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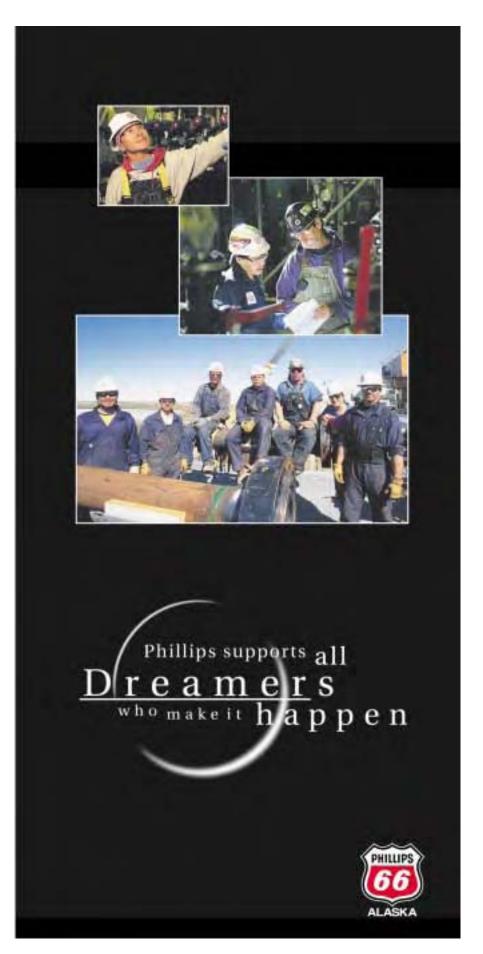
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HIGH BID RESULTS.

- Chevak School Replacement;
 Osborne Construction Co.; \$14.8 million.
- Nome Airport Runway Rehab/Obstruction; Knik Construction, Inc.; \$7.4 million.
- 3. Emmonak Airport Rehab; Bering Pacific; \$5.8 million.
- 4. Toksook Bay Airport Relo; South Coast, Inc.; \$4.2 million.
- Deering Airport Rehab; Tamsher Construction; \$4.0 million.

- Point Hope Tikigaq School Renovation; SKW Eskimos, Inc.;
 \$3.3 million.
- 7. Nikolai Airport Reconstruction; LSH Contractors; \$3.1 million.
- 8. Kaktovik Health Clinic Upgrade; Kaktovik Constructors; \$2.45 million.
- 9. Wainwright Health Clinic Upgrade; Aglaq/CONAM JV; \$2.35 million.
- Barrow Apron Expansion; UIC Construction, Inc.; \$2.1 million.





Arctic & Western Alaska

Southcentral Alaska

- Anchorage AIA Concourse C Bldg Completion/Apron; Kiewit Pacific Co., \$85.5 million.
- Elmendorf Upgrade Hangar Complex Sub-Bids; Cornerstone General Contractors; \$10.5 million.
- 3. Anchorage AIA N/S Taxiway Construction; Wilder Construction Co., Inc.; \$10.1 million.
- Elmendorf Child Development Ctr Sub-Bids; Davis Constructors & Engineers; \$6.9 million.
- Palmer/Wasilla Highway Extension; Chenega Management LLC; \$6.6 million.
- 6. Anchorage AIA Taxiway LMUR Upgrades/Repairs; QAP; \$4.2 million.
- 7. Anchorage New Seward/Dimond Ramp O'Malley/Potter Resurfacing;

- Quality Asphalt Paving, Inc.; \$4.1 million.
- 8. Eagle River Business Blvd Pedestrian Upgrades; Quality Asphalt Paving, Inc.; \$4.0 million.
- 9. Kodiak Paving Program; Brechan Enterprises, Inc.; \$3.5 million.
- 10. Fort Richardson Central Vehicle Wash Facility; Nuna Contractors; \$3.0 million.
- 11. Anchorage Northern
 Lights/Bensen Resurfacing; Summit
 Roads; \$2.4 million.
- 12. Anchorage AIA Airfield Reconstruction; Quality Asphalt Paving, Inc.; \$2.9 million.
- 13. Wasilla Burchell High School Addition Re-Bid; Collins Construction; \$2.3 million.
- 14. Kodiak High School Roof Replacement; Clarion Co.; \$2.3 million.
- 15. Kenai Spur Road Unity Trail/Soldotna School Trail; Alaska Roadbuilders; \$2.14 million.
- 16. Anchorage Arlene Street Upgrade Dimond/Opal; Summit Alaska, Inc.; \$2.12 million.



- Shakwak Highway
 Construction, KM 1,684 1,691.8; Golden Hill Ventures;
 \$7.5 million.
- Stevens Village Airport Relo PHS 1; Nugget Construction & Rigging; \$4.1 million.
- 3. Fairbanks FIA Maintenance Facility; Ghemm Co., \$4.0 million.
- 4. Galena Construct Clinic/Health Center; Collins Construction, Inc.; \$3.0 million.

 Fairbanks Southhall Manor Renovation; Osborne Construction Co.; \$2.6 million.



Interior Alaska

Southeast Alaska

1. Glacier Bay Main Park Road PHS II; Southeast Road Builders, Inc.; \$3.3 million.







What's Next



by Bert Bell, President



o all of your relief, this is my fourth and final President's Message to be published in this magazine. In the past three editorials I discussed reasons to belong to AGC, the organization and how it functions, and issues being dealt with today. In this written discourse, I would like to express my thoughts of on-going and future challenges that AGC will face.

There are many issues facing all of us in the construction industry. Of immediate concern is the impending shortage of a trained workforce. Construction career recruitment has been passé at best. Recent efforts that must continue with increased vigor include the "Build Up" program, scholarships, university-level internships and interaction with students. AGC has the responsibility to make recruitment happen. I feel a standing committee should be created to deal with this issue. Improving the image of construction is part of the solution, and AGC is prepared to act with its industry-enhancement fund. Positive press, community involvement, and lauding our successes and achievements are all marketing methods. Student mentorship, school partnerships, industry fairs and vocational curriculum are all needed to convince the young of the viability of a career in construction.

A natural gas line is coming our way. By and large since the oil pipeline, our membership has not been involved in oil-construction activity. AGC must immediately begin a serious dialogue with them in order to be prepared. The outcome should be win-win for us and for the oil companies. They will receive a ready-made, prepared work force. Our membership should enjoy a significant period of sustained construction activity. An additional aim of our interface should be to create a plan to ensure our involvement remains after the line is built.

AGC is responsible to its membership to provide con-

tinuing education. The establishment of seminar-type learning on a regular basis is needed. Training in new equipment and methodology will help all members. Better ways to conduct business is a venue in which all of us could benefit. Written-proposal strategy, insurance, comparative studies, new technology, scheduling and project management are just a few topics of

interest to both the young and experienced. I see AGC being a much stronger leader in this education field.

AGC has already established itself as the voice of the construction industry; it shall continue to do so in the future. Wage establishment, legislation affecting construction, interface with the Alaska DOT and the Corps of Engineers, reaction to industry ills such as PLAs, and force-account work are shining examples that will continue.

Additional AGC involvement should include regular meetings with municipalities, state agencies, the University of Alaska and federal entities to ensure fair and open competition as well as smoother projects for all involved. AGC also needs to create closer ties with rural Alaska. Rural residents have training and employment needs for which AGC can help solve, and members would receive the benefit of additional projects.

AGC has done an excellent job of making vocational training for the young a priority in the state. AGC has met with school boards, curriculum directors, legislators, the State Department of Education and the Governor. Its focus must continue to establish the appropriate curriculums, to be a watchdog of the outcome, and to assist in providing qualified educators. All seem to be on board so our efforts must not wane.

The strength and effectiveness of AGC's role relies on its membership. A constant effort to increase our numbers

is imperative. Our marketing efforts can be and should be improved. A reasonable goal of an annual membership growth in the range of 3 percent should be established. We would then have a target to measure our progress. The best sellers are current members—thus it becomes a uniform obligation for each player to be involved in this recruitment effort.

For this range of growth to be realistic, we will need better retention as well as new members. A continued effort to involve younger members will greatly aid retention. The young are the future and their being involved now will ensure their presence long into the future.

A Young Contractors group has been formed. AGC needs to make a more concerted effort toward incorporating it into the parent organization. More frequent and better interface with other industry associations should also help growth. NECA, Mechanical Associations, ABC, the truckers and miners, the Alliance, and many other groups share many of the same concerns. By acting together, we can be more effective. Positive results, property marketed, will bring new membership.

The challenges that face us are many and varied. AGC is postured to meet them head on and to be proactive in finding solutions. AGC's staff is effective, supportive, professional, experienced and positive. It has no long-term debt. It has a great volunteer base that is active, smart and effective, and works especially well in the established committee structure. Given a 3 percent annual membership growth, there will be about 750 members by 2010. AGC's future is bright. We, as the members, will continue to benefit in more ways than we'll ever know.



Alternative Procurement Methods

he bidding scene in Alaska is changing. Use of the invitation to bid method of procurement has been declining and alternative procurement methods have become commonplace.

For the past few years the Alaska Corp of Engineers has been bidding most of its construction utilizing requests for proposals (RFPs) rather than

the traditional invitation for bid process. Similarly the Anchorage school district utilized a hybrid design/build approach for the Dimond High School project and is planning to use a similar approach on the south Anchorage area high school. The Alaska Department of Transportation and Public Facilities (DOT/PF) is planning to use a design-build process for the Parks-Glenn Highway interchange. The proposed Alaska Psychiatric Institute will be bid using designbuild criteria for the selection of a construction team for their new facility. And, in Anchorage, the Anchorage Water and Wastewater Utility is planning to utilize a designselect-build construction process for future projects. For all of these entities, the adoption of alternative bidding procedures represents a significant deviation from their normal procedures and poses both a problem and an opportunity for the construction industry.

At a recent meeting with the Corp of Engineers, the Corp shared their projected project list with AGC members. Of the 40 projects listed, 12 will be RFPs; the same number will be invitation for bids (IFB); nine will be 8a set asides; four are projected to be indefinite delivery, indefinite quantities (IDIQ); one will be by purchase order; and two are yet to be determined. However, all of the projects the Corp will be managing for the army and the air force will be RFPs.

The civil-works program of the Corp contains all 12 traditional IFBs, the four IDIQ's and four competitive 8a set-



by Dick Cattanach, **Executive Director**



aside projects. The work the Corp performs in their support for other programs is comprised of five sole-source 8a projects and one purchase-order proiect.

The reasons for these changes from the traditional IFB to some alternative procurement method are many. The Alaskan construction industry has seen a remarkable evolution of project deliv-

ery systems in response to increasing owner requirements, urgency of schedules, heightened demands for safety and quality, and the critical necessity of reducing adversity in construction. The private sector has led the way in innovative uses of project-delivery systems, but the public sector has been quick to adapt these systems to fit regulatory requirements and stewardship of the taxpayers' money.

