C Street CONSTRUCTION
October completion to open new corridor in South Anchorage

Juneau ACCESS ROAD
STIP start-up funding brings it one step closer to reality

KNIK ARM BRIDGE
Authority brainstorms solutions to myriad project challenges

POGO MINE
construction winds down as production starts up
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<thead>
<tr>
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<th>Building</th>
<th>January</th>
<th>February</th>
<th>March</th>
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### Low Bids for 2005

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<td>ANCH ASD MULDOON SITE WORK PHS II</td>
<td>$4,619,000</td>
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**INTERIOR**

FT WAINWRIGHT SIKU BASIN REPLACEMENT HOUSING
$73,837,234
Osborne Construction Co.

FBKS STREET/DRAINAGE PHS I
19TH AVE
$11,565,165
Exclusive Paving

WAINWRIGHT WATER RESERVOIR
PROJECT PHASE II
$4,181,000
Bering Pacific Construction

WAINWRIGHT WATER RESERVOIR
PROJECT PHASE 1
$3,078,000
T Bailey, Inc.

TANANA SCHOOL MAJOR
MAINT/KITCHEN RENOVATION
$2,929,400
Alaska Mechanical, Inc.

**SOUTHEAST**

JUNEAU MENDENHALL VALLEY
NEW HIGH SCHOOL
$46,970,000
Coogan Construction

WRANELL AIRPORT OVERLAY/
PULLOUT RAMP
$23,012,675
Wilder Construction

COFFMAN COVE ROAD PHASE II
$17,581,026
Southeast Road Builders

KETCHIKAN TONGASS AVE FERRY
TERMINAL TO THIRD AVE PHS I
$5,585,420
Secon, Inc.

SITKA OLD THOMSEN HARBOR
REPLACEMENT
$5,193,698
Dawson Construction

SITKA HIGH SCHOOL ROOF
REPLACEMENT
$2,300,000
Universal Roofing Of Alaska

PETERSBURG SANDY BEACH RD/
SAND BLDG PARKING LOT
$1,678,465
Secon, Inc.

PETERSBURG OHMER CREEK
BRIDGE REPLACEMENT
$1,384,200
Keystone Assoc.

JUNEAU MONTANA CRK RD/SKATERS
CABIN RD REHAB
$1,214,576
Miller Construction Co., Ltd

KETCHIKAN BAR HARBOR SOUTH/
THOMAS BASIN
$1,200,000
Western Dock & Bridge

**CANADA**

SHAKWAK HWY BST KM 1707.0 - KM 1718.0
$1,021,500
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Faster and Cheaper

Over the past six months I’ve had the opportunity to meet with a number of the government managers that many of us work for. One common issue was the increasing cost of construction. Many of these people expressed a desire to, “…do it more like private industry, faster and cheaper.” The thought is, particularly with federal managers, that alternative procurement methods solve many of the challenges they deal with when procuring construction services.

The last five years in our industry have seen a lot of changes in how construction services are procured and projects are managed. I thought it would be interesting to look back a few years to see how it was done in the “good old days.” I’m fortunate to work for a company that has been around for a while, and, like many old Alaskan companies, we don’t throw anything away. I dug out the files of a project that F&W Construction built more than 30 years ago. I was amazed. The project was the construction of a new elementary school on Elmendorf Air Force Base. I think what surprised me the most was the amount of paperwork, or lack thereof. The entire project was in one file storage box. What do we do today that has changed this process so much, and are all of these changes improvements?

Thirty years ago most projects were procured utilizing the hard-bid process. Today we use design/build, CM/GC, best value, as well as hard bid and others. All of these alternate procurement methods are valuable tools when used properly. Many government agencies perceive these alternate procurement methods as solutions to problems that they have experienced on previous contracts, or as a means to mitigate the escalating cost of construction. They are not.

The selection of an alternate method requires a thorough analysis of the benefits and impacts to all parties involved. National AGC publishes a wealth of information, available to our members as well as those who let contracts out for bid, to assist them in successfully selecting and utilizing these methods. Government managers have the additional legal requirement of spending our tax dollars in a “transparent environment” where everyone who has spent the time and money to submit a proposal is guaranteed a fair chance. Complicated, specialized projects have the potential to benefit the most through the use of alternative methods. Owners should remember that the hard-bid method is still a proven method that often, particularly on routine projects, is the most efficient and economical method for all parties.

The paperwork involved to manage a project today has certainly changed. The paperwork appetite of some government agencies will wipe out a small forest. Some of this has been driven by the legal side of our industry, but that doesn’t account for all of it. AGC and our members need to ask why we do certain things the way we do. We need to educate government procurement managers about how much they are paying for all the paper they are requiring their contractors to produce.

How about a project with no submittals, could it be done? F&W had the opportunity to construct a very successful project for the U.S. Coast Guard a few years ago. The Coast Guard’s Marine Safety and Security Team Facility at the Port of Anchorage was constructed with the only required submittal being as-built drawings and O&M manuals. Colors had been selected and were included in the contract documents. A few other coordination submittals were required from subs and suppliers for our use, but never submitted to the owner. The procurement method was hard bid. As our industry looks to deliver projects faster and less expensively, this may be an item worth considering.

AGC contractors are the best in the industry. As we build Alaska’s future we need to remember that a lot of lessons on how to build it faster and cheaper are already out there. Our customers have the right to expect a project delivered in a reasonable time frame, of the highest quality and for the most competitive price. Those offering projects for bid need to remember that the construction process truly is a collaborative effort. AGC provides a means for contractors and owners to get together and ask the hard questions that lead to the solutions that improve our industry. I’m sure that all of us could come up with a long list of “why do we do this” items, figure out if the cost justified the benefit, and possibly save a little money during the process.
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Best Value—To whom and at what cost?

Low bid contracts belong in the history books. They’re not flexible, they take too long to complete, the total project cost often greatly exceeds the initial bid, and they often result in litigation. Public owners are frustrated and want a system that addresses these perceived problems. Hence, more and more public owners are turning to best-value accounting.

For complicated or specialized projects, some owners believe that the low bid process often results in awards to contractors that lacked the requisite skills and experience necessary to meet the project objectives. In search of a better tool, they turned to best-value contracting because this procurement process allowed the use of both non-quantitative and quantitative factors in the selection of a contractor. Using the best-value process allows owners to evaluate prior experience on similar projects, determine effectiveness in adhering to project schedules, evaluate the commitment to safety, and utilize a myriad of other factors important to a particular project. In theory, best-value contracting represented a method whereby owners could minimize their risks and improve project performance.

But, the application of best-value contracting has been extended beyond its use in complicated, specialized projects and is now widely used for relatively simple, straightforward projects. Normally, when cost is easily defined and the risk of unsuccessful contract performance is minimal, cost can be the major factor in the selection of the contractor. In such instances, low-bid selection is in the public’s best interest and has served the public well for decades. When best-value selection criteria is applied to such jobs, the injection of other criteria allows the manipulation of the criteria to select a contractor that may result in a higher cost to the public with no discernable benefit derived from the additional cost.

Preparing the bid

For a contractor, the decision to bid a best-value job is significantly more complex than the decision to submit a bid on a low-bid project. In addition to the quantitative factors of determining the best price to construct the project, the contractor must evaluate the quality of their responses to the other selected criteria. Finally the issue of preparation and presentation of the bid package now becomes more important in determining the outcome.

Perhaps the greatest concern a contractor has in submitting a bid for a best-value contract is whether his/her submission will receive a fair review from the evaluators. It’s hard to misinterpret a price bid, but does the evaluator have the ability to evaluate a safety program and compare the elements of the programs of all bidders? Can they evaluate the education and experience of the proposed project teams? Can they understand the similarities and differences of each company’s project history? Do they have a bias for or against a contractor? Does the owner take the process seriously and have they selected criteria pertinent to the project and selected an evaluation team that can evaluate the criteria selected in a fair and objective manner? And, perhaps, the greatest concern of the contractor is whether the entire process is a charade so the owner can select their preferred contractor regardless of price.

Proceed with caution

Conceptually the benefits of best-value contracting support its acceptance by public owners, but the perceived benefits of the selection should justify any additional cost and the rationale for such tradeoffs should be well documented and available to the public. It should be possible to document that the difference in value is worth the difference in cost. It might be easy to forget that public money is involved, but the public has a right to expect that the money will be spent wisely and in their best interest.

For a contractor, bidding a best-value project is more expensive and requires skills not normally found in small or new construction firms. While best value contracting is appropriate for many projects, it is not the panacea that many owners believe and should be used judiciously. The potential for abuse is real and all parties should monitor its use to assure that the public’s interest is protected.
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- On-the-job Injuries
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- Hearing and Vision Testing
- Pulmonary Function Testing

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Building infrastructure to grow Alaska’s economy

Alaska hasn’t built a significant highway since the Parks opened in the early 1970s. There is a real benefit both to the Alaska economy and the traveling public to turning around this stagnation in the construction of our transportation system and finish the job of building this state.

The Senate Transportation Committee worked closely with the Department of Transportation & Public Facilities this year to pass legislation that supports the future of our state in building and improving its transportation infrastructure. Legislation passed this session will allow the DOT&PF to participate in a pilot NEPA project, which will provide quicker development of projects and better environmental decisions. And, many important transportation projects were funded in this year’s capital budget.

This past session, the Alaska Legislature invested more than $330 million in general-fund support to DOT&PF. That commitment to improving our surface transportation system is now paying and will continue to pay tangible dividends to our state.

