interest in property covered by the contract; is not responsible for physically checking the

A standby letter of credit is more common progress or completion of a job; and is not responsible for the authenticity of documents submitted to the bank.

> The issuing bank sends the letter of credit to the advising (seller's) bank, which is speci-

> > fied in the letter itself, and the advising bank will verify the terms and conditions of the letter with the seller (the beneficiary).

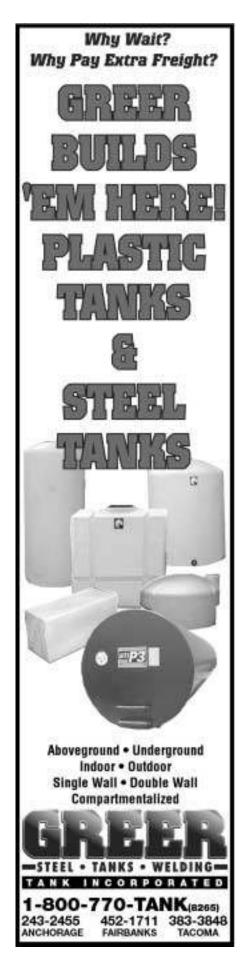
If there are any discrepancies, an amendment must be requested at this point.

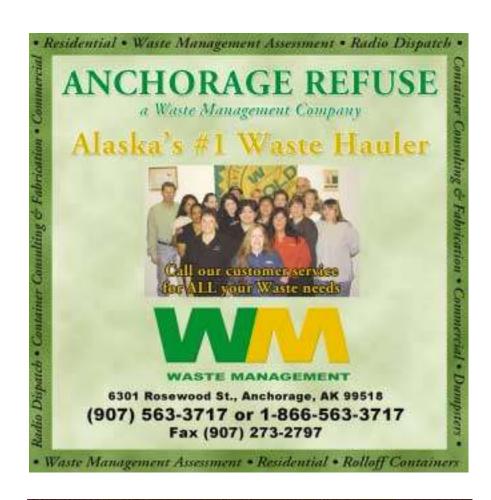
Standby letters of credit are commonly used by construction contractors in favor of municipalities when making site improvements to housing developments, including curbs, streets, water sources and other major improvements.

This kind of letter of credit will only be drawn on if the contractor defaults. The municipality is therefore making sure the public interest is protected.

A letter of credit creates a secure situation for each party involved, and is one of the most popular special banking services available, according to the American Bankers Association. Take the time to learn how this valuable tool can work for you.

IEAN REYNOLDS-CHIN, Vice President, First Based on the credit of the applicant, the National Bank Alaska, has worked in the financial industry for more than 30 years, and is currently Business Manager and Letters of Credit Manager at First National Bank Alaska.









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Corrections to the Spring 2004 Alaska Contractor

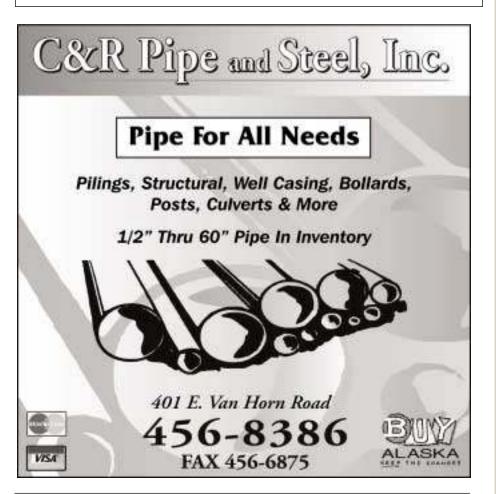
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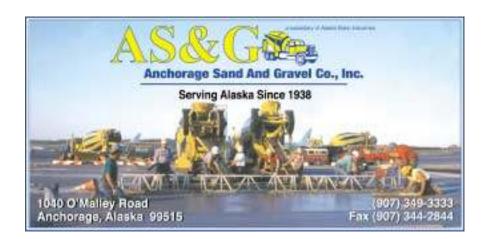
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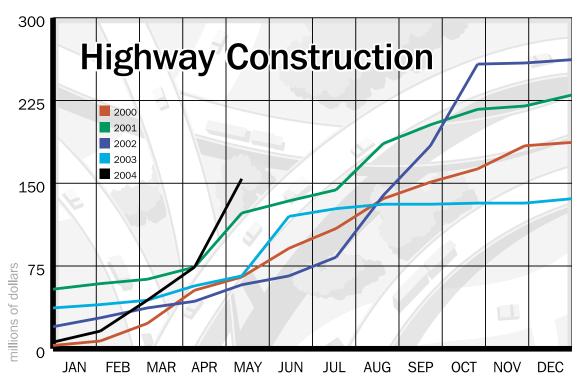
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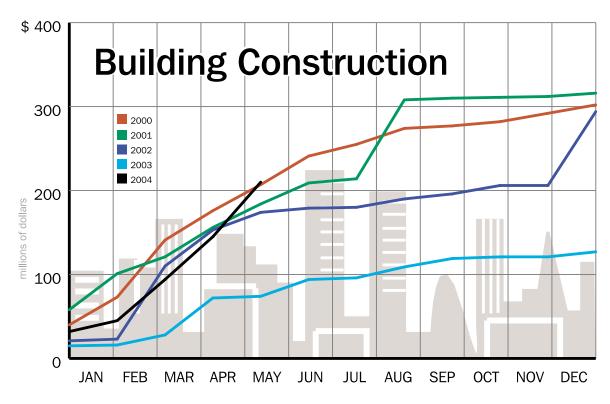