Construction companies specializing in public sector construction need to be alert to these changes. Unless these companies adapt to the changing procurement methods utilized by public owners, they will find their opportunities limited and their futures uncertain. To compete in the new world of public construction procurement a company must adopt a different mentality and focus. Marketing and selfpromotion will become more important and "having the right number" will be less critical.

Owners are looking beyond the initial cost or bid and are focusing on other intangibles. To be successful in this new environment, firms must evaluate and internalize these factors. Only then can they be successful in this new world. Firms may not agree with the direction of public procurement, but the trend will most likely continue. Those that do not adapt to compete in this new world of public procurement may very well be limiting their options and may possibly be writing their own obituaries. It's not a legacy most firms desire.

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AGC CONFERENCE SCHEDULE

2001

Building Success Through Education & Training

Wednesday, October 31

7:30-10:45 p.m.: Fly-By-Night Club Special AGC Night

All events at the Sheraton Anchorage Hotel unless otherwise noted.

Thursday, November 1

7 a.m.: Registration

7:30-8:30 a.m.: Specialty Contractors Breakfast

Speakers:

AGC of Alaska President Bert Bell AGC National President Bob Desjardins Anchorage Mayor George Wuerch

8:45-10 a.m.: Department of Defense Joint Presentation

10:10-11a.m.: Corps of Engineers (Question and Answer)

US Air National Guard/US Army Meeting (Q&A)

US Air Force Meeting (Q&A) US Coast Guard Meeting (Q&A)

Corps of Engineers Best Value Presentation 11:10-12 a.m.:

12-1:30 p.m.: Ribelin Lowell & Company "Excellence in

Construction" Awards Luncheon.

Speaker: Senator Ted Stevens, R-Alaska.

Alaska Department of Transportation Meeting 1:45-5 p.m.:

Anchorage Forecast for the Building 1:45-3 p.m.:

Market Panel Discussion

Anchorage School District/Municipality of 3:15-4:15 p.m.:

Anchorage Joint Presentation

5:30-7:30 p.m.: AGC President's Welcome Reception

Friday, November 2

Registration 7 a.m.:

7-8:30 a.m.: Breakfast

Speakers:

AGC Alaska Education Director

Vicki Schneibel

Tim Brady from the Build-up! Program

NAWIC President Shelli Hayes Brian Horschel from the Young Contractor's Program

8:40-11:45 a.m.: Board of Directors/General Membership

Meeting

Seminar-Discipline & Firing 8:45-10 a.m.:

Speaker:

Lynn Curry, Ph.D.

12-1:30 p.m.: Brady & Company Excellence in Safety

Awards Luncheon

AGC Scholarship and Education Opportunities 1:40-3 p.m.:

> Speakers: Vicki Schneibel leff Callahan

Board of Directors/General Membership Meeting 1:40-3 p.m.:

Seminar-Winning Bids 3:30-4:30 p.m.:

Speaker:

Lynn Curry, Ph.D.

6-8:30 p.m.: Family Night "Construction Games" at

OMNI Freight Service, 5025 Van Buren

Special Ladies Luncheon sponsored by

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Speaker:

Mrs. Bev Walsh, Walsh & Company

9:10-11:30 a.m.: AGC Alaska General Membership Meeting

& Election of Officers

Speaker: Senator John Cowdry

6:30 p.m.:

12-1:30 p.m.:

Dinner/Dance, Howard Rock Ballroom

8-9 a.m.:

Breakfast

Saturday, November 3

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EDUCATION REPORT

AGC Goes Back to School





By Vicki Schneibel

AGC Training Director

STP (Supervisor Training Program)

STP is again being offered through UAA beginning October 2. The first module is "Accident Prevention and Loss Control" followed by "Planning and Scheduling" starting November 6. Both modules are two nights a week and the second module finishes December 6.





AGC Scholarships

The Education Committee was pleased to receive more applications this year than last year. The Committee was hard pressed to make their decisions. Five scholarships were awarded:

Anchorage Committee:

- ★ Sean Landers attending University of Idaho
- ★ Robert Nicholson attending University of Alaska Anchorage
- ★ Xavier Schlee attending University of Alaska Fairbanks
- ★ Bryan Sifsof attending University of Alaska Anchorage
- ★ Katrina Strub attending California Polytechnic State University

Fairbanks Committee:

- ★ Sarah Vezey attending University of Alaska Fairbanks
- ★ Xavier Schlee attending University of Alaska Fairbanks
- ★ Serena Markey attending University of Alaska Fairbanks

Congratulations to the grantees and to the Education Committee for the investment of their time and energy.

Partners in Education

This year the annual international symposium is being held in Anchorage during October 31 through November 2. AGC of Alaska was invited to apply to present at this event. We were accepted and will tell our story during a workshop on October 31. I was told there is much interest in what we're doing both in Anchorage and rural Alaska.

NASA

AGC of Alaska is helping sponsor the first-time Alaska visit of the NASA Mobile Aeronautics Education Laboratory (MAEL). "It's actually a 53-foot-long trailer, state-of-the-art classroom bringing new technologies to partnership cities to excite students grade 5 and up about science and mathematics. In 10 unique workstations, visitors can explore these technologies through "hands-on/minds-on" activities modeling real world challenges in aviation. An aeronautic theme ties the

continued on page 50



Sorting Out Rural Construction Projects

The Governor's Rural Task Force focuses on local hire.



by Amy Marie Armstrong

s members of the Governor's Rural Task Force prepare formal recommendations expected to be released later this fall, worker training and its efficient delivery to rural Alaskans tops the unofficial working list.

"We found a lot of common ground," said Ed Flanagan, commis-

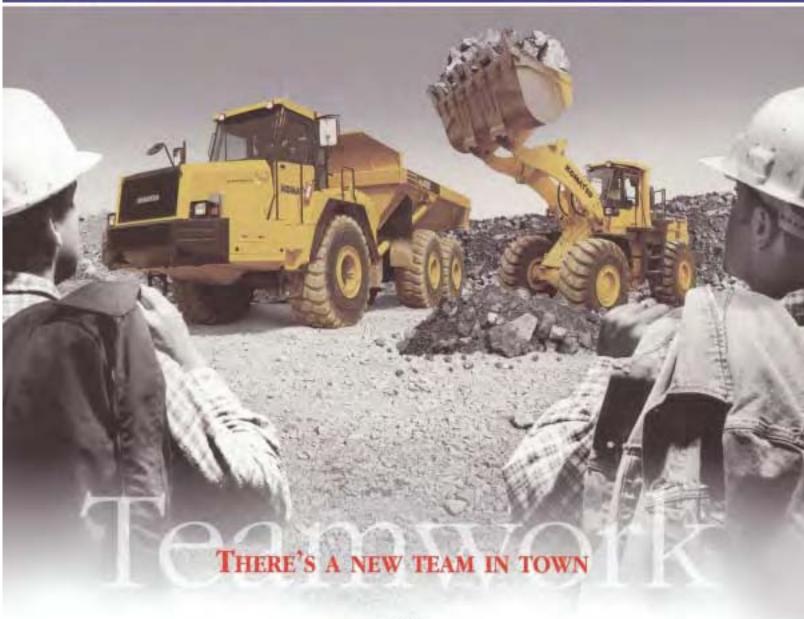
sioner of the state Department of Labor and Workforce Development and co-chair of the task force. "It seems to center around training and it is a concern from both sides government officials and contrac-

tors—that it is healthy for Alaska to have a trained and available local work force to be hired for rural construction jobs."

Recent studies by the AGC predict severe worker shortages in the next five years. The shortage will be more severe in rural areas where in the past workers aren't offered as many onthe-job training opportunities and have been somewhat resistant to travel requirements associated with construction work.

That attitude is changing, according to Flanagan.

A large portion of the attitude shift is driven by fishing failures, which have left western Alaskan communities with few economic options. Many are turning to public construction to infuse badly needed





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well-paying jobs into their local econ-

It was in part repetitive fish run failures that led to the formation of the task force.

Last fall, Governor Tony Knowles pulled a major road construction project in St. Mary's off the DOT bid list and ordered the agency to work with the local government and complete the project via force accounting.

"It was unusual to do it that way," acknowledges Flanagan. "But the governor wanted to get local folks employed as quickly as possible and it seemed like a good solution to a short-term need."

What it accomplished within the state's contracting community was tremendous concern that other public construction projects would follow suit.

"We saw it as an abuse of force accounting," said Dick Cattanach, AGC executive director.

To soothe hurt feelings in an industry state government heavily relies upon to complete major projects, Knowles put together a task force of government officials, industry and community leaders as well as heads of Native non-profit corporations-kind of an unofficial construction think tank. The group began meeting last spring, and its leaders hope to present its recommendations in November at the AGC annual meeting in Anchorage.

While task force members are keeping relatively quiet regarding most of their recommendations, several did say training rural workers and employing rural workers highlights the pending report.

"The main issue is that we achieve local hire," said Bert Bell of the Ghemm Company in Fairbanks. "The perception is out there that the contracting community does not do a good job of local hiring, but we have shown that by and large we do hire local workers who are qualified. It only makes sense to do so."

Flanagan agrees with Bell that local workers are being hired more often than not. He recently reviewed certified payrolls for public construction jobs and compared them to Permanent Fund records and found that 37 to 47 percent of workers resided in the census area of the proiect.

"The trouble is that could mean that someone working from Bethel



project could be working at one of the smaller villages and not be considered a local hire by the folks in the community," Flanagan explained. "But we can always do more."

The perception of who is local and who isn't is a problem that goes beyond government demographics.

"In some places, it is very subjective. If

you don't hire the right locals, then you haven't hired locals," said one contractor who asked to remain anonymous.

Despite some social issues that only time can resolve, public con-



struction is one of the key alternative income sources in some rural areas where hard-rock mining or a flourishing tourist industry do not exist, Flanagan said.

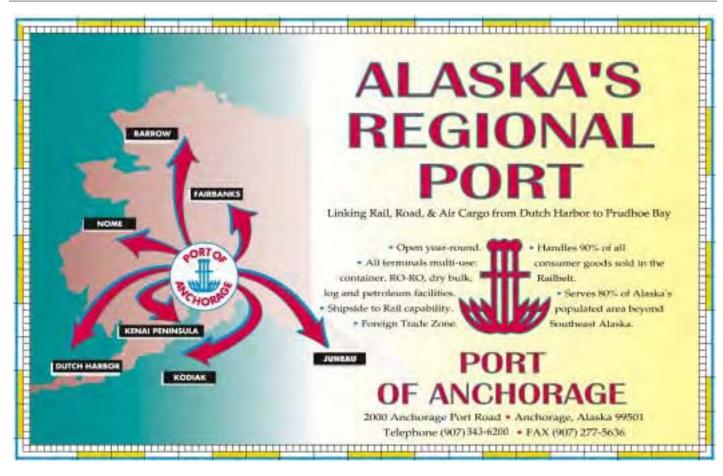
"We aren't suggesting it as the

total answer for employment, but rural Alaskans do have a lot to offer if they are trained and skilled," Flanagan said.