Included are $45 million in general fund revenues to fund “bottleneck-buster” work in the Anchorage transportation network this year on top of the $56.5 million in the last fiscal year to fix a problem that for too long has frustrated drivers in the municipality and the Mat-Su Borough.

Work on the Parks Highway from Seward-Meridian to Crusey Street is substantially complete. We have been methodically developing a freeway system from Anchorage to Wasilla for the thousands of people who commute through this corridor daily. This $26 million project extends the four-lane highway from the Glenn Highway intersection to Wasilla and includes an interchange at the Seward-Meridian Parkway. Work began two years ago and will be finished this year.

In the Mat-Su Valley, upgrading the Point MacKenzie and Burma roads was funded at $15.35 million. This project consists of minor realignments and paving of the existing Point MacKenzie Road. The realignment will generally follow the existing alignment 9.6 miles south to the western boundary of the Point MacKenzie district. Initially the alignment will be a two-lane roadway with provisions to allow for future expansion to four lanes. Additional funding in the amount of $5 million for the Big Lake-Burma roads will fund an environmental impact statement to support improvements over a length of 18 miles from the Parks Highway to Point MacKenzie Road. With the Big Lake-Burma EIS and future construction of the road, this will become the main access between the Parks Highway and the Knik Arm Crossing.

By the end of this summer, we expect work to be completed on the $28 million extension of C Street between O’Malley and Dimond to establish another route into town and ease traffic on other arterials. Abbott Loop Road will be extended by 2007 and when the Dowling Road extension is finished this project should effectively fix our traffic congestion problem at the intersection of Lake Otis Parkway and Tudor Road.

Construction is underway on a $5 million project on the Richardson Highway to add an interchange at Eielson Air Force Base near Fairbanks to alleviate a dangerous situation with commuter traffic stacking up during morning and evening drive times.

DOT&PF expects to finish lane-widening work on the Kenai River Bridge in Soldotna this fall. Three lanes were added to the bridge to make traffic flow more smoothly through a heavy use intersection on the Sterling Highway.

We expect to break ground this year on a road-realign-
ment and passing-lane project on the Glenn Highway near Hicks Creek that ought to keep the summer traffic moving more safely.

Our Alaska Legislature, working in cooperation with Gov. Frank Murkowski, has also committed to building the transportation infrastructure needed to access our natural resources, including the following projects.

- We’ve committed $20 million in the past two years to improving the Dalton Highway. There will be significant work on it this summer to continue chipping away the maintenance backlog.
- Glacier Creek Road near Nome was built to establish better access to mining prospects that are expected to create 130 local jobs.
- We expect construction to be finished this year on Dayville Road in Valdez to improve access to the Alyeska facility, Petro Star refinery and the fish hatchery. This road also serves as an increasingly popular tourism corridor.
- We approved $12 million in general-fund support this session for our Roads to Resources program to continue momentum on lowering the cost of accessing our natural resources to improve the business climate of Alaska.
- We’ve supported the DOT&PF six-year plan to remove the last 58 miles of seasonal weight restrictions on the Parks Highway. They will finish work this summer on a 25-mile reconstruction on the Parks near Fairbanks. This fall another five miles from Ester to Fairbanks should be completed. When this six-year project is finished, shippers will be able to move more goods to markets in Alaska in a more cost-effective manner, a major public benefit.

Funding for these essential transportation projects, coupled with legislation to expedite getting projects on the street sooner, will provide better transportation corridors, get the traffic moving and invigorate the economy.

Sen. Charlie Huggins was appointed to the Alaska Senate in 2004 to represent rural Mat-Su. He chairs the Transportation Committee and is vice-chair of the Judiciary Committee. He is a member of the State Affairs Committee, the World Trade & State/Federal Relations Committee, Armed Services Committee Joint Committee and the ASC Subcommittee On Homeland Security Joint Committee. He also serves on the Administration, Military & Veterans’ Affairs and Transportation & Public Facilities subcommittees. To contact him during the session call (907) 465-3878; or call (907) 376-4866 in the interim.
Evaluating the recent legislation session requires reflection on what was achieved and contemplation of what might have been. There have been few times in Alaska’s history that a Legislature was faced with an issue as pervasive as the petroleum production tax. Decisions made on this one item will have more of an impact on future generations than any other issue legislators have faced in years. Hopefully, in the end, they struck the right balance between taxes and incentives.

While the Legislature was appropriately focused on the PPT this session, a number of issues of interest to AGC did pass this year.

**Training Partnership Pilot Program**

In February AGC members flew to Juneau to brief legislators on our priorities. The message was focused on the need for state support for construction training. Specifically, we asked for $1 million to fund a construction training pilot program based at the King Career Center in Anchorage. This project is a partnership of the Anchorage School District, the Anchorage Homebuilders Association, the Alaska Department of Labor and Workforce Development, Alaska Works and AGC. We were successful in getting the funds in the capital budget for this important project. This program will utilize facilities of the Anchorage School District after hours and on weekends to provide the basic construction skills students and young adults need to gain entry level skills in the industry.

The training partners for this project also supported SB 309 that could supply a source of future operating funds for the King Career Center as well as expansion of similar programs to other areas of the state. Unfortunately, SB 309 ran into significant difficulty and did not make it out of the Senate.

**Unemployment Insurance**

(SB 306; Primary Sponsor Sen. Con Bunde)

In 2004, President Bush signed Public Law 108-295, amending the Social Security Act of 1935 and requiring each state to enact legislation to prevent the practice of state unemployment tax-avoidance schemes. If Alaska failed to enact this legislation, the state’s unemployment insurance program would be decertified and all employers would lose their federal tax offset credit of 5.4 percent, which would amount to $103.9 million in additional federal taxes on Alaska employers.

This legislation makes it possible for Alaska businesses to continue to receive a 5.4 percent offset credit on their federal income taxes. Were it not for the efforts of AGC’s lobbyist, Thyes Shaub, it is likely that Alaska would not have complied with the federal requirement. Apparently the need to amend our statutes was overlooked by the administration. All Alaska employers owe Shaub a measure of gratitude for her diligence on this issue.

**Certificate of Fitness for Explosive Handlers**

(HB 338; Primary Sponsor Rep. Mike Chenault)

The Alaska Department of Labor and Workforce Development has the authority to issue a certificate of fitness to work with explosives in Alaska. The department currently requires explosive-handler-license applicants to submit to a criminal background check. However, this check does not require fingerprints to verify proper identification and reveal criminal acts the applicant committed in other states. This bill adds a fingerprint requirement and provides the authority for the Alaska Department of Public Safety to perform a nationwide, fingerprint-based, criminal-history search and provide the data to the Alaska Department of Labor.

**Eminent Domain**

(HB 318; Primary Sponsor Rep. Lesil McGuire)

A recent U.S. Supreme Court case sent many state legislators scurrying to change the eminent domain laws in their states. The ruling found that a government could seize private property for economic development purposes if state laws do not exist to bar this action. HB 318 prohibits the use of eminent domain for economic gain and further restricts the taking of a primary residence through eminent domain so that others may have a recreational opportunity.
At Alaska Air Cargo, we deliver 30 million pounds of Alaska seafood a year throughout the U.S. and Mexico. And we also lend our strict handling procedures to all kinds of businesses, from floral and fruit to medicine and meat. In other words, we ensure fresh and punctual delivery of the most important cargo of all: yours.
Adding to your safety toolbox
Using audits and inspections to enhance your safety process

Audits and inspections are important safety tools to keep handy in your safety toolbox. These tools can help you analyze problems and hazards, identify potential weaknesses in your safety system, help you prepare for an OSHA compliance audit, and provide an important review of your safety management system. For companies that are seeking leading safety metrics (as opposed to using only lagging), audits and inspections can also provide valuable data for “trending” and benchmarking.

Although the terms audit and inspection are often used interchangeably, they are actually quite different. The National Safety Council defines inspection as “That monitoring function conducted in an organization to locate and report existing and potential hazards having the capacity to cause accidents in the workplace.”

Audits are more formal and methodical examinations and reviews involving much more scrutiny and a “deeper dive” than inspections. The National Safety Council says, “Auditing is management’s way of making sure that a safety management program is operating as designed.” In the book On the Practice of Safety, Fred Manuele writes, “The paramount goal of an audit is to influence the organization’s culture concerning safety… a [safety audit] report is an assessment of the outcomes of the organization’s culture.”

Inspections

According to Joe Teeple, author of What Every Supervisor Must Know About OSHA—Construction Industry, inspections can be used to:

- Uncover unsafe acts and conditions
- Reveal the need for specific guards for workers, machines and materials
- Help “sell” the safety program to workers
- Encourage supervisors to inspect their own areas, tools, equipment, materials and work practices
- Bring about a closer liaison between safety personnel and line personnel
- Provide an additional set of eyes to identify unsafe conditions before an accident occurs

Inspections can take many forms, from a cursory daily walk-around, to an extensive protocol that may take hours. Inspections can be done by safety personnel, or more ideally, by supervisors, or—even better—by workers.

Inspections should be done during working hours while activities are being performed. This allows actual conditions to be observed and also affords the opportunity to watch people working. Unfortunately, all too often inspections only focus on physical hazards; workplace behavior should always be included.

Utilizing a form or format during the inspection can be very helpful. A variety of forms are available for use, including some excellent inspection tools at www.osha.gov and others can be found in the references noted at the end of this article.

Inspectors should be thorough, always looking for the underlying causes of deficiencies and hazards, but also in a positive and constructive way.