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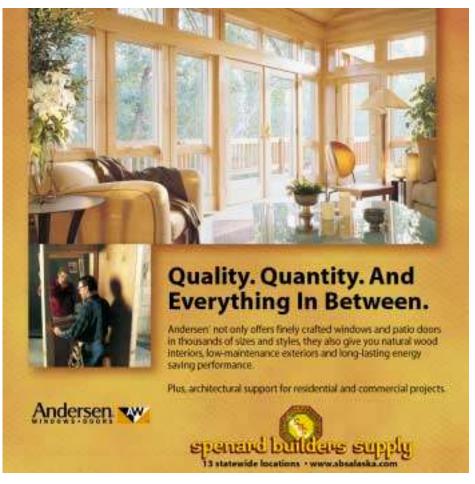




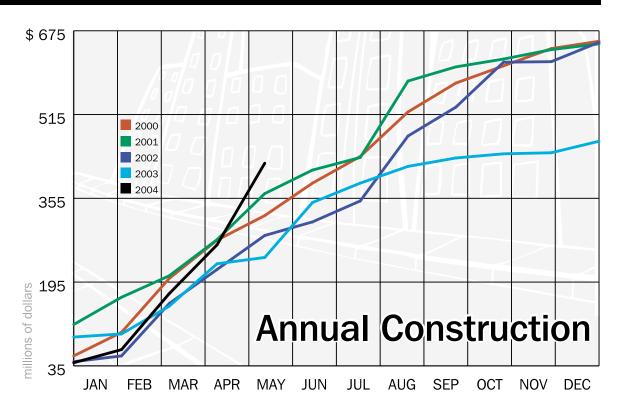








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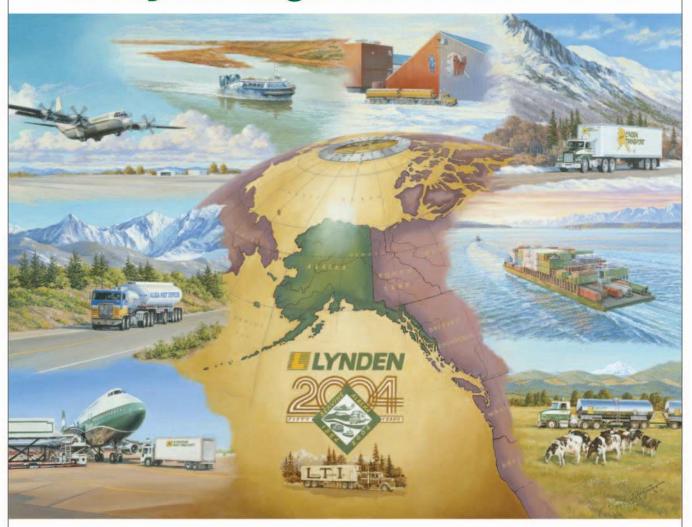


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