He sees rural communities increasing their outreach efforts to get individual residents trained for projects that may be several years down the road. He also credits the Denali

Commission and Alaska Works for increasing training opportunities.

Mike Miller of MB Contracting in Anchorage is a member of the trustee management for the Operating Engineers Local 302 Training Trust



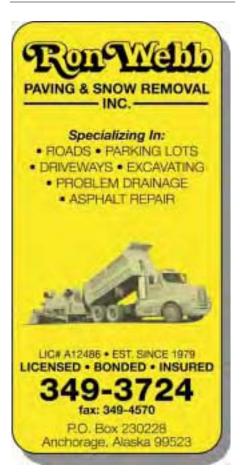


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that runs a heavy equipment training facility in Palmer. The site has been in operation for twenty years and has more than 200 applicants each year for 20 apprentice positions. He'd like to see more spots available for training.

Flanagan applauds union efforts to improve training opportunities and sees that more can be done to supply outside contractors with qualified local workers.

So does Lamar Cotton, another member of the task force and also a Rural Development Manager with the state Department of Community and Economic Development based in Anchorage.

At a recent job summit in St. Mary's, Cotton identified several large projects—schools, water sysairport expansions, road tems, upgrades and health care clinics slated for the next two to three years in the 10-village area. A conservative price tag of \$140 million plus was tallied for the various projects, Cotton said. He knows more projects are planned in other rural communities not represented at the job summit.

"I would hate to see that everybody doesn't get the maximum benefit from those projects," Cotton said.

To that end, Cotton is pursuing a pilot program using mandatory prebid conferences, which is yet another of the recommendations coming out of the task force.

His agency, in concert with the Labor Department and the state Department of Transportation and Public Facilities, conducted a pre-bid conference in Emmonak in August for an airport apron renovation and



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expansion.

Eight contracting firms were represented as state officials outlined the specifics of the estimated \$6 million project and local municipal leaders presented what is essentially a "village resume," Cotton said. This village resume included what heavy equipment was already on site, the availability of housing and the skills of workers living there.

"If these communities better position themselves to offer more, then perhaps contractors will take a closer look at what is already there and make more of an effort to utilize those resources." Cotton said.

He readily admits that a pre-bid conference might not work for all projects, but he is pursuing the procedure for as many as five projects next spring.

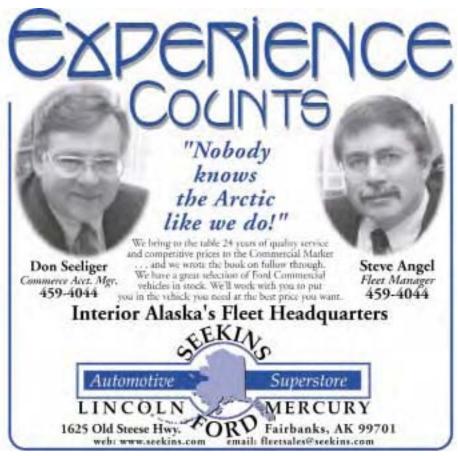
"We haven't scheduled the next one and this certainly is not going to be a required policy for all public construction," Cotton said. "We are only going to do it when it makes sense to do so."

But contractors themselves aren't as sold on the idea as government officials.

"Mandatory pre-bids are not necessarily going to solve the problem of local hiring," said Miller. "I don't think it is a very good idea, but it is worth a try."

Miller's firm, which strictly does road and airport work, won't be bidding on the type of rural projects Cotton will most likely select for more pilot pre-bids, Miller said. But he thinks setting a mandatory date for all contractors wishing to bid on a project will actually limit the number









of competing contractors.

"A trip to a job site before hand is just good business. But every contractor has a different schedule and to have to go on someone else's schedule is just not convenient, and not everyone will be able to go," he said. "With public contracting, the low price gets the bid and sometimes the best contractor for the job won't be able to attend a mandatory meeting and then the public won't get the best bang for the public's dollar."

"Without the proper training, We cannot ensure that folks in rural Alaska have the best shot possible at getting construction money stay in their communities in the form of wages."

That doesn't mean he won't support the process of piloting pre-bid conferences for another five projects. He thinks the process will help rural communities organize their informational resumes for future use by outside contractors.

"The idea of a community resume is an excellent one," Miller said.

Bell agrees with Miller.

But knowing that any large project has a pre-construction meeting anyway, Bell thinks officials will have to employ some flexibility if pre-bid conferences become mandatory.

"For instance, what if your plane doesn't fly?" he asked.

Others in the contracting business were not favorably impressed with the first mandatory pre-bid conference in Emmonak.

"Based on the first one, many of the contractors I spoke with who went did not feel it was all that useful," said Cattanach. "It did not talk enough about the job. People who went lost at least a whole day and \$400 on the charter from Fairbanks plus the cost of getting from Anchorage to Fairbanks."

Cattanach said much of the community's presentation could be done via the Internet instead of in person.

That's an idea Cotton is also pursuing.

He hopes to set up websites on which rural communities can list readily available resources including heavy equipment, laborers and support staff.

He thanks Cattanach for reminding the task force that public construction "isn't just the guys with the machines."

"The support staff is a critical part of making a project successful. Everything from administration to technology information, engineering and management is needed. If a village has people qualified for those



services as well, it will be a bonus to contractors," Cotton said.

While he remains rather positive about the pre-bid conference, he admits it is a learning process. "Next time we will have a better idea of what to do," he said. In the meantime, he believes the task force focus on training is appropriate.

"Anything we do will have to be balanced with the training that is needed," he said. "Without the proper training, we cannot ensure that folks in rural Alaska have the best shot possible at getting construction money to stay in their communities in the form of wages."

He describes the task force work as a good faith effort. He is hoping that its recommendations are followed through after the group disbands this fall.

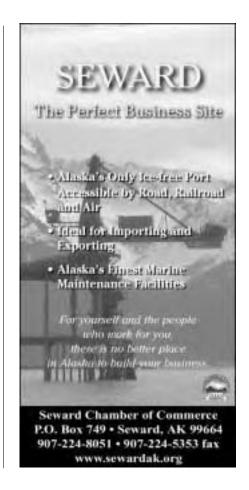
So do Cattanach and Bell. Both think the presence of three state commissioners on the task force shows the governor is serious about working through construction issues. "We are glad the governor stepped up to the plate and dealt with it (the St. Mary's project), and I think now the government can see how their mode of operation has several flaws," Bell said. "We think this task force has been a good thing and we appreciate from the governor's standpoint how much his administration has put into this."

Cattanach is somewhat concerned that the task force is set to disband.

But he clings to hope that its recommendations—especially those to open up additional training opportunities and to better document experience levels—will be carried forward to the gubernatorial administration following Knowles.

"I have to believe that they [government officials] are committed to making change and I have to be willing to give it a chance," Cattanach said. "The main thing our contracting community needs to know now is that discussion is taking place. We haven't solved everything yet, but we are working on it."





A Gem in the Fairbanks **Construction Industry**

by Steven C. Levi

here is an old saying in American business that that the bigger the company becomes the less attention to pays to detail. While that may be true in the Lower 48, in Alaska every company lives and dies by the attention it pays to details. Alaska, after all, is still a handshake community where your word is as good as a signed contract and the reputation you earn is based upon the quality you deliver job by job.

Fairbanks is home to a construction company that has earned its respect for five decades by delivering a quality product using the most honorable business methods. GHEMM Company, Inc. was established before statehood and has been serving the Alaskan market

since 1952. In business so long, its contractor license is #116 and its business license is #5,431, both symbolic of its longevity and commitment to its clients.

According to Bert Bell, president of GHEMM Company, "GHEMM was founded by five resourceful gentlemen in 1952 and two of them are still active with the company on a day to day basis. We started as a five-man operation and today we're one of the largest Alaskan contractors in Fairbanks."

During the summer construction season, GHEMM has a payroll of more than 100. During the winter, "we scramble for business just like everyone else," said Bell.

In the early days of statehood, GHEMM concentrated on construction in the Bush. That changed after the pipeline was built and spending patterns brought more money into Fairbanks area. But not before GHEMM completed what



Photo by Brian K. Allen

Doylon, Limited Headquarters, Fairbanks, built by GHEMM Company, Inc.

was probably the largest of its projects. In 1973, it joint ventured with Manson-Osborg to construct the \$33 million Yukon River Bridge for the Trans Alaska Oil Pipeline.

"One of the most intricate large projects we are currently doing is the remodel of the Rasmuson Library at UAF, a \$12 million project. We're in month three of a 28month project and work is progressing as fast as could be expected because we are remodeling a structure that is still being used on a daily basis.

"Slowly, floor-by-floor, we will be doing the remodel. This will allow students and faculty to continue to use the building while we are working. The noisy activity will be accomplished at night or on

weekends so as not to interfere with students studying. UAF is a Fairbanks institution and we are proud to be part of the growing community so we are careful to make sure that our future business leaders, politicians and construction engineers will not have to miss a single midterm exam," Bell said with a laugh.

But dealing with the Rasmuson Library's collections is no laughing matter, and Bell is well aware of the incredible historical value of the collection he is working around. "In the lower floors of the facility, where the historical archives are located, we will be moving irreplaceable historical documents, records, films and audio recordings to another part of the building. The material won't leave the library but it will remain safe while we do the remodel of the archive and storage rooms."

GHEMM is no stranger to working around a client's

unique needs. Five years ago GHEMM remodeled the Fairbanks Memorial Hospital's emergency room and added an outpatient surgery center. For the hospital this meant trundling patients into alternate rooms for emergency services and surgical procedures while GHEMM worked on the main emergency room and two of the operating rooms.

"It took a lot of coordination to

keep all essential services in full operation," Bell said. "It took eight weeks to complete the emergency room portion of the project and we had to attack it in pieces.

"While it was awkward when the ER was busy, I'm happy to say that Fairbanks Memorial was pleased, so pleased we've been asked back for other projects. That's when you know you did a good job."

The most unique job GHEMM has been involved in recent years was the \$10 million Clean Coal Demonstration project for UAF. In an attempt to take advantage of the coal that can be found in the Fairbanks area, UAF designed a nine-megawatt generator that could use either diesel or a coal-slurry mix.