Audits

Audits are used to probe systems and processes at a higher, more systemic level than inspections. Audits can be used to evaluate an entire safety system (such as a Safety Management System Review), or just portions of the system (such as evaluating the effectiveness of the company lock-out, tagout program).

One example for using audits to review an entire safety system is suggested by the new American National Standards Institute Z10 standard for safety management systems. A key component to an effective occupational health safety management system is the management-review process. The standard recommends that organizations, “Establish and implement a process for top management to review the OHSMS at least annually, and to ensure continued suitability, adequacy and effectiveness.”

These management review audits are a critical part of an effective Safety Management System by providing for a strategic and critical evaluation of the safety system and recommending improvements. Reviews by top management are required because decision-makers have the authority to take the necessary actions and commit resources, although it is appropriate to include input from other employee and management levels within the process.

This type of system-wide audit would include gathering objective evidence (through documents, records, interviews
and observation) to evaluate the effectiveness of various OHSMS sections such as:

- Management Leadership and Commitment
- Employee Participation
- Safe Operating Procedures and Rules
- Contractors
- Emergency Preparedness
- Education, Training and Awareness
- Document Control and Record-keeping
- Incident Investigation
- Corrective and Preventative Actions

Audits can also be used to evaluate only portions of the system, such as the fall protection program. In this example, the company would:

- Look to determine if the program was being used, if it was understood by workers and supervisors, its effectiveness and whether or not documentation was being done.
- Review training records and written policies, then go out to the field to verify if such policies were understood and being used.
- Make a follow-up evaluation to determine the program’s effectiveness, i.e., are the right people provided with the right tools and knowledge? If so, are the tools and knowledge being used to actually prevent injuries?

**Conclusion**

Audits and inspections are very useful tools in the safety process. They can help management determine program and system effectiveness, point out areas for improvement, help maintain regulatory compliance, discover problems before they grow to “super size,” and provide an avenue for meaningful supervisory and employee safety involvement.

The real value in these tools, however, is using the information gathered during the process and making applicable changes to systems, behaviors and safety programs. Merely measuring without acting upon recommendations leaves real-time opportunities for improvement sitting on the table.

**References**


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Chris Ross, CSP, CPLP, is the AGC/NANA Training Systems General Manager. Visit their Web site at www.nana-nts.com or call (907) 565-3300 for more information.
It’s that time of year again! The Alaska USA Excellence In Construction Awards and the Marsh USA Excellence In Safety Awards deadlines are August 31, 2006*. 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 our members and previous winners say …

**CONSTRUCTION**

**George Tuckness, Neezer Construction**

The Excellence In Construction Award provides a “Stamp of Approval” as to the character of our company and to the quality of our work. This award is especially important to us because the winner is selected by a jury of peers and represents a “Strong Vote of Confidence” to owners as they select contractors for their projects.

**Dave Dickaus, 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.

**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.

**SafETY**

**Roxanna Horschel, Acme Fence**

Safety in the construction industry has become a must and a priority with most owners. Customers want to do business with firms that demonstrate good safety practices. We display our AGC Safety Award proudly and I have been pleased at the positive response from the many that have noticed it.

**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.

**Terry Fike, Alcan General Construction**

A comprehensive safety program that is support 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**

Changes were made this year to improve the entry process. All entrants need to check for new categories and entry instructions. We want our AGC of Alaska members to enter and the Awards Committee has made that easier for you. CHECK IT OUT TODAY online at www.agcak.org under hot topics.

*The deadline to enter is 5 p.m. August 31, 2006, at the AGC office in Anchorage.

Call Kimberley at 561-5354 for help and information.
In 1986, Parker, Smith & Feek opened an Alaska office to provide Alaskan business owners a choice of insurance and bonding programs at competitive prices.

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907.562.2225
For more than 40 years, Fairbanks-based Brice Inc. has offered its clients a full slate of contracting and environmental services with a successful track record of completing projects in remote, harsh locations off the road and Railbelt in Alaska.

Brice Inc. is a civil construction firm that evolved from an original plan in the 1960s to open a lumber mill in Fairbanks, to a clearing and right-of-way business that eventually became a heavy civil construction company. Since then, the company has completed hundreds of construction projects throughout Alaska, with a majority of these being turnkey, hard-dollar, bonded contracts.

“Historically, Brice Inc.’s niche is working the tougher locations throughout Alaska—we specialize in remote site construction,” said Alba Brice, a vice president and one of the owners of the family owned and operated business. “We are known for our road and airport work in rural Alaska.”

Since its inception in the late 1960s, Brice Inc. has completed construction projects in a variety of remote Alaskan sites. These sites range from locations in the Aleutian Chain, on isolated islands in the middle of the Bering Sea, in southeastern, central and western Alaska as well as projects on the North Slope. The company was the first to bring heavy equipment to the trans-Alaska oil pipeline project.

“The logistics in the rural areas of the state can often be a critical component of a particular job,” Brice said. “For this reason our approach to these projects is to be as self-contained as possible—that is, we try and account for as many contingencies as possible, and we bring everything we think we might need to a job site.”

Brice Inc.’s management realized early on that logistical self-reliance was very important to ensure the success of its projects and, therefore, was a critical component to the success of the company itself. To that effect, Brice Inc. owns and operates its own light aircraft and retains a corporate pilot to provide efficient support for its remote projects.

“The current coverage provided by various air freight and air taxi services has made project support via commercial carrier much more efficient over the years,” said Brice. “But we feel it is still very important to have some direct control available in terms of project support. There can be situations where an entire job may be shut down waiting for the delivery of a critical equipment part or component.”

At one time Brice also owned and operated its own fleet of tugs and barges to transport equipment to the company’s job sites along the coast and rivers of Alaska. That element of the business was eventually sold to a commercial carrier due to the efficiencies that commercial firms can now provide in terms of mobilization.

Currently, with a significant capital investment, Brice Inc. owns, operates and maintains a large fleet of heavy equipment. The fleet includes specially designed off-road side dumps and tractors; articulated, low-ground-pressure 30-ton rock trucks; several rock crushers; and Alaska’s first GPS-guided D10-R dozer.

In the early 1990s, Brice management saw an opportunity to use the experience gained from years of moving, sizing and processing soil. A soil remediation company called Brice Environmental was formed. The company has performed remediation projects on the East Coast, West Coast, the Southwest, Hawaii and other Pacific islands.

The company has extensive experience in the evaluation and treatment of small arms firing range
soils as well as other soils with heavy metal and other contaminants using a proven, patent-pending technology for analysis and treatment. While the company specializes in the evaluation and treatment of contaminated soils, Brice Environmental also offers a long list of specialty services.

Brice also owns and operates a basalt quarry called Brown’s Hill Quarry located near the city of North Pole. The only basalt source in Interior Alaska, Brown’s Hill Quarry sells a variety of products and materials to the Fairbanks construction market. Brice’s primary equipment maintenance facility is also located at the quarry site.

While having the right tool or material for the job is important, Brice Inc. also focuses on the human element in construction, emphasizing local hire for its labor force whether working in the Fairbanks area near union dispatch halls or in remote villages. Brice works closely with the villages and the various trades to facilitate training for upcoming projects.

“Local hire is something Brice Inc. focuses on. We try to hire as many folks from the communities we work in that we can,” Brice said. “We feel like we are visitors in the villages that we work in. It is their home and it is important to remember that. Local hire not only benefits the community economically, but also benefits the construction company. This policy not only creates good will within the community, but we get a chance to forge lasting relationships all over Alaska. Some of the nicest people you will ever meet are out there in the Bush.”

As a union contractor, Brice Inc. draws from the local union halls to provide the labor required for its construction projects. The company also has a full-time staff of more than 30 people to cover the administrative requirements for the construction company, environmental company and the rock quarry.

One of the company’s more high-profile projects in recent years was the recent completion of the missile defense site work at Fort Greely, located near Delta Junction. Brice Inc. was hired as site preparation subcontractor and was on hand at the very inception of work at the missile defense project. Brice was on site for almost three years as the project developed.

“The missile defense project was somewhat fluid at times. Because of the fast-track nature of the project, some of the design aspects would literally evolve as the project went along,” Brice said. “It was certainly a great opportunity for us and we enjoyed the fact that the project was on the road system, unlike our typical project locations. It was nice to be focused in one place for that amount of time.”

Brice’s initial work at Fort Greely included surveying, clearing, grubbing and topsoil stripping and stockpiling of approximately 134 acres. The company also developed a borrow pit for processing and placement of approximately 15,000 cubic yards of fill material. Crews completed more than 11,000 hours of accident-free work during the freezing months of the fall and winter in 2002, as noted in a written commendation from the U.S. Army Corps of Engineers.

Beginning in 2003, Brice Construction also excavated the six silo interface vaults and provided a variety of assistance to the prime contractor constructing the missile silos, including crane support, equipment rental, fueling, maintenance and snow removal. At times, more than 100 workers were on the Brice payroll at Fort Greely.

“Brice has an excellent record working with the Corps [of Engineers] and we would certainly welcome opportunities to work with them again in the future” Brice said.

Currently, Brice Inc. has several projects that it will be working on this summer including airport work at Tanana, Mountain Village, Stevens Village and Deadhorse. The company will also complete road work at Pitka’s Point, as well as an erosion control project near Deadhorse.