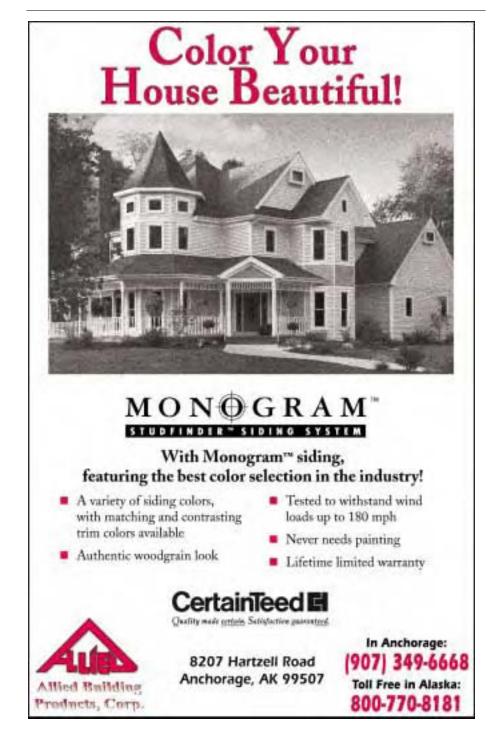
"Coal is a big industry in the Interior and the University was looking for a way to generate a local energy industry based on that coal. The generator was part of a \$50 million energy related grant that is still ongoing. The generator was just the start."

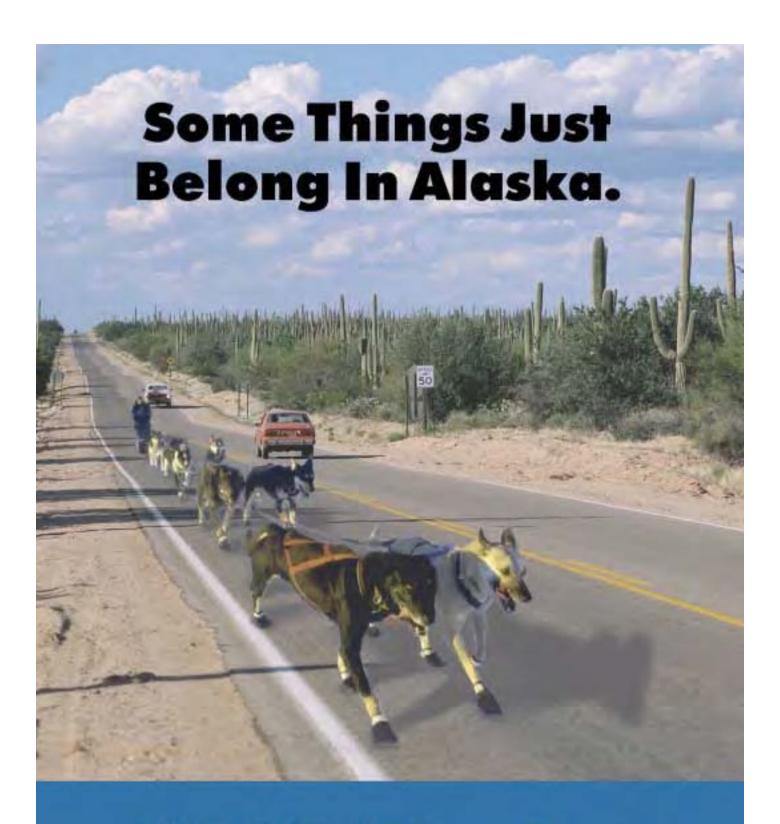
GHEMM Company has constructed many of the buildings which make up the Fairbanks skyline. In addition to public school projects, public swimming pools and work at Fairbanks Memorial Hospital, GHEMM Company completed construction of Alyeska's Fairbanks corporate office building,

Doyon's Corporate Headquarters Building, the new homes of Aurora Motors and Gene's Chrysler, along with the Big Dipper Sports arena are just a few very visible local projects. Overall Bell feels the Fairbanks construction climate is good.

"We started out slow at the beginning of 2001, but it got better and better as the months progressed. Next year looks to be good as well. Better, in fact. There are quite a few big projects coming on line and there's always hope that the natural gas pipeline will go and that the missile defense project will come on line. But Fairbanks is still an area where you have to scramble for work in the winter. I don't see that changing any time soon.

When asked of the secret to Ghemm's success, Bell had a simple response. "You have to be sensitive to your clients. They know what they want. They also have special needs they expect you to respect. Just as every job is different, so is every client. Treat your clients well and they will ask you back. That's what's kept us in business for almost half a century."





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If You Build It, Will They Come?

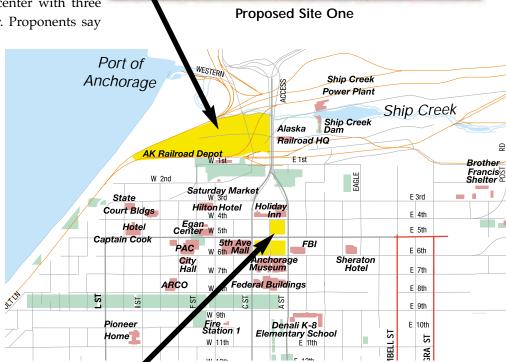
Plans for a Bigger, Better Convention Center Get Underway

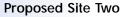
By Clark Ricks

t could be downtown Anchorage's biggest project in years—a \$100 million convention center with three times the space of the Egan Center. Proponents say

such a center would bring an estimated 40,000 new visitors to the state annually, prompting an additional \$60 million dollars in construction expanding hotels, restaurants and other hospitality-related facilities.

Others claim that hopes of luring national conventions to Anchorage is unreasonable, and that building a larger convention center would be a tremendous waste of both downtown space and municipal resources. Either way, the issue will be coming to a head in the coming months as the Anchorage Civic & Convention Center Yes organization begins lobbying for the project.







Construction Timetable

The first hurdle will be getting voters to approve a major increase in the hotel bed tax, currently set at 8 percent. ACCCY wants to increase the rate to 12 percent effective January 2003 and is working closely with hospitality industry leaders to drum up support for the project. Without the rate increase, the convention center is not economically viable, and to a large extent, the entire project's success depends on voter approval of the measure, set to be on next April's ballot.

Site selection has already begun, and conceptual designs for two potential sites have already been drawn up. Additional evaluation and design work will continue in the coming months.

The ACCCY anticipates that the final site will be selected and purchased within 12 months.

Construction is slated to begin in 2005. Construction will not begin until 2005, largely due to financing issues. In addition to a new bed tax, arrangements need to be made to obtain federal and state grants, find a buyer for the Egan Center, and possibly auction the naming rights for the new facility.

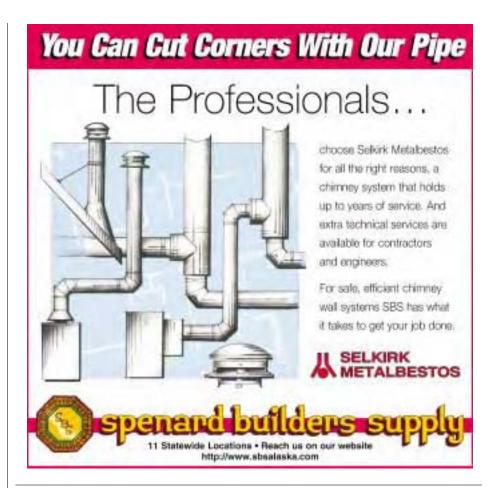
After construction begins, the building will take about two years to complete. Supporters hope to have the new convention center fully operational by 2007.

Site Selection

To determine where to build the new center, 13 potential sites were selected in the downtown area and ranked on more than a dozen criteria. Some were rejected because of "fatal flaws," such as seismic concerns or zoning restrictions. The rest were judged on factors ranging from site acquisition costs, number of adjacent hotel rooms and amenities to things like pedestrian access, available parking and views of nature.

ook I I

Consultants narrowed the list to the two most promising sites. Site one is located just north of the Alaska Railroad depot, near Ship Creek and with easy access to the area via C Street. The site has no existing roads or structures and could accommodate future expansions. Advocates of this site say it would rejuvenate the entire northwestern section of downtown. Site two is a three-block area east of the 5th Avenue Mall and north of the Anchorage museum. The area is currently occupied by parking lots, a park and "undervalued business structures."







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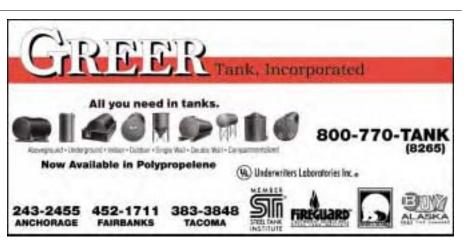
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Facility Size

Consultants originally recommended the new center have a "proposed total program area" of about 626,500 square feet. This was determined by comparing successful convention centers nationwide to Anchoragespecific data, such as the number of hotel rooms. The Egan Center, in comparison, is approximately 97,000 square feet.

Because of budget constraints, this recommendation has been scaled back dramatically. **Preliminary** designs for both the Ship Creek and the Downtown Core sites are only 280,000 square feet. The Ship Creek site offers the option to expand later, but the Downtown Core site does not.

Despite all the hype the hospitality industry is generating about a new convention center, two major questions remain to be answered: First, is the funding plan reasonable? And second, does Anchorage really need-or will it even use-such a large facility?

Funding Issues

The \$100 million project will be funded through four different avenues: Increasing the bed tax, selling the Egan Center, obtaining state and local grants, and selling naming rights.

Financing convention centers is always risky business. Convention centers throughout the nation typically require large government subsidies to meet operating costs, and the proposed project is no exception. A 1998 Deloitte and Touche study estimates the operating deficit for the new center to be \$857,000 for the first year, decreasing to \$667,000 by year five. The Egan Center, completed in 1985, had a \$270,000 operating deficit last year. This "investment in the community" is usually recovered through indirect economic activity generated

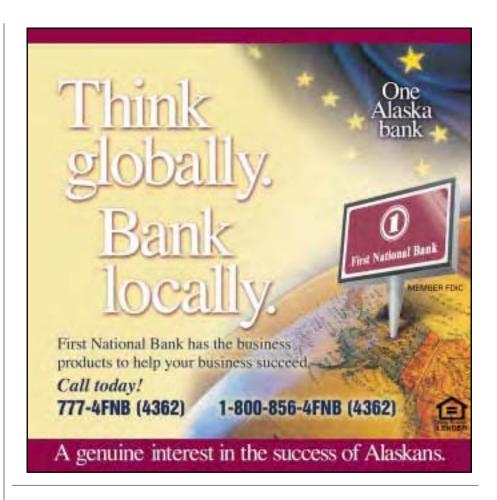
by convention-goers. For the proposed convention center, however, the municipality's return on investment is tenuous at best.