Patricia Liles is a longtime journalist who covers Alaska business and industry issues. She works outside of Fairbanks.
More than just missile silos

Story and photos by Ron Dalby

The guards at the Fort Greely front gate don’t mess around these days. If you don’t have the appropriate sticker on your bumper and the right ID in your pocket you’re going to have to stop, go inside a spanking new building and fill out a couple of forms detailing why you want to go on post and indicating who is sponsoring your visit. Between the perils demonstrated by the 9/11 attacks and some new, rather secret construction, Fort Greely has become very much a closed community these days.

Cornerstone Construction built the new Fort Greely control tower during the summer and fall of 2005. The old tower built atop the hangar can be seen in the background. Photo: Ron Dalby
Ask the average Alaskan about all the goings on at Fort Greely near Delta Junction and he or she will probably come back with comments about the National Missile Defense System. And that would be right. There are indeed underground silos with real missiles inside, missiles designed to intercept other missiles that might someday be fired at the United States. But those missiles, the silos that house them, and the necessary command-and-control systems are only part of the story.

Rick McAuliff was Cornerstone Construction’s project superintendent for another segment of the Fort Greely project, the part you’ve probably never heard about with all the talk about missiles. In about six month’s last year, McAuliff’s crew put a new roof on the airfield hangar, upgraded the fire rating in the hangar walls, upgraded the hangar building to better withstand seismic events, painted the hangar, expanded the water system for this part of the base, and built a new aircraft control tower. Now the fire brigade uses the hangar for its equipment and as quarters for its on-duty, firefighting crews. No aircraft are kept in the hangar. And part of the reason for upgrading the water system was to keep the firefighting tankers supplied.

“We started about the first of May [2005],” McAuliff said, “and we were out of here by Thanksgiving.” In April he was expecting project closeout by June 1 of this year. At the time there was only one man on site doing some electrical work in the new pump house.

When construction was in full swing last summer, McAuliff figures he had about nine carpenters employed along with various sub-contractors on site to handle piping and electricity. Fullford Electric in Fairbanks provided the electricians and Simplex Grinnell handled the piping part of the project.

“The airfield is now a joint civilian-military airfield,” according to McAuliff. “My understanding is that the airfield is a support mechanism for the missile field.”
**The new control tower**

Probably the centerpiece of Cornerstone’s effort at Fort Greely is the new, state-of-the-art, 106-foot-tall airfield control tower. Longtime Alaskan pilots will be surprised to learn that it is currently staffed for 16 hours every day, from 8 a.m. until midnight, and plans are in place to staff it around the clock sometime in the near future. Alaska has very few airfields outside of Fairbanks and Anchorage with fully staffed towers.

Thomas Knight runs the control tower. Knight spent 21 years working in aviation operations for the U.S. Army and recently retired to take over as training supervisor for the control tower operation at Fort Greely. The tower that McAuliff’s crew built last year is clearly Knight’s pride and joy. He’ll jump at the chance to show you around, but, be warned, you’d better be in shape. Climbing a 106-foot tower requires a little bit of effort for most of us, though Knight seems to just sort of dance up the stairs and seems politely impatient while waiting for those of us who tread more slowly on the stairs.

On duty in the tower this day is Marlin Wright, who also learned his trade in the Army and was recruited for this job by Knight. And the view, once you’re on top, is spectacular on a clear day, as you might imagine, with the jagged peaks of the Alaska Range stretching across the southern horizon.
and the broad Tanana Valley spreading out to the east and west.

Also visible from the new tower is the rickety wooden old tower, built atop the hangar next door. This tower served the Fort Greely airfield from the 1940s until Cornerstone built the new one last year to replace it. It’s now used to house radio transmitters and antennas.

Because it serves the missile sites, the tower must be manned, but it hasn’t yet been exceedingly busy. As of April 21 this year, controllers had handled only 63 aircraft since the start of the year.

Once out of the tower, a short walk takes you over to the renovated and enlarged pump house. According to McAuliff, Cornerstone had to almost double the pumping capacity for this part of Fort Greely, in part because the fire department moved into the hangar and the old system was not up to the demands of rapidly filling the tankers in the event of a fire emergency.

**Missile silos**

Not many people, particularly people with cameras around their necks, are going to get a tour of the actual missile site. Our knowledge of what goes on there is largely restricted to a few terse sentences in very occasional press releases. That’s probably as it should be. The handful of missiles waiting silently in the silos dug into the tundra at Fort Greely com-

The handful of missiles waiting silently in the silos dug into the tundra at Fort Greely comprise America’s last line of defense...

prise America’s last line of defense in the event the unthinkable happens and a rogue nation launches a missile attack on our nation. The existence of these missiles need not be advertised. The comfort—and the deterrent—is in knowing that they are there and are operated by highly skilled and carefully trained men and women.
For some of us, roaming through the refurbished hangar and touring the new control tower was good for a bit of reminiscing. Those who served in the Army in Alaska over the years almost certainly spent time working out of Fort Greely on field exercises. In those days gone by we used the old hangar for any number of projects, including a place to park helicopters, and we worked with controllers operating out of the old tower.

Cornerstone’s work has brought these 60-plus-year-old facilities into the modern age. Likely these buildings are good for at least another generation of soldiers and perhaps as many as two or three. The one thing that hasn’t changed is that the Army still trains at Fort Greely.

On a personal level, on the day that McAuliff took me on a tour of the new tower and refurbished hangar, my son-in-law was living in a tent somewhere on the tundra of the Fort Greely maneuver area as his unit trained for deployment to Iraq later this year.

Marlin Wright operates one of the radios in the new airfield control tower at Fort Greely near Delta Junction.

Marlin Wright operates one of the radios in the new airfield control tower at Fort Greely near Delta Junction.
When the power goes out in Angoon, Kake or many other southeastern Alaska communities, the phone usually rings at Chatham Electric.

The Juneau-based company sends its linemen out in floatplanes and helicopters to serve small communities in Alaska’s Panhandle, from Yakutat to Ketchikan and beyond. Often they’re working on mountain tops or laying submarine cables to small islands.

“We are the primary contractor for many of the utilities in Southeast Alaska, both telephone and power,” said Ralph Kibby, the company president. “But we’ve also worked as far as Adak; we’ve worked as far as Nikiski, because times haven’t always been good in Southeast. We have to be able to reach out in other areas.”

Chatham Electric serves many of the utilities around southeastern Alaska, including Inside Passage Electric Cooperative, Alaska Electric Light and Power, Ketchikan Public Utilities and the Four Dam Pool. Chatham Electric also recently signed a joint agency agreement with Alaska Communication Systems, allowing them to work cooperatively to provide better services to their customers, Kibby said.

Close to home, Chatham Electric is very selective about the projects it bids in Juneau’s highly-competitive electrical market, Kibby said. Currently they’re doing the electrical installation for the Juneau Youth Services building, but generally Chatham works with industrial clients. Contracts with mining companies, including Kennecott Greens Creek Mining Co. and Coeur Alaska, Kensington, have been important. Chatham Electric has worked more than six years at the Kennecott Greens Creek Mine.

“They’ve been a huge part of our growth, very positive,” Kibby said.

The company is most suited for remote work, because the owners and employees have years of experience both in the electrical industry, and with the unique challenges of southeastern Alaska, Kibby said. He’s a third-generation Douglas resident. His partner in life and business, Julia Smith-Kibby, is a third-generation Juneauite. They met in a Juneau swimming pool when they were 12 and married when they were 30.

“We really complement each other well,” said Smith-Kibby, the chief financial officer for Chatham Electric. “Ralph has such great ability to have a broad view of things and I think I’m probably more of a detail person.”

The couple didn’t work together until they opened Chatham Electric. For the decade before that, Kibby was superintendent and president of Cave Electric and Smith-Kibby worked for her family’s earthmoving business, Gastineau Contractors.

Then Glenn and Shirley Cave, the owners of Cave Electric, died in a small plane accident in August 1999. The Kibbys bought the company assets and opened Chatham Electric in January 2000, named for Chatham Straits, one of the main bodies of water in Southeast. In the six years since, they’ve nearly doubled the company’s revenue.

Chatham Electric’s success is due at least in part
to its versatility and far reach, as well as the depth of experience they and their employees have, not just in the business, but also with Alaska’s unique terrain and challenges, Kibby said.

“We are fortunate to work with highly trained and skilled craftsmen. We are only as successful as the employees we work with.” Kibby said. Having served a line and a wire apprenticeship through the IBEW, Kibby holds both inside and outside administrator’s licenses.

“It really ended up being a benefit for our company that he does have that background,” Smith-Kibby said.

The company works as a one-stop shop, able to do everything from building a power plant and stringing the power lines to wiring the buildings on the other end.

Chatham Electric’s three departments—transmission and distribution power line work, inside and outside telecommunications, and industrial and heavy commercial electrical—have seen equal growth, Kibby said.

“We’re very fortunate. What we have is an electrical company that’s capable of just about all the facets of the industry,” Kibby said.

For one recent project in Angoon, Chatham Electric extended the power line and put in the submarine line crossing to Killisnoo Island. This year Chatham plans to provide secondary service to a commercial icehouse on the island, and distribution and service panels to many of the Killisnoo residences.

Some of Chatham Electric’s employees have more than 25 years experience in the field, Smith-Kibby said. Chatham keeps about 20 employees through the winter, increasing to about 30 for the summer peak. Most are based in Juneau, but a few live in Sitka and Ketchikan, making it easier to respond to calls in those areas.