The largest source of funds for the new center is the 4 percent increase in the hotel bed tax. These new funds would be dedicated to service the \$70 to \$80 million debt created with tax revenue bonds issued to fund the project. These bonds will cover about 80 percent of the project's cost. Supporters claim this tax will be paid entirely by out-of-town visitors, but 35 percent of delegates to the new center will be local or in-state residents, staying an average of two This type of delegate nights each. will not contribute to the indirect economic impact the convention center relies on. They likely will have little need for airline tickets, car rentals, taxis and souvenir shops, throwing the study's earnings estimates into question.

Additionally, an increase in the hotel tax will inevitably lead to increased room prices, which could discourage visitors, tourist and delealike, from coming gate Anchorage. It's not likely—according to a 1998 survey conducted by the Travel Industry Association, the average hotel tax in 50 major cities is 12.3 percent—but it should have been considered in the financing process.

The Egan Center will be sold or leased to raise an additional \$10 to \$20 million. Currently, the property contains a reversionary clause that requires the land to be returned to the federal government if the municipality is not using the land for public purposes. This clause would need to be removed before the sale. Supporters are also planning on receiving \$20 to \$30 million in federal and state grants.

Naming rights, estimated to be





worth about \$2 million, rounds out the list of funding sources. A relatively new and unique source of funds, selling naming

rights for a non-sports affiliated venue is still a controversial issue.

If the financial estimates are correct, it is clear that the new convention center will be profitable once the indirect economic benefits are factored in. However, it will

Egan Center				Proposed New ACCC				
Year	1998	1999	2000	Year 1	Year 2	Year 3	Year 4	Year 5
Total Revenues	2,041	2,247	2,360	2,652	2,986	3,245	3,543	3,676
Total Costs and Fees	(2,433)	(2,614)	(2,630)	(3,509)	(3,723)	(3,899)	(4,196)	(4,337)
Operating Subsidy	730	730	730	730	730	730	730	730
Net Income	338	363	460	(127)	(7)	76	77	69

Financial Performance of Egan Center

Compared to Estimated Performance of New ACCC

(In thousands of dollars)

not be nearly as profitable as the existing Egan Center. Compared side by side with the same municipal subsidy, it becomes clear the new ACCC is not a lucrative venture.

Will They Come?

Perhaps the most glaring question in the debate is why a new convention center is needed at all. Members of the convention industry say the Egan Center is limiting their ability to pursue new larger conventions and serve multi-

ple conventions simultaneously. They claim that a new civic and convention center would allow them to host more and larger national and regional conventions. In coming years, local demand on the Egan Center and Sullivan Arena may exceed capacity, although this hasn't happened yet. The largest event so far, the annual Alaska Federation of Natives convention, can still be shoehorned into the Egan Center, but sessions are already overflowing into the Performing Arts Center.

continued on page 42



There are No Yellow Brick Roads in Alaska

by Steven C. Levi

ost Alaskans don't think about roads too much. Very few of us drive down Tudor Road or Cushman Avenue and say to ourselves, "Gee, this is a great road! The ride is smooth and the engineering is superb. Every neighborhood should have one." Nope.

What we do is hit a pothole and start yelling "*%\$*\$, when the \%\% is someone going to fix this road?" Then we go on to mumble about no one cares about potholes until just before an election and why didn't we live on the same street as the Mayor where they fix the potholes even before they become potholes.

The only other times we think about roads is when we hit the rumble strips or get detoured all over town by flag men who spend most of their time misdirecting traffic into cul de sacs. Then everyone in the neighborhood gets to bet on which makes it onto the gravel firstasphalt or snow.

In the old days of Alaska, road building meant running a cat through the forest and then following it with a road grader. It was called a road grader because after you finished grading you had a road. It might have been a frontier road but in the days of the frontier that was the best you could expect. Gravel roads were better than mud and ice beds were pretty much the standard anywhere in the northland from the middle of October to May, sometimes longer.



Photo courtesy of Alaska Roadbuilders, Inc.

Ronnie, Terri, and Ron Davis, co-owners of Alaska Roadbuilders, Inc.

For the Alaskans who arrived after 1970, the road system was a bit like the yellow brick road of Oz. The newcomers knew they weren't in Kansas anymore and the roads were already laid down. And those were the last major roads built. Alaska has not seen a rash of new roads being built so the bulk of the work has been repaving and re-engineering.

"Road building today can be a very sophisticated science," Blake Hardina, vice president of Alaska Roadbuilders, Inc. in Soldotna. "But it's more than science. It's a good mix of business along with civil and mechanical engineering. It has gotten so sophisticated that

[individuals like me] need to get more education. That's ľm getting my Master's Degree Architecture/Design Build at Washington State University [in Spokane]. I'm spending my construction season in Alaska and learning how to better manage our business in the off season."

Because of its size, Alaska Roadbuilders feels the competition from above and below. "We're not one of the larger road construction outfits in Alaska," Hardina said, "but we're not small either. We run a crew of about 60 during the summer and then trim down to only a handful during the winter. We do go after multi-million dollar projects, but then again, we do a lot of driveways and parking lots, too."

The largest project the company has undertaken

recently was a \$9.7 million phase of the Kenai Spur Highway. "We reconstructed about three miles of highway between Soldotna and Kenai," Hardina said, "changing the roadway configuration from a two-lane to a four-lane highway including a center turn lane. The project involved moving about half-a-million yards of excavation and borrow, complete highway electrical and signalization systems, and some heavy-duty drainage structures, as well as construction of new pedestrian pathways on both sides of the new highway."

Alaska Roadbuilders does about 75 percent of its business on roadways and the balance of the workload is site development.

"We've had our share of close calls, just like any other company," Hardina said when asked about his company's most interesting project. "Every project is different. No one road is like every other road—or any other single road as a matter of fact.

"One of the toughest highway jobs we did was the reconstruction of a rip-rap dike in Valdez. Things were going along as well as could be expected when there was a record snowfall. That was followed by a glacier-dam burst. We were standing on the edge of the dike and watching the water rise right to the top of the embankment. We just about lost the bridge and a large excavator. It was very exciting for a while, several hours of wondering whether the bridge, the dike and our equipment were going to get washed to sea and never heard from again."

Alaska Roadbuilders also prides itself on its erosion control work. "A lot of Alaskans who are not in the road building business don't understand that the greatest enemy to a road is not ice or studs or avalanches. It's water. Keeping water away from the roadbed is the key to building a good road. Multiple freeze-thaw cycles break up our highways causing the road to buckle. That's where the quality engineering makes a difference. You have to design and build the roadway so the water you know will be there is effectively accommodated. You have to put in a variety of drainage structures: pipes, cisterns, bridges."

Another area where quality engineering shows is in the creation of the asphalt. "Our industry has been trying for many years to develop better asphalt pavements. I think that to some extent we have been successful, but the reality is that asphalt really has not changed that drastically in the last 30 years. The science of making asphalt has changed a lot, but the product is largely the same."

For Dorothy in Oz, using the Yellow Brick road was easy. She and Toto just followed it footstep by footstep. But in Alaska, companies like Alaska Roadbuilders, Inc. have to construct the road, foot by foot both forward and up from the roadbed. The Yellow Brick Road only saw usage by five people and a dog and it never rained. Alaskan roads have to support millions of passenger miles each year, winter and summer, in rain and snow and sleet and hail and torrents of Winnebagos.

"Roads are meant to be safe. That's the way we build 'em," Hardina said. "People roll on our reputation all year long. Their safety depends on us, from constructing the road bed to laying the asphalt—and we take our responsibility very seriously."



Powered Industrial Trucks—Forklift Safety



by Don Weber

Don Weber is director of AGC Safety Inc., which provides safety instruction and training classes to Associated General Contractors.

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IOSH and OSHA statistics cite the predominant

reasons for injuries and fatalities in the workplace are: "slips, trips, falls, struck-bys and electrocutions." This article will focus on the issue of struck-bys, in particular, those accidents involving powered industrial trucks (PITs) at construction sites and elsewhere in the workplace.

What are PITs? They are defined as very mobile, power-driven vehicles that are able to carry, push, pull, lift, stack and maneuver material. There is a wide range of these vehicles from the walk-behind PITs to the large construction PITs with articulating booms. The most common of these vehicles is the single-seat forklift. The average speed of these vehicles is 10-15 mph. Construction forklifts can easily achieve a much greater speed. All of these lift trucks have a reputation for injuring, crippling or even killing operators and pedestrians each year. Additionally, because of careless operation and many other non-safe work practices, they are responsible for a considerable amount of damage to merchandise, materials and facilities.

Before we get to the injuries, let's address the most collision-prone objects encountered by PITs. Typically we see objects being struck as being a result of narrow aisle ways or narrow, restricted spaces in new construction and throughout building sites in general. The order of precedence for

these accidents seems to fall into the following categories: 1) doorways, doors, walls, posts and beams, handrails/stairs, and overhead areas; 2) utilities and steam/gas/water pipes; 3) racks and signs; 4) fire extinguishers and hoses; 5) electrical boxes and wiring; 6) vending machines and adjacent supporting areas; 7) products on pallets, chemicals on containers; 8) fencing and barricades; 9) machinery, other heavy construction equipment and other lift trucks on site; 10) compressed gas cylinders; and much more valuable property.

When these objects are struck, it's not unusual to have a near total loss of materials or excessive building damage since PITs are not exactly your average lightweight vehicles. The typical weight of a small warehouse PIT is around 5,000 pounds, construction forklifts can be 20,000-50,000 pounds plus. When one of these units strikes, the damage is severe. Another common factor are collisions while traveling in reverse. Statistics show that more than 95 percent of these collisions involve traveling rearward while going too fast and/or the operator not paying attention.

As for personnel involved in fatal collisions, the current statistics show that the number-one reason for fatalities is the tip-over of the PIT (25.3 percent) with the struck-bys following a close second at 18.8 percent. Other reasons for fatalities include struck by falling loads (14.4 percent), elevated employee on PIT (12.2 percent),

procedures (6 percent), loss of control (4.5 percent) and small percentage reasons too numerous to list.

> So, how are we to avoid these unfortunate incidents? Let's begin with the

PIT ran off dock or working surface (7 percent), improper maintenance

operator being trained and having a current certification (29 CFR

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1910.179) and an intimate knowledge of the PIT that he/she is using. In addition to this, the operator needs to be very cognizant of all safety rules and practices (including the truck's limitations).

Other suggestions would be to slow down, watch where you are going, check overhead clearances, check behind you, check the load capacities of the PIT, watch for pedestrians, and become familiar with any unusual operating conditions. Remember: As a forklift operator, your vision is obstructed a good part of the time so it's in your best interest to slow down, sound the horn when necessary and be extremely observant in all directions while operating a PIT. If you can't do this easily on the PIT, then get a spotter to work with you for a second set of eyes.