Getting to job sites is one of the challenges in southeastern Alaska. While employees can be flown to small towns or remote beaches, the heavy equipment and materials generally need to go by sea. Chatham Electric relies on the Alaska Marine Highway System, but cutbacks and schedule changes during the past year disrupted several projects.

When the Alaska Marine Highway canceled scheduled sailings to Angoon and hired a local landing craft, Chatham Electric was left in the middle of a project with no way to get the equipment to the job site. Kibby had to hire a private barge and landing craft, adding an unexpected expense to the project costs. While returning a new, expensive and highly specialized piece of equipment, the landing craft encountered stormy seas, and heavy salt spray doused it, rendering the piece of equipment almost inoperable when it reached Juneau.

Kibby is concerned about proposed cuts in the ferry system, which will make it even harder to keep the lights on in the towns Chatham Electric services.

“Can you imagine if the power goes off in one of those villages? How are they going to get the excavators, the boom trucks, the bucket trucks there? How do we move heavy equipment into those places without our marine highway system?” he said.

It’s a challenging time for electrical contractors in general, Kibby notes. Materials prices have escalated and fluctuated so quickly that a price quoted in a bid won’t be accurate days later. The cost of copper quadrupled in a little more than a year and steel prices tripled. Increasing fuel prices have also had a strong impact in southeastern Alaska, where everything must first be barged up, then delivered to the often-remote job sites.

“We face a lot of obstacles right now – with a changing market, a government that is trying to become more fiscally responsible. It’s not easy,” Kibby said.

Kristan Hutchison is a Juneau-based freelance writer.
Close your eyes and imagine driving along the newly opened Juneau Access Road to Katzehin on your way to Haines or Skagway. You see abundant wildlife, beautiful snow-capped mountains in every direction, cascading waterfalls, free-flying eagles and possibly even an orca pod or two. It is green everywhere, remote and dazzling.

The Juneau Access Road will run 50 miles through prime Alaska wilderness, is steeped in controversy, and being built as you read this. And, for well over 30 years a debate had been ongoing—whether or not a road from Juneau to Skagway/Haines should be built.

This road is important to people who live in and outside of Juneau; many have spoken out on both sides of this issue. A road would provide another means of access to those people who need another option rather than flying or taking the four-hour ferry trip from Haines to Juneau.

As it stands the plan calls for approximately 50 miles of road to be laid down from Juneau to Katzehin. Then a ferry would take drivers from Katzehin to either Haines or Skagway. The proposed shuttle ferry would operate at frequent intervals, thus providing more contact with the road system than is currently available. It is suggested that it will run every 30 minutes or so from Haines/Skagway to the Katzehin terminal.

When the terminal is up and running, the ferry system will no longer schedule trips from Juneau to Haines and Skagway. The Alaska Marine Highway System will operate throughout the rest of Southeast as scheduled; it just won’t run any higher than Juneau.

Big project, big issues

With large-scale construction projects come large-scale issues. Builders awarded the contract will need to take into consideration the unique area the proposed road will pass through.

Rep. Carl Gatto, R-Rural Mat-Su, co-chair of the House Transportation Committee, said, “The road, once built, is estimated to be closed only about one month a year, and there are numerous avalanche chutes and at least one bridge across Berners Bay that will need to be surmounted and taken into consideration. This will be a difficult area to build in and putting a road in on the side of a mountain will get difficult.”

Once contracts are awarded, construction is expected to start this summer, as per information available at press time.
A unique twist and possible beneficial byproduct of this large project belongs to Kensington Mine. At present, the mine must ship goods and materials by boat. When the road is finished, supplies can be delivered more quickly and cheaply by vehicles, thus bypassing the mine’s traditional means of moving materials.

Lance Miller of the Juneau Economic Development Council states that having a road would “provide another means of access” for people.

“The thing is, it is transportation at any time versus being on a schedule,” Miller said. “More modes of transportation will help lower the cost of goods and services for people residing in Juneau and surrounding communities.”

Funding
The funding for this project was included in the 2006-2008 Statewide Transportation Improvement Program budget. The budget includes $45 million of state general funds and some money also coming from Department of Transportation & Public Facilities reserves.

According to Gatto, the $45 million is just a start and it is estimated that to finish the road will take $188 million. The funds to complete the road have yet to be designated.

“There is money to start, but not money to finish. Overruns scare me the most,” Gatto said. “This [project] is going on the side of the mountain and it is always difficult to build. A lot of people would rather have improved ferry service.”

Technically, since the budget is approved and the funds are there, road construction can start. Blasting and a temporary bridging would begin the process, but it is expected to be slow going. The first blast area at Berner’s Bay is a wide area. There will be flooding and a wide range of possible problems associated with those issues.

For and against
Along with the issues of money and construction considerations surrounding this project there are the people. Some are for it. Some are against it. Will the government take into account those views that are pro road and those against the road?

According to Rep. Gatto, about 50 percent of the population of Juneau would like to see the road built.

Haines and Skagway residents are another story. There is definite attitude among permanent, full-time residents that this project is terrible.

Jan Hill, former borough mayor and lifelong resident of Haines, would rather see an improved and reliable ferry service than a new road.

“Many people feel that the ferries are not providing the service they have relied on,” Hill said. “So many roads need more maintenance and [I] would rather see money going to fix existing roads than a new road being built. I certainly understand the economics of the road, new jobs and better access, but I am not sure if it is the best use of funds available.”

According to the Alaska Transportation Priorities Project, in October of 2000, residents of Juneau voted to improve ferry service over building the proposed road (by a 70-vote majority). In 1997 and again in 2006 the Haines
Borough passed resolutions opposing the road. Lastly, in the fall of 2004, 61 percent of Skagway’s residents voted for improved ferry service over the proposed road.

The ATPP Web site states that they are not against the government building roads but that they would like to see them “do something, not just planning to do something.”

Kathy Hosford of Skagway, a resident of Alaska since 1967, owner of Chilkoot Trail Output and self-proclaimed Juneau Road advocate says, “The road is important for growth in order for us to survive. We have been striving to get transportation issues in place since statehood. It costs money to travel short distances because we don’t have the ability to move between cities easily. We lose residents because of economic issues. As much as we all love the ferries, they are outdated and cost a lot of money.”

Hosford is passionate about the economic opportunities that a road would provide.

Roger Schnabel, owner of Southeast Road Builders, is also pro-road. Mr. Schnabel is a life-long Alaskan born and raised in Haines. “From a local stand point people are fairly si-

“The road is important for growth in order for us to survive.”
– Kathy Hosford

Funding tangles

According to the federal transportation bill, SAFETEA-LU, Congress mandated that a minimum of $450 million of Alaska’s federal money be spent on the Knik and Gravina Island bridges. In February of 2006 congressional changes to the bill now allow now more money to be available for funding the Juneau road and ferry and other community projects once considered out of budget.

Gov. Frank Murkowski and his administration are pushing for the construction of this road.

Communities across Alaska are being told that projects they were hoping to start and some that were to start will no longer be funded. This is due to the high amount of money the Knik Bridge, Gravina Island Bridge and the
Juneau Access Road projects will take. Case in point: Juneau’s second crossing.

The bridge from Juneau to Douglas is aging and traffic is increasing. A second bridge is needed to alleviate the congestion. People are moving across the bay but the infrastructure cannot keep up with demand.

According to the ATPP, the second crossing bridge would cost about $68 million.

When the final STIP came out in February a few projects like the Gravina and Knik Arm bridges and the Juneau road are still on the list moving forward, but more than half of the projects proposed will not receive funding.

The ATPP also projected that 70 percent to 80 percent of projects on the STIP are no longer happening.

Jeff Ottesen, a DOT&PF division director, stated back in January of 2005 to the House Transportation Committee that there is an estimated $10 million dollar backlog in maintenance.

Spokesperson for ATPP Emily Ferry says, “If smaller projects were allowed to be funded we would see some local jobs created. Although these jobs are smaller, there would be a steady stream of them. It is not about roads or the construction, but about sensible transportation spending in the state of Alaska.”

Highways such as the Alaska, Glenn, Parks and Seward all have funding needs that will be delayed for years. All the major Alaska highways are currently under funded.

Alaskans have a choice to make. Better roads or a better ferry system. It seems as if one comes at the price of another.

Once completed the Juneau Access Road will be utilized. It will provide another travel option. Goods will get shipped faster and with less cost. People will be able to move and travel quicker and easier. Medical care becomes closer and more accessible.

Alaska is a growing state with growing needs and there are many different ways to interpret what quality of life means to the people of the 49th state.

What it comes down to is options. Road or no road. More ferries or no ferries. Increased access to our state through roads or expensive air travel.

Bottom Line

Finally, though, it looks like a road more or less connecting Juneau to the rest of the continent is going to happen. Whether you agree or disagree with the idea of such a road, the fact that it is being built demonstrates that Alaska is moving forward.

Laura Bruck is an Alaska-based freelance writer and former Skagway resident.
A welcome addition to Alaska’s maritime contractor’s landscape

When the Exxon Valdez ran aground in Prince William Sound more than 17 years ago, a company came to Alaska to assist with temporary clean-up operations and never left. Today, American Marine Services Group is a family of companies consisting of American Marine Corp. and Pacific Environmental Corp. With an office in downtown Anchorage and more than 200 highly trained personnel across the country, this single-source provider proves ideal for any business needing a company that handles challenging situations with ease, constantly forms new and innovative solutions to complex construction problems, and has one of the best safety records in the industry.