Pedestrians

What about the pedestrians and their responsibilities? May we first suggest asking the other workers at the site to stay back from the forklift when it is moving a

load? Be sure the driver can see you if you must cross the forklift's path. Never walk under any suspended forklift loads. Do not ride the truck or be tempted to be lifted and if working or

forklift is working in your immediate area. If not, then make certain the operator sees you and where you're working. Also, don't just arbitrarily change your position while the operator is maneuvering the PIT in your area.

Finally, as an operator or a pedestrian, please remem-

ber that the center of gravity of the load can quickly upset the stability of a PIT. Operators are generally quite aware of this fact, but pedestrians often have the mistaken view that the PITs

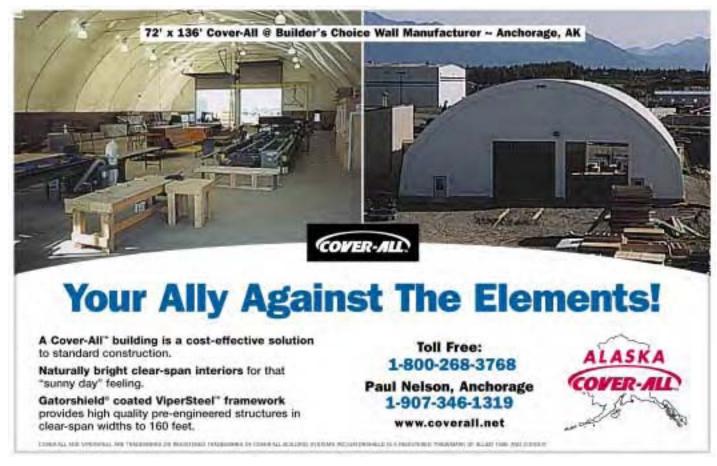


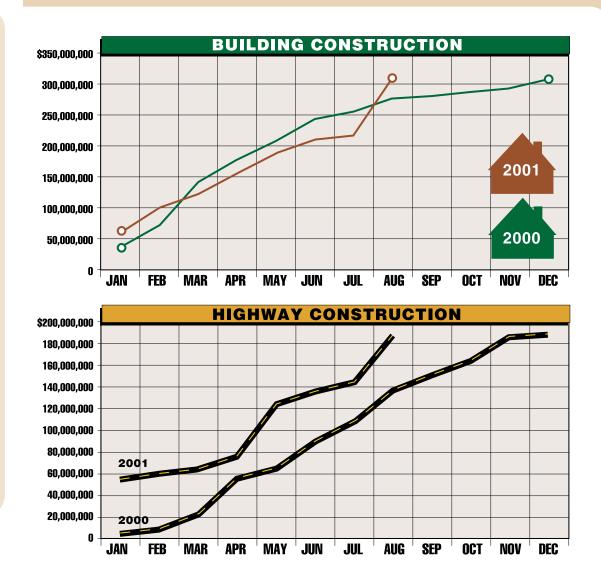
can stop quickly. In general, PITs can stop and turn quickly, but the load continues on, striking any object in its path.

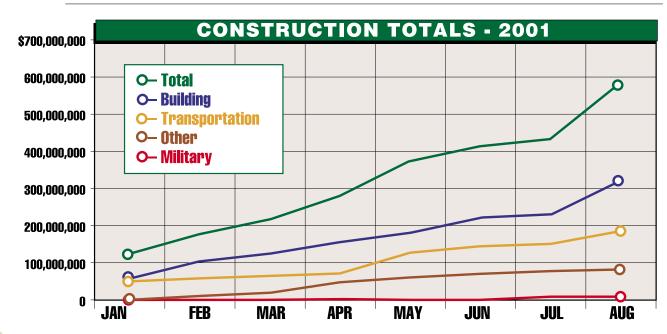
These problem areas and negligence on PITs throughout the United States yielded an average annual toll of 85 fatalities and 35,000 serious injuries each year for the last 10 years.

If your organization doesn't have a forklift safety program at your business, and if your operators are not properly trained

and certified, please get it done immediately. This will help your company avoid what more than 35,000 employees and their families have had to endure each year—bad news. 条







Keeping the Wheels Rolling

by Steven C. Levi



Photo by Frank Flavin

Marie Wilson, president elect of AGC, with Ken Patterson of Ribelin Lowell and Company.

insurance salesperson? Actually, if these last lines sum up your attitude toward insurance, you really don't capitalism. understand Nothing happens without insurance. Nothing. Trucks don't roll, bridges don't get

ant to talk about

about insurance.

Talk

boring?

Or bonding. And when it

comes to interesting dinner guests, how many people

immediately think of an

built, homes aren't bought, schools aren't open and no one gets a paycheck. That's because insurance is the single most important building block of our economy. Any company can get a loan; it's just a matter of asking enough banks—or loan sharks. A business license is about \$50 in any state of the union, and there's always some fool willing to hire his wife's cousin to construct a multimillion-dollar building.

"Unfortunately not that many people realize just how important our industry is," Richard Lowell, resident of Ribelin Lowell and Company in Anchorage, said. "We keep the wheels rolling. Yes, insurance may not be an industry with lots of razzle and dazzle, but without us there will be no economy."

That may be the good news. While insurance is critical to keep the economy going, in Alaska, maintaining an insurance company is a very difficult proposition.

"[Ribelin Lowell] may be one of the largest independent insurance companies in Alaska, but we still have to scramble. But the scrambling isn't always for clients; it's for access to national financial markets.

"Though we can deal with a vast array of financial markets, we can only do business with those companies that want to do business in Alaska. That reduces the number sub-

stantially. In terms of overall numbers, figure that Alaska only accounts for about 1 percent of the national market in insurance.

"Large companies are constantly testing the waters of Alaska, picking up clients, and then abandoning the state. That leaves us holding the bag. We're the 'local face' for those national companies. Our customers see us as the insurance provider, not as company between them and the financial market. When a big company gets out of Alaska, our customers expect us to find them similar coverage at the same rate."

Ribelin Lowell is an old Alaskan firm. It was formed in 1977 as the Ribelin Insurance Agency and, over the years, has grown to be one of the three largest independent insurance companies in Alaska. Concentrating on property and casualty, it is still small enough to handle a personal line including auto and home insurance, lodges, boats and remote contractors. It insures contractors from southeastern Alaska to the North Slope.

But Ribelin Lowell is more than just the local face for the national insurance market. It is also the source for bonding, key to financial survival in a state where construction is big business.

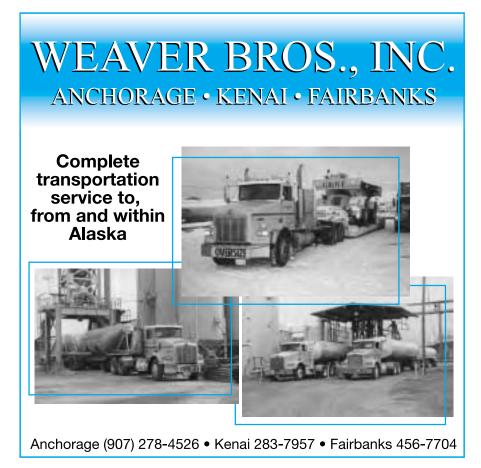
"Bonding is more than just big business in Alaska," said Pat Salvucci, bond manager for the company. "For every person involved in a construction project there are probably six or seven that provide back up support. Every vehicle needs grease, oil, fuel, tires, replacement glass, wire, mechanical backup, whatever. Every construction worker is making a house payment, buying groceries, visiting doctors and dentists and optometrists. Just because someone isn't swinging a hammer doesn't mean they are not in the construction business. But none of those people are going to get paid unless the contractor can get bonded."

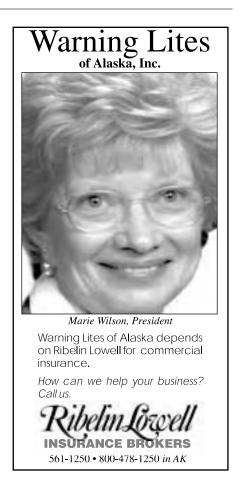
Five years ago, any contractor could get a bond. That's because the insurance industry was making more on investments than insurance. It made sense for those companies to take greater risks because the capital was making so much in the stock market.

As you know, though, times have changed and the large insurance companies are backing away from stocks. That means they are taking fewer risks. In turn, that means that bonding requirements are getting tighter. "Good solid companies are not going to have any trouble getting bonding," Salvucci said, "but start up operations, the new momand-pops will find it tougher. Ribelin Lowell can help because we are local and integrity of the client means as much as cash in the bank. That's the power of dealing with a local insurance broker."

Supposedly the golden rule is, "He who has the gold makes the rules," but when it comes to insurance, money is only part of the equation of success. Finishing a construction project is more dependent on the quality of the construction company than the money at its disposal. A larger credit line will not necessarily help a contractor finish a project on time and on budget. But a good insurance company can ensure the survival of a quality construction company.

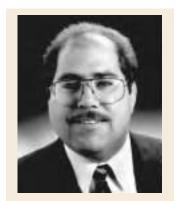
"Our primary responsibility is to make sure our customers spend their time on the job site, not looking for bonding or insurance coverage," Salvucci said. "If our clients don't make money, we don't make money. So we have this business relationship. They put the buildings up and we keep their wheels rolling."





Understanding the New Federal DOT **Drug Test Regulations**

n August 1, 2001 the U.S. Department of Transportation (DOT) Office of Drug Policy and Control issued its final rule for the procedures for transportation workplace drug and alcohol testing programs (49 CFR Part 40.) This updated regulation is an important step in creating safer roads, airways, waterways and railways across America. It is critical that employers become familiar with what is expected of them to comply with the federal regulations. Failure to comply could result in federal audits and fines of up to \$10,000 a day.



by Matthew Fagnani President of WorkSafe, Inc.

What if a check reveals problems?

If an employee has a record of any such infraction, he or she must have documentation of the successful completion of DOT's return-to-duty requirements (including follow-up testing). Once documentation is reviewed and deemed acceptable, the applicant may be employed to perform safety-sensitive duties. If the applicant does not have proof of return-to-duty requirements, the applicant cannot be hired to perform safetysensitive functions until compliance is met.

In order to meet the DOT's return-toduty requirement, the applicant must complete a face-toface evaluation by a recognized Substance Abuse Professional (SAP). The applicant must then complete all of the education and treatment follow-up prescribed by the SAP. Any employee who refuses to complete the returnto-duty requirement is medically unqualified to be hired or

transferred to a DOT safety-sensitive position.

Who needs a background check?

A new requirement for DOT regulated industries mandates employers complete a work history background check of all-new hires or employees transferring to a position for safety-sensitive duties. Safety sensitive duties include commercial driving, airline employment, maintenance of pipelines, charter and tour operating, railroad operation, and more.

An employer must obtain a work history for a period of two years prior to the date of application for work or transfer to a safety-sensitive position. Applicants are required to provide a complete two-year work history to be eligible for employment. This work history should focus on DOT safety sensitive work.

What information must employers research?

Businesses are required to request information from past employers about the applicant regarding: Alcohol tests with a result of 0.04 or higher alcohol concentration, verified positive drug tests, refusal to be tested (including verified adulterated or substituted drug and alcohol test), and other violations of DOT agency drug and alcohol testing regulations. The background history check includes violations of pre-employment drug tests. Work history at all previous DOT agencies must be considered when completing a background check for a safety-sensitive position.

May a business release itself from liability by having an applicant sign a consent or release form?

An employer must not require an employee to sign a consent, release and waiver of liability or indemnification agreement with respect to any part of the drug or alcohol testing process.

How can a business get and stay in compliance?

WorkSafe provides in-depth training for companies regarding drug and alcohol testing by providing consultation services, return-to-duty services and follow-up testing when needed. WorkSafe can advise you on the numerous specific requirements of the new law. If you are interested in more information regarding this regulation or in promoting a drug-free workplace, please contact Matthew Fagnani, C-SAPA with WorkSafe, at 907-563-8378. AGC members receive reduced rates. Please mention that your company is a member of AGC to qualify for the discount. As a service to AGC members, WorkSafe will e-mail you a copy of the updated (49 CFR Part 40). E-mail requests to mfagnani@WorkSafeinc.com.

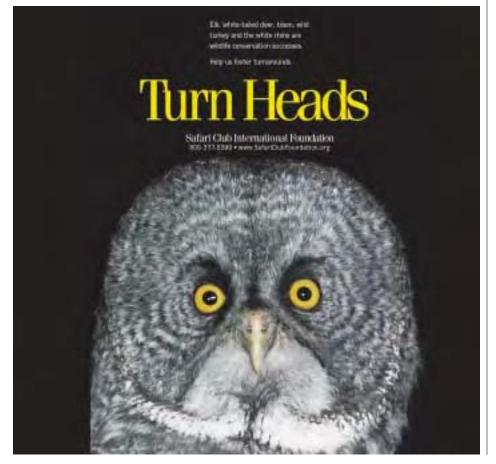
However, the center is near capacity. The Anchorage Convention and Visitors Bureau said their sales force is already selling dates in 2007 and 2008. Unless a new center is built, the Anchorage convention market cannot grow beyond the level it is at currently, and that affects the growth of hotels, car rentals, and even Anchorage's cruise industry. Bringing 40,000 new delegates and exhibitors to town every year, with each delegate spending \$800 per convention, could have a major positive impact on every retail business in the downtown area.

Advocates say the new ACCC will be able to lure regional and national conventions and trade shows to Anchorage. Why? What would convince winter convention organizers to forsake the Sunbelt for a cold, dark Alaskan winter? Granted, the "Alaskan mystique" draws summer visitors, but is it enough to attract major organizations with a variety of closer, cheaper and more exotic locations? The Egan Center already struggles to attract regional trade shows due to the cost and difficulty of shipping exhibits.

Bruce Bustamante, President of the Anchorage Convention and Visitors Bureau, is optimistic. He says the perception of higher prices is a myth the bureau is working to clear up. "During the fall-winter-spring season, when most conventions are held, prices are lower here than in some of the larger cities," he said.

He is also confident about Alaska's appeal as a winter destination. "Not everybody wants to go to California and Florida," Bustamante claims. "St. Louis, Kansas City, Chicago, Minneapolis, they're all major convention cities, and winters in Anchorage are milder than in those





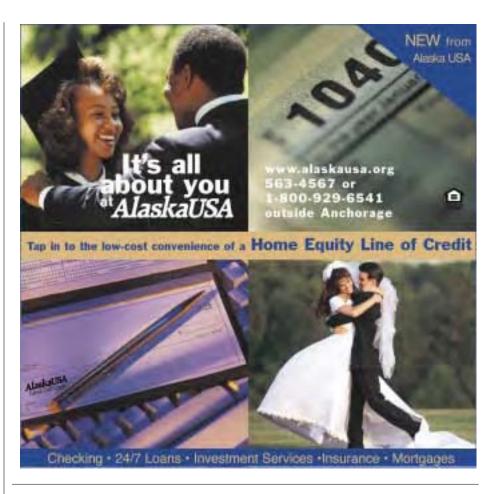
places. In Anchorage, winter doesn't slow us down, and that's an advantage," he says, listing a range of events visitors participate in. Winter convention guests "come away with a wonderful experience," he claims.

That may be true, but reality opens the door for questions. If Alaska really is so attractive in the winter, why is tourist season limited almost exclusively to three summer months?

The tourism industry will be affected more than most by the new convention center. The increased bed tax will affect all hotel guests, and the increased room prices will probably have a negative effect on summer visitors. "There may be some elasticity in demand," Bustamante admits. "However, that's going to be mitigated by an increase in capacity." He believes that the increase in visitors from the convention center will "more than make up" for any lost revenues during the summer. On the other hand, new hotel construction spurred by the influx of new delegates would heighten competition and possibly reduce margins during the peak summer months.

The issue boils down to a fundamental question: Is a new convention center the best use for the millions of tax dollars such a project would require? The answer depends on your perspective. For the construction industry, it looks like a winner. They'll gain between 880 and 930 jobs during the two years of construction, and more than \$160 million in work. It will also be a winner for the airport, with 27,000 additional annual round trip airfares and associated additional airport revenues.

For the City of Anchorage, though, the numbers may not add up. 🏂







by Ron Dalby

s I write these words, one week almost to the minute since the twin towers of the World Trade Center crumbled into twisted girders and concrete dust, the nation's thoughts and prayers are still focused on the disaster sites in New York City and Washington, D.C. And this is only right. We must—and that includes a lot of contractors and their crews actively on the job at ground zero—expend every effort to locate any possible survivors and to find and identify as many as possible of those whose lives abruptly ended in the crush of steel, concrete and glass that had long been the leading symbol of America's business prowess.

Since September 11, we daily read comparisons to the Pearl Harbor attack of nearly 60 years ago. That, however, is unrealistic. At Pearl Harbor, 349 planes piloted by Japanese airmen killed about 2,400 people, mostly servicemen in the Navy and the Army Air Force. Pearl

Harbor, though certainly a shock, was a military operation launched by Japan in hopes of tilting the strategic balance of forces in the Pacific in its favor.

No such justification applies in the terrorist attack of September 11. On that bright sunny morning, four civilian airliners were used to kill about 6,000 people, mostly civilians, a number that continues to increase as more and more names are added to the long list of the missing. New York and Washington, D.C. were the targets of mass murderers motivated by hate, killers who lack a conscience and blame others for their own incompetence and inability to cope with life.

Other countries—certainly Israel comes to mind have experienced this hate in smaller doses over a protracted period of time. The United States has also been visited by smaller, less spectacular acts of terrorism over



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WHATTO DO IN CASE OF A PIPELINE-RELATED EMERGENCY

The Trans Alaska Pipeline System (TAPS) was designed and constructed to the higheststandardstosafelytransportcrudeoilfromtheNorthSlopetoValdez;however, emergencies may still occur. TAPS consists of: 800 mile 48" 0 il Pipeline; 148 mile 8"-10" Fuel Gas Pipeline from Pump Station 1 to Pump Station 4; Valdez Marine Terminal, as well as other related facilities.

RECOGNIZING A LEAK

 $If you are near one of the pipe {\bf lines} during an emergency, you may detect an oil or {\bf constant}. The {\bf constant} is a substant of {\bf constant} is a substant of {\bf constant} is a substant of {\bf constant}. The {\bf constant} is a substant of {\bf constant} is a substant of$ natural gas leak by:

SMELL: Crudeoil may have an odor similar to fueloi lorgasoline. Natural gas leaks may be detected by a pungent, rotten egg or sulfur odor.

SIGHT: Appolof dark liquid or discoloration vegetation near the pipe line may indicate a crudeoilleak. Adense white cloudor fog and flames may indicate a natural gas leak. SOUND: An unusual noise, hissing or roaring sound may be a sign of a leak.

IF A LEAK OCCURS

- . Do not enter the area where the spill, leak or vapor cloud is located.
- . Leave the area immediately.
- . Do not touch leaking liquids or breathe leaking gasses,
- . Do not create sparks, light matches, start an engine, switch on a light, use a camera flash or cellular telephone. These actions may ignite the leaked or snilled substance
- · Warn others nearby of the possibility of a pipeline emergency.

From a safe location, call Alveska Pipeline Service Company collect at (907) 835-4709. You may also contact 911 or other local emergency response numbers.

Provide your name, location, description of the leak or possible leak and informationon how you can be contacted.

EXCAVATING NEAR THE PIPELINE

Some portions of the trans-Alaska pipeline and the Fuel Gas Line are buried. $\label{prop:continuous} Excavation-related activities are prohibited along all portions of the pipeline right-of-section of the property of$ way, unless prior authorization from Alyeska Pipeline Service Company has been received. Contact the number listed above for information regarding excavation. requirements near the pipeline. Damage Prevention Program was designed to reduce and eliminate excavation related accidents.

What an underground transformer looks like in the summer ...



But in the winter it often looks like just another pile of snow. If you're plowing or excavating in an area where you see no overhead power lines, chances are you're in an area with underground power. Call us and we'll locate the transformers for you.



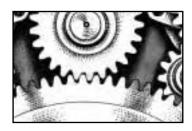
the years. Sorting out and executing our nation's response to this most recent, dastardly act will be a lengthy process. And it will be years before we can fully assess the changes in our lives.

Think about it for a moment... At the close of business on Monday, September 10 in New York City, the talented, educated professionals who determined much of the course of the nation's business were in charge. Today and for much of the future, the crane operators, truck drivers, police, firemen, soldiers, sailors, airmen, marines and countless others now clearing rubble and searching for survivors are the people we turn to, the people who will ultimately clean up the mess, investigate the crimes, punish the perpetrators, and rebuild the World Trade Center and the Pentagon.

These events will impact Alaskans as much as anyone else in the country. A so far little-mentioned fact is that this act of war has dramatically redefined the debates on the Arctic National Wildlife Refuge and the National Missile Defense System, two arenas where Alaska's contractors will be key players in the years

First consider ANWR. We are, as President George W. Bush has stated, at war. We will respond appropriately. It will be a war like no other we have ever fought. But one unavoidable fact remains: Our military machine, probably the greatest in the world, runs on oil, much of it imported from the Middle East, the likely site of many of the upcoming battles as we seek out and destroy terrorism. That source could dry up in an instant.