That’s quite a feat for a company that began as a dive shop in Hawaii more than three decades ago. “The three founders of American Marine Services Group, Scott Vuillemot, Robert Shahnazarian and Pat Wolter, were water lovers in Honolulu who enjoyed recreational diving and decided to make a business out of it,” said Paula Dawson, AMC’s director of marketing. Out of the three, Vuillemot remains the company president today, and Shahnazarian is the CEO in charge of California operations. Wolter died in a helicopter crash in 1987 while surveying progress on a job in Hawaii.

These three men created what is known today as American Marine Services Group after meeting each other while working together on a project in the waters off Oahu in 1975. The original small commercial dive shop founded by them, American Divers, has grown into a company today with more than $25 million in annual sales and two distinct divisions, AMC and PENCO.

AMC, a bonded, full-service specialty marine contractor, is the premier provider of diving services to the oil companies throughout Alaska. AMC maintains offices in Los Angeles, Hawaii and Anchorage that specialize in marine construction projects, commercial diving, vessel inspection and support, boat repair service, offshore towing, oil field service and salvage operations, and marine pipeline maintenance.

The other half of American Marine Services Group, PENCO, is a clean-up contractor providing emergency marine oil spill response and other environmental services. PENCO maintains more than 200 on-call responders ready to go 24 hours a day to deal with an emergency anywhere in the Pacific. Whether it’s cleaning up after an oil spill, handling a leaking underground storage tank or a myriad of other problems that could occur to damage Alaska’s marine environment, PENCO is ready to combat any environmental tragedy in the Pacific Basin.

PENCO could most recently be found in Dutch Harbor, responding to the Selendang Ayu spill, one of the worst spills in Alaska’s history, second only to the Exxon Valdez. With a full array of oil spill and Hazmat clean-up equipment backed with work boats, pumps, skimmers and response vehicles, PENCO was able to provide immediate and long-lasting environmental emergency response to this disaster.

AMC provides a variety of specialty services dependent on their location. For example, with a fleet of 16 tugs and crewboats ranging up to 5,000 horsepower on the East Coast, AMC provides tugboats for dredging contracts; in Hawaii, they offer dock and dredging for several state and local contracts and provide...
island construction and maintenance; and, in Alaska, AMC performs pipeline maintenance and inspects, maintains, installs and stabilizes existing Cook Inlet platforms.

The list of AMC’s clients reads like a “Who’s Who” of the marine and oil industry: BP Exploration Alaska, ConocoPhillips Alaska, Tesoro Alaska, the U.S. Coast Guard, the U.S. Navy, the U.S. Army Corps of Engineers and Chevron Oil Company just to name a few.

**Tough Jobs a Specialty**

AMC completed an unusually challenging project in 2005 for Tesoro Alaska. At Point Possession in Cook Inlet, more than 1,960 feet of an underwater 10-inch pipe had been damaged by external corrosion and needed to be replaced. This six-week, on-site project required marine equipment to be barged in from Hawaii. Complicating matters, the underwater work site was in an active tidal zone of Cook Inlet and the work site was limited to a 300 foot by 50 foot parcel in a designated federal wildlife management area.

Working hand-in-hand with ConAm Construction, AMC had replacement pipe constructed onshore and then pulled into place using a positioning electronics system. Almost 30,000 man hours were logged for this project, yet there were no lost-time accidents and only one minor first-aid incident. The project, which involved heavy equipment operations, pipeline fabrication, ship building, marine operations, dredging, environmental monitoring, onshore survey, permit monitoring and more, was finished on time.

When it comes to finding new ways of doing construction in a maritime environment, Alaska offers some definitive challenges for AMC, according to Dawson. Although the beginning of the year is supposed to be AMC’s slowest time due to ice around Cook Inlet and cold weather conditions on many sites, the company hit 2006 running and doesn’t anticipate stopping anytime soon.

Dawson said AMC spent the winter and early spring dredging behind the Blue Lake Dam, which provides the hydro-electric and water supply for the city of Sitka. This job was finished in April, just in time for the ice to have left Cook Inlet and for AMC to perform their annual div-
ing services for their oil contractors in Cook Inlet.

The normal timeframe for AMC to perform diving and support operations for Cook Inlet is from around April through December, but all oil procedures are dependent upon when the ice is out of Cook Inlet. If it leaves the inlet early, according to Dawson, AMC could be out in the ocean in March. If the ice is late leaving, work might not get underway until May.

“The safety of our people is our number one concern,” Dawson said, stressing that when most of your operations occur outside in some of the most bitter weather conditions in the world, you have to be extremely cautious and wary about where and when you operate. Peoples’ lives depend on this schedule, which is why Cook Inlet dive operations only occur about eight months out of the year.

“And in that window, you’re restricted by tide conditions and daylight operations,” said AMC Alaska Regional Manager Tom Ulrich. Ulrich went on to explain there are only four dive opportunities a day: two at high tide and two at low tide. Once the tide changes, the water current moves too fast for work to safely continue and divers need to be out of the water. However, even optimal tide conditions do not occur every day, which is another factor that hampers Alaskan diving operations. More than a week may pass in mid-summer before it is safe to dive in the inlet if the tidal conditions are not optimal. Add that to the fact that divers in Cook Inlet must build items underwater with zero-visibility due to heavy glacial silt in spurts of time no longer than 30 minutes a stretch, and it’s no wonder that there are only

AMC assists with inspecting and maintaining a manufactured island belonging to the BP Exploration. Erosion and weathering can lead to potential problems that slow production, so AMC sets out to find and curtail such problems before they occur. Photo: Courtesy of American Marine Services Group

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PHOTO: COURTESY OF AMERICAN MARINE SERVICES GROUP
around eight divers in the state who can handle the distinctive Cook Inlet dive conditions.

“It’s actually like diving in a margarita” Ulrich said with a laugh. So, in frigid, silty conditions with no visibility and in 30-minute windows, divers are responsible for such things as anode replacement, underwater welding and underwater photography of items for inspection and possible repair.

Ulrich commented that he receives several calls a week from individuals who have recently gotten certified to dive and who are looking for work, but he cannot employ any of them. “Alaskan conditions are so unique that only a small number of divers in the world can handle what we do,” he noted. “We have a huge safety focus and a very elite crew. You can have the best boats, best equipment—the best everything—but our success is all due to the people in our company. We do have wonderful equipment, but it’s our crews that make us shine.”

Although their conditions and situations are distinctive to the last frontier, divers are only a small part of what makes up AMC. Like the constant, shifting weather over Cook Inlet, American Marine Services Group is always changing itself to be up to all the challenges that servicing the Alaskan marine environment involve.

“In the next 10 years, there are going to be a lot of changes in the Alaska oil industry,” Dawson said.

Ulrich added, “Increasing opportunities in the areas of specialty marine construction, with an infrastructure in Cook Inlet that requires increasing maintenance all the time, are going to lead to many more exploratory efforts.” AMC, with PENCO ready to act in any emergency, plans to be there for all of them.

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Tiffany Horvath is a Wasilla-based freelance writer.
When Senior Bridge Engineer Dennis Nottingham of PND coined the phrase, he was undoubtedly speaking of the simplicity of crossing to the other side of the Knik Arm approximately two miles north of the Port of Anchorage. Studies begun at the inception of the Knik Arm Bridge and Toll Authority (KABATA) in October of 2003 have removed many of the misconceptions about the difficulty of building in the Upper Knik Arm. From a construction and engineering viewpoint, 27, simple, 300-foot-span bridges of concrete or steel placed end to end is all that is required for four lanes capable of moving 40,000 or 50,000 cars a day.

The five employees that make up KABATA’s staff, including the administrative clerk, see the 27 bridges a little differently. This small staff, for mostly political reasons, sees a different set of bridges to cross before any of the steel or concrete can be set.
Port of Anchorage and Government Hill neighborhood aerial view with proposed bridge crossing the Knik Arm of Cook Inlet.

Rendering: PND Engineers Inc.
Is 80 years of study enough?

There is no more compelling reason to get the bridge built today than money. When first proposed in the 1950s, the cost was $35 million. The revised costs in the 1970s and 1980s were $100 million and $500 million respectively. Inflation continues to raise the price tag. Today’s estimate of $400 million to $600 million increases by an estimated $24 million every year the crossing is delayed. Getting to the other side by 2010 is the goal. Industry experts believe that a three-year construction period is possible; however, they advise KABATA to allow four construction seasons to be safe.

Perhaps the single biggest factor affecting the schedule is the National Environmental Policy Act. Typical projects of this size or complexity may take the Federal Highway Administration in excess of five years to obtain a Record of Decision; documentation that the project should go forward. The FHWA division office in Juneau is hopeful that they may act by fall of 2006. If true, the 2010 schedule is very achievable.

We need a contracting strategy.

The delivery system, design-bid-build, design-build, or innovative techniques such as a public-private partnership, is still being evaluated to determine the best value to the state of Alaska. Ideally, Executive Director
Henry Springer would prefer to establish the criteria for the project and allow marketplace competition to build the project faster and cheaper. Industry experts have asked that the constructors have maximum flexibility in choice of building materials, construction technique and design details. To accommodate the flexibility, design build would appear to be the leading delivery system; but project financing could push the project toward design-bid-build if funds are initially limited or towards PPP if additional equity is required beyond state and federal funds.

**Public-Private Partnerships are a national hot topic.**

PPPs have swept the transportation departments across the nation as a means to infuse private capital into transportation infrastructure projects. KABATA’s financial advisors warn that PPPs can and do provide additional capital but it comes at a price. If the toll project is successful, and in time most of them will be, the net result is that funds needed to pay for future transportation projects are instead given to investors as a return on their investment. This may not be good public policy even though it can garner additional initial capital funds.

**Equity is part of the equation.**

The Knik Arm toll bridge is planned as a toll facility. A modest toll of two to three dollars, when multiplied times the forecasted traffic, can create a revenue stream in excess of $1.5 billion to $3 billion over the first 30 years. This income can then be pledged as collateral so as to borrow sufficient capital funds to complete the required capital funding. A toll and traffic study is underway to aid the institutional investor in evaluating the strength of the income from tolls.
Population growth and land use patterns are the key ingredients.

Northern Economics Inc. provided data about population growth, land use development and the potential changes in those patterns if a crossing were made. Surprisingly the growth in Anchorage is relatively unchanged, an excellent fact for those worried about Anchorage real estate. The Mat-Su can expect a population shift closer to the crossing site. The toll and traffic specialist, Wilbur Smith Associates, is very concerned about the certainty of Mat-Su development and the approximate center of the population shift as it will affect toll revenue, which in turn affects the financial side of the project. KABATA has not been particularly worried about the outcome of the study, as most of the state’s private and undeveloped land is conveniently adjacent to the crossing site.

Steel or concrete.

As challenging as the natural environment can be with massive tidal currents, ice floes and possible ship collision, earthquake-induced forces are the controlling factor. Build the crossing to withstand up to 40 percent of the bridge’s weight laterally and the structure is readily able to withstand everything else. To resist large lateral loads, the size and strength of the foundation will be impacted by the weight of the superstructure. A concrete bridge may appear more durable and require lower long-term maintenance; however, its weight could be three times more. Initial studies have determined that both are feasible and if Springer gets his way, the market and life cycle costing results will determine the outcome.

Industry experts have agreed that earthquake forces will control many portions of the design. The soil conditions in Anchorage are known to be poor; however, working with former Governor Bill Sheffield, director of the Port of Anchorage, and Port MacKenzie Director Marc Van Dongen, KABATA was able to obtain preliminary subsurface soils data across the Upper Knik Arm by sharing a jack-up drilling rig. When the soils work performed by Shannon and Wilson was combined with the geophysical work of Golder and Associates, the report results were excellent. The soft clays disappear north of the Elmendorf moraine in the project area and are replaced with a very dense, silty sand and hard, compressed clay for foundation materials. Conservatively, $100 million was reduced from the project cost due to the site subsurface profile.

Work begins this summer.

This summer, KABATA has elected to bring the jack-up drilling platform
back for more detail geotechnical work on the alignment specific to the route chosen through the EIS process. Approximately $2 million will be expended on the soil investigation to aid future designers and contractors by attempting to remove substantial unknown risk from their bids. If permits can be secured, KABATA also intends to conduct pile driving and pile load tests using the same offshore barges and equipment.

Other planned activities within the immediate future include the upgrade of the Port MacKenzie road, co-construction of the highway in the Port of Anchorage expansion, and possible tideland construction depending upon the ROD timing and applicable permits. Gov. Murkowski budgeted $15.4 million for the Port MacKenzie road upgrade in the fiscal year 2007 budget. The road will be upgraded with a better alignment, widening and paving to facilitate the traffic load from the Port MacKenzie development, ferry traffic and the future bridge traffic. KABATA believes that work will begin as soon as money is available in July 2006 and will be completed no later than fall 2007. The Port of Anchorage expa-
sion is scheduled to begin this summer and KABATA hopes to co-construct the highway in those areas where the Port of Anchorage is expanding. Doing so will lower costs for both parties and avoid future port operation disruption.

**Bottom line**

Phasing the construction in smaller increments is seen as a means of keeping the work accessible to the local market.

Bonding the entire project is recognized as a hurdle for many local companies. Other work will necessarily be awaiting the ROD and permits, yet KABATA is planning to be ready to implement as soon as the green light is signaled. KABATA Chairman George Wuerch has directed that as much of the construction work as possible be planned and phased to maximize local labor. Construction could employ as many as 300 workers. Just 27 bridges to cross and we're there.

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**KABATA Deputy Executive Director for Corporate Affairs**

Darryl Jordan. Born in Glennallen, Alaska, and an Anchorage resident since 1958, he earned a Bachelor of Science and a Master of Science in Civil Engineering from the Massachusetts Institute of Technology. E-mail darryl_jordan@dot.state.ak.us or call (907) 269-6698.
If a public agency violates its duty to treat all bids equally, fairly and honestly, or violates a public bidding statute or rule, an aggrieved bidder should be entitled to recover its bid preparation costs. Even if the agency violates its duties or the law, the bidder to whom the contract should have been awarded will normally not be entitled to perform the contract or recover the lost profit. The most that can be recovered typically is bid preparation costs. In the past when such an event occurred, the aggrieved bidders simply tallied up their costs expended in preparing their bids, and were then compensated for those amounts.

A March decision of the Alaska Supreme Court reduced the scope of otherwise recoverable bid-preparation costs on state projects. The University of Alaska Fairbanks had issued an invitation for bids for the construction of an improvement to an existing facility on the Fairbanks campus. Although a state statute governing the procurement required at least a 21-day period between issuance of the IFB and bid opening, the University issued the IFB with only a 15-day time period. In addition, the IFB provided that no addendum would be issued later than seven days before the bid opening; but that if an addendum were issued up through the day before the bid opening date, the date for bid opening would be extended. Thus there would be no bid addendum issued on the day of the bid opening. Nevertheless, the University issued an addendum on the day of bid opening.

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The addendum changed the bid criteria and adjusted the amount required for builders’ insurance. The University also extended the bid date 11 days. At least one bidder submitted a new bid on the new bid date. However, the University rejected all bids on the grounds that they exceeded the budgeted funds available.

In deciding the case, the court assumed that the University had violated the state procurement statute requiring the 21-day bid period and addressed the issue of bid-preparation costs. Rather than simply permitting the aggrieved bidder to recover all of its bid-preparation costs incurred on the flawed procurement, the court established a new requirement. The court required the aggrieved bidder to establish a causal connection between the exact nature of the University’s violation and a specific expense. The court held that because the aggrieved bidder could not show that any of its bid preparation costs had been increased by the University’s failure to permit a full 21 days, it was not entitled to any bid-preparation costs for that violation.

The Court also accepted that the University’s addendum on the day of bid was “untimely.” Because the aggrieved bidder could not demonstrate that any expense incurred in preparing its bid was wasted or increased because of the addendum issued on the day of bid, it was unable to recover any expenses for that failure as well. The Court reasoned that because the bidder instructions permitted the University to issue an addendum up until the day before the scheduled bid opening, and the bidder was unable to show that there had been any additional costs or wasted expense by the University’s issuance of an addendum a day later, the bidder had not shown the necessary causal connection.

There really is no lesson to be learned to avoid the result in this case. The Alaska Supreme Court simply reduced the ability of an aggrieved bidder to recover good-faith bid-preparation costs when a state agency clearly violates the rules. The only real remedy would be legislative revision to the Alaska Procurement Code.

Robert J. (Bob) Dickson is a partner of the Anchorage law firm Atkinson, Conway & Gagnon, Inc.
Construction on the Pogo gold mine, Alaska’s newest large-scale, hard-rock mining operation, was completed this spring, winding down a major development project in interior Alaska that peaked at more than 500 workers and involved more than two dozen contractors.
The $347 million project included a variety of construction aspects—roughly 50 miles worth of all-season gravel road and power line construction; construction of a temporary ice road; erecting a large mill facility with substantial steel framework and concrete work; construction of administrative, mechanical and housing facilities for up to 500 workers; and development of underground mine workings.

Now nearly complete, Pogo is estimated to produce gold an average of 400,000 ounces per year throughout its current 10-year projected life. Exploration work surrounding the existing deposit and at nearby geologic targets has resumed, part of the developer’s effort to extend that mine life.

Construction on the remote mine site, located some 40 miles northeast of Delta Junction, began in January 2004 with construction of a temporary ice road to haul in building materials, heavy equipment and supplies.

Facility construction and road and power line construction began later that spring, but was halted temporarily by a last minute environmental appeal filed by the Fairbanks-based Northern Alaska Environmental Center, which contested aspects of a water discharge permit previously issued by the Environmental Protection Agency.

Pogo’s developer, Teck-Pogo Inc., the operating entity formed by partners Teck Cominco, Sumitomo Metal Mining Co. and Sumitomo Corp., held intensive meetings with the environmental group and with state and federal regulators to discuss and ultimately resolve issues raised by the environmental group’s appeal.

During those meetings, local labor groups and other citizens affected by the work stoppage at Pogo banded together and protested in front of the environmental group’s Fairbanks office, carrying signs showing support for the mining project.

“That was an extremely positive message, saying that if you do your job right, the community, the Legislature and government agencies will be on your side,” said Steve Borell, executive director of the Alaska Miners Association.

The construction project also faced some unexpected logistical challenges presented by Mother Nature, in the form of wildlands fires that burned throughout Interior Alaska in the summer of 2004. Pogo construction crews lost approximately two weeks of work during the key summer months, thanks to the Camp Creek fire that burned nearly 200,000 acres near the mine project, including burning across the all-season gravel road being constructed.

But the project remained on its schedule and most major components were completed and commissioned on Jan. 12, 2006, when the first ore was transported into the mill complex for processing.