Suddenly the reality of the oil



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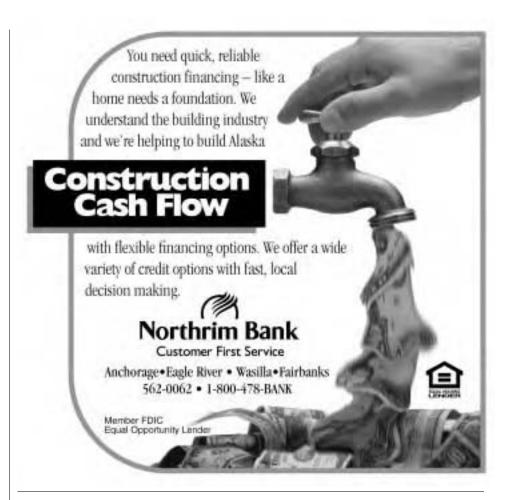
available in ANWR stands out in stark contrast to the over-hyped possibility of disrupting a few caribou that has so convoluted meaningful debate on the issue for decades. In starkly simple terms, developing the oil in ANWR could be critical to our national security in the years ahead. The possibility of upsetting the habits of a few caribou cannot compare in scope. Unless we are secure as a nation, we do not have the option of guaranteeing the future of the caribou in ANWR—or anywhere else for that matter.

The debate on ANWR is no longer about caribou, it's about national security.

If we develop the resources available in ANWR, Alaska's contractors will play a huge role in the effort. And, because of limited manpower, contractors from other parts of the country will likely be involved as well.

But ANWR is only part of the picture that will likely affect Alaska's contractors. We now know we are vulnerable to one kind of attack, but other, perhaps greater dangers lurk in the shadows. A number of nations considered rogue states by our government have, or will soon have the ability to fire missiles against our nation. Thus the National Missile Defense System may also get a boost, and Alaska offers the most likely site for basing all or a significant part of the system. That, too, will require scores of builders.

The NMDS debate is no longer a question of whether we will be attacked but one of when the attack will come. The hate-crazed suicide bombers of September 11 proved dramatically that even weapons as innocuous as a pocketknife can be

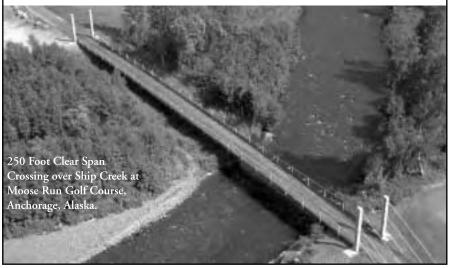




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used to facilitate mass murder and unprecedented destruction. The potential weapons that can be delivered by missiles defy the imagination—and do not require suicidal fanatics to operate. And we now know that if a weapon can be used, unscrupulous people will find a way to use it. The United States is probably a tentative missile target of rogue nations even as you read this.

I have long believed that both developing ANWR's resources and perfecting a missile defense system were crucial to the future of our country, and I have often spoken out in favor of both. I had always hoped, though, that it wouldn't take a war to bring these projects to fruition. Surely, I thought, reasoned debate would ultimately prevail. Tragically, reasoned debate has been drowned out by the final agonizing screams of death from 6,000 or more Americans. For better or worse, we are in an international war against terrorism. Much of what will be needed to fight that war will come from contractors who construct the facilities necessary for us to persevere.

As one who experienced two years of combat in Vietnam, I abhor war. But wars are occasionally necessary. I believe this one is necessary because millions—perhaps billions—of innocent civilians around the world are the targets of the hate-filled fanatics who launched this war. And psychologically this war will be harder on me than my own service in combat. My son and son-in-law have both chosen careers in the Army. It is so much harder for me to watch them prepare to go in harm's way that it was for me to go myself.

AGC EDUCATION **RESEARCH FOUNDATION ESTABLISHES FUND FOR TERRORIST VICTIMS**

In response to the numerous offers of assistance from AGC members and chapters, the AGC Education & Research Foundation has unanimously approved the formation of a fund to assist the children of those killed in the September 11, 2001 terrorist attacks against the United States. A preference will be given to the children of craft and management construction workers who lost their lives in the attacks.

Contributions may be made to the:

AGC Education & Research Foundation

Attn: Terrorist Victims Fund 333 John Carlyle Street Suite 200 Alexandria, VA 22314

For additional information, please contact Shannon Knutti at 703-837-5346 or knuttis@agc.org









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station together as participants gather essential data necessary for the completion of a cross-country flight. The MAEL's trailer and program were created through a partnership between Cuyahoga Community College and NASA Glenn Research Center in Cleveland, Ohio."

Many sponsors are involved in the effort to bring the MAEL to Alaska. It's focused on middle school and an estimated 15,000 middle school students will have an opportunity to explore math and science in a workstation. The trailer will conclude its visit to Alaska in Anchorage during the Partners in Education Symposium!

Because math is crucial to construction, AGC of Alaska feels it's important to promote and participate in helping students become "jazzed" about construction career choices. After all, a contractor built the trailer and each spaceship!

On Site!

We now have the postcards with a

photo of a bridge in Alaska that we'll add to every On Site! toolbox. Alyeska Pipeline Service Company graciously provided the photo and picked up the full cost for the printing of the postcards that will be given to every student who goes through the curriculum.

We feel it's important to not only talk about structures around the world, but at the same time talk about significant construction projects here in Alaska. This way the students will see Alaska on a global or worldwide level.

Education Effort Update

We're continuing the Build Up! effort in the Anchorage School District. We'll soon know the school and classroom count for Anchorage. With that count we'll contact our members for sponsorship and classroom volunteers for this school year.

Our Build Up! effort in rural Alaska will continue this year as well and likely increase.

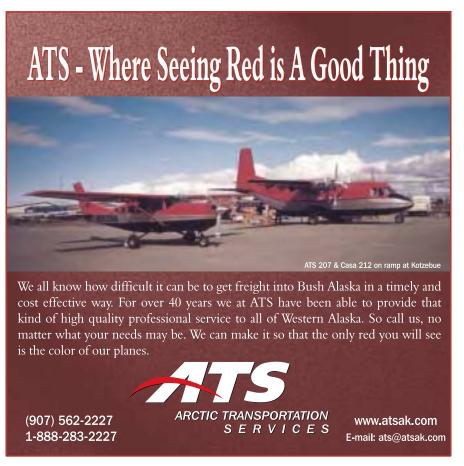
We're launching On Site! this year in Anchorage and rural Alaska. The Young Contractors are taking the lead with On Site! in the Anchorage classrooms.

And, we hope to have more high schools in rural Alaska using Core Curriculum from NCCER. NCCER is affiliated with the University of Florida in Gainesville.

If you are interested in supporting any of the education efforts, please contact me. I'm more than happy to talk with you about what your chapter is doing to capture your workforce!

Contact Vicki Schneibel at 561-5354 or via e-mail at Vicki@agcak.org. 🦫





CONTRACTORS



THE

Builders' All-Risk Insurance Coverage



by Bob Dickson Robert J. (Bob) Dickson is a partner in the Anchorage law firm of Atkinson, Conway & Gagnon, Inc. He concentrates on civil litigation with an emphasis on construction contract disputes and construction bonding matters.

side from workman's compensation insurance, which all employers must carry for their employees, most contractors essentially need two types of insurance. The first type protects the project itself against physical damage, and the second protects the contractor against claims from others for bodily injury and property damage. For design/build contractors, a third type, design errors and omissions, should be secured. This article will address the first category.

Builders' All Risk

The general legal rule is that in the

absence of anything in the contract on the point, the contractor is responsible for the construction until it is turned over to the owner. This means that it is in the contractor's interest to have insurance to protect against loss or damage to the work during construction. Such insurance is referred to as builders' all-risk insurance. It is essentially a fire insurance policy that includes loss due to other external physical forces. Most construction contracts, including the AIA and AGC forms, require the contractor to carry such insurance.

The premium and limits of the insurance policy are determined by the value of the work. Such policies can be either project specific or cover all of a contractor's ongoing projects provided the limits are sufficient. Many current policies permit monthly reporting so that the premium is based only on the value of the work as of that particular time. The intent of the policy is to provide protection only during the course of construction, with the owner acquiring his/her own casualty insurance upon acceptance and occupancy of the project.

Although traditionally such policies did not cover a contractor's equipment, there are policies available today that cover all real and personal property used or owned by the contractor in the course of the construction. This is a substantial improvement over prior traditional policies, because the protection covers property in transit, debris removal, expediting expenses, accounts receiv-

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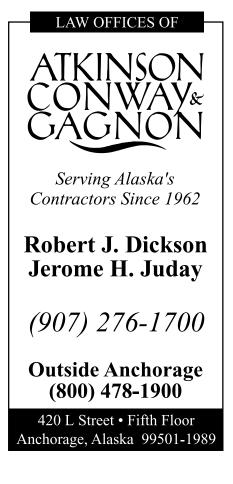
able losses due to loss of records, and even claim preparation expenses. Not surprisingly, some of these new coverages come with specific limits.

Major exclusions of coverage typically facing contractors include defective work, defective design or "latent defect." Under current policies the insurer will not pay for the cost of repair of the specific part of the work that was defective or the specific aspect of the design that was defective, but will pay for the cost of repair of all damage caused by such defective work or design. Consequently, where a column or beam was under designed or installed incorrectly, the insurer would not pay for the specific structural member, but would pay for the rest of the damage caused by collapse, racking or other structural compromises due to the defective member.

Another major exclusion includes damage caused by surface or subsurface water, or by earth movement. A detailed discussion would require much more space than available here. But fundamentally, water or earth movement resulting from natural phenomena occurring externally to the construction is generally covered; while manmade causes occurring internally to the construction are generally not covered. The specific language of the policy is the most important factor.

Care should be taken at the conclusion of a project in defining the time when responsibility for the safety and protection of the construction transfers from the contractor to the owner. If the owner simply occupies the project without a formal acceptance, many builders all risk policies will consider the coverage terminated.

The question of who is an insured and whose property is insured, as between contractors, subcontractors and owners, has been the subject of considerable litigation. In Alaska, subcontractors are deemed to be co-insureds for all purposes of the general contractor's all-risk policy even if the language of the policy specifies that the subcontractor is an insured only to the extent of the subcontractor's work on the project. The result is that the general's all-risk insurer cannot pursue the subcontractor for recovery even if the subcontractor negligently caused the loss. Some new policies expressly make the subcontractor, and even sometimes the owner, an insured for all purposes. "Wrap-up" insurance coverage is available where one policy protects the owner, general contractor, subcontractors and even the designer. But such coverage is generally available only on very large projects because the language on several policies must be specifically tailored. 🤼





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