A month later, the mine staff celebrated with an official first gold pour, producing 1,000 ounces in a gold ore bar for local media cameras. “We’re targeting our commercial production in mid-2006,” said Karl Hanneman, manager of public and environmental affairs and special projects for Teck-Pogo Inc. “Everyone was pleased, es-
especially with the schedule of construction—coming in near or at our original targets.”

Hanneman, a long-time Alaska placer miner, joined the Teck-Pogo staff eight years ago to help to shepherd the Pogo project through its advanced exploration work and an exhaustive public and regulatory review to obtain construction and operational permits.

After defining an economic gold deposit, Teck-Pogo submitted its development plans and permit applications to state and federal regulators in August 2000. More than three years later, regulators released a 1,000-page plus environmental impact statement that outlined a preferred development plan.

Prior to construction, Teck-Pogo spent about $80 million on the project after signing on with Sumitomo as a joint venture partner in 1997. According to Hanneman, that pre-construction spending included $9 million for environmental baseline and permitting costs, $13 million for engineering and completion of a feasibility study, $16 million for surface exploration, $17 million for underground exploration, $14 million for purchasing and transporting camp infrastructure on an ice road constructed in 1998, and $9 million for maintenance and project management.

Teck-Pogo also paid more than $1 million to state and federal agencies incurring permitting expenses while producing the EIS.

Aerial view of Pogo Mine shop and camp area during construction. Photo: © 2006 Teck-Pogo
All of that pre-construction spending came as gold prices spiraled downward, hitting record lows of $265 per ounce in 2000 and 2001, even as the joint venture pressed forward with the costly and time-consuming permitting process.

“We persevered with the Pogo project in spite of these fluctuations because we knew we had a good mine in the making,” said Michael Allan, vice president of engineering at Teck Cominco, in a company editorial commentary published in 2005. “The experience of the past four years at Pogo highlights the importance of environmental and community issues in developing a new mining project these days. The environmental work involved now overshadows the engineering work.”

During the permitting process, construction costs were estimated at $250 million. That capital cost was increased as the project advanced toward construction, due to some design modifications and some “significant” increases in the cost of materials used in construction, such as steel, fuel and electrical wire, Hanneman said.

“Some increases were also related to the contractor availability and competitiveness, as there was a lot of work going on in Alaska,” he added.

Through February 2006, Pogo spent $137 million of its construction budget through Alaska contractors, about 40 percent of the total, according to Hanneman. “This reflects the significant participation by Alaska contractors, considering that the major equipment and capital items had to be purchased outside Alaska,” he said.

“As a whole, Alaska contractors showed great flexibility and willingness to adapt to changing conditions (including fires, weather, design and scope changes and geotechnical issues) without allowing it to adversely affect the project schedule,” Hanneman added. “The Alaska contractors are generally a friendly but hard-working group of folks who cooperated well together to get the job done on time.”
Alaska contractors who worked on the Pogo gold mine include the following: AIC, Alaska West Express, AMI, Aurora Aviation, Bell & Associates, Big State Equipment, Carns/Copper Valley, City Electric, Cruz Construction, Cultural Resource Consultants, Delta Concrete, Delta Industrial, Dyrden & Larue, Doyon Universal Services, ESS, Halco, HB Technical Services, King Fire Protection, Layne Christensen, M2C1, Norcon, North Slope Telecom Inc., PDC Inc., Precision Power, Prism, Pro Comm and Recon. Additional entities served as subcontractors on the job, Hanneman said.

Now that construction is complete, operational mine crews have taken over, working a variety of shifts, which include two weeks on/one week off; four days on/three days off; seven days on/seven days off; or four weeks on/two weeks off.

Schedules are “primarily related to the job and the responsibility the employee has,” Hanneman said. “It’s the job and the crews we need to fit together.”

All employees live on-site while working, in camp facilities built near the mill complex. At present, about
220 workers have been hired, with a target work force estimated at 240, Hanneman said.

Pogo joins a handful of producing large-scale mines in Alaska, including the Red Dog zinc and lead mine in northwest Alaska; the Fort Knox gold mine near Fairbanks; the Greens Creek silver, gold, zinc and copper mine in southeast Alaska; and the Usibelli Coal Mine near Healy. These mines offer some of the highest-paying jobs in Alaska, provide jobs in rural areas, provide significant local government tax payments and benefit some Native corporations from mining activity on their land, according to a recent study completed by the McDowell Group.

According to their report released in February 2006 titled, “The Economic Impact of Mining on Alaska,” the state’s mining industry provided in 2004 an average of 2,900 direct mining jobs in Alaska, amounting to $280 million in annual paychecks.

In 2004, $280 million was also spent in mining exploration and development, with payments to state government amounting to $16 million. In the same year, $11 million was paid by mines to local governments, $11 million to Native corporations and $17 million to the Alaska Railroad to move coal, sand and gravel. Also, $18 million was paid by the Alaska Industrial Development & Export Authority for user fees on the Delong Mountain Regional Transportation System, part of the Red Dog operations.

Pogo’s economic impact from its gold production and employment will add to those statewide statistics. Additionally, the mine negotiated a payment of $500,000 in lieu of taxes to the City of Delta Junction for 2005 and 2006, and will pay $1 million in 2007 if a borough is not yet incorporated in the area.

“It’s like a dam breaking loose. People have been waiting and watching them go through the permitting process,” he said. “Now, not only has exploration resumed around Pogo by Teck and Sumitomo, but other companies realize this is good hunting country.”

Patricia Liles is a longtime journalist who covers Alaska business and industry issues. She works outside of Fairbanks.
Taking pride in what we do

Photo essay

Providence Long Term Acute Care Hospital, Anchorage
DAVIS CONSTRUCTORS & ENGINEERS
PHOTO: DANNY DANIELS

Denali National Park Chalet Canyon Lodge
DAVIS CONSTRUCTORS & ENGINEERS
PHOTO: DANNY DANIELS
AGC member projects from around the state
Anchorage is Alaska’s largest city, with more than 42 percent of the state’s population living within its limits. As the city continues to grow, it is especially important that the area’s transportation corridors expand to meet the needs of the increasing population, providing more routes for commuters and lessening the strain on already existing roads.

The overhaul and reconstruction of the C Street corridor, which began in 2004, is expected to improve traffic flow through the city by adding another north-south corridor and by relieving traffic on arterial roads. Phase One of the project, awarded to Quality Asphalt Paving Inc., included upgrading the existing road from Tudor Road to International Airport Road. The second phase, awarded to Wilder Construction Company, included upgrading the existing road from International Airport Road to Dimond Boulevard.

Phase Three, which is currently underway, requires that C Street be extended from Dimond Boulevard to O’Malley Road, and an interchange be built where C Street meets O’Malley. When finished, the project, which is being built by Quality Asphalt Paving Inc., will include 3.3 miles of
new, four-lane road and two, 220-foot-long, double-span bridges that will carry traffic east and westbound on O’Malley Road over the top of C Street.

“The C Street expansion is a good, high-priority project from the city’s point of view,” said Anchorage Mayor Mark Begich. “It will provide us with another north-south transportation corridor, which is especially important
with all of the growth that’s taking place in that part of the city.”

The project will also include a roundabout, which replaces two exit ramps that were part of the original design. “In addition to building the bridges at O’Malley Road, we’re also constructing a fancy new dogbone roundabout interchange, which was added to the project after the Department of Transportation had great success with a similar design at Dowling Road,” said Lloyd Melone III, Quality Asphalt Paving project manager. Though originally met with skepticism, that roundabout, which was completed in 2004, has improved traffic flow at the interchange of Dowling Road and the Seward Highway.

Other improvements along the C Street corridor will include pathways and bikeways the entire length of the new span, and electrical, striping and drainage work. More than 200 contractors and subcontractors are working on Phase Three, which is expected to be completed in October. According to Alaska DOT&PF Project Manager Tim Croghan, the project, which was originally budgeted at $27.6 million, is expected to come in at roughly $30 million. Approximately 95 percent of

The project first began in 2004. Surcharge material going in throughout the late fall/early winter. Photo: Courtesy of Jason Graham

Attention Contractors

Please remember these rules when working near electrical facilities:

- 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 electrical facilities. If you’re in doubt about an electric safety rule, call Chugach Safety Manager Ken Thomas at 762-4545.

This important safety message is brought to you by Chugach Electric Association.
this cost will be paid with federal funds, with the remainder being paid by the state.

It is a cost that many people, especially those who commute to Anchorage every day, may find well worth it. “Once the C Street expansion is finished, drivers will be able to go south all the way to O’Malley instead of having to first go east or west, like they did when C Street dead-ended at Dimond Boulevard,” said Melone describing the added convenience for commuters. “People who live south of the city won’t have to go around Minnesota Drive or up the Seward Highway—they’ll have access to the north and be able to go straight into town, and they won’t have to travel around the wetlands when going home. Drivers on the arterial routes, including Minnesota Drive and the Seward Highway, should also see less traffic.”

**C Street challenges**

Before the new section of C Street could be built, there were a number of challenges facing the contractors on the job, including how to re-route traffic at both interchanges on each side of C Street. “Both O’Malley Road and Dimond Boulevard have very high traffic volumes, so we needed to figure out how to deal with this traffic on the major routes,” said Croghan.

“Trying to shift all of this traffic was a major undertaking,” agreed Melone, “and it took a lot of coordination between us and DOT. It took some very creative thinking to move the traffic around so that we could get things done while trying not to disrupt commuters’ routines too much. But I’ve got to say that DOT did a great job of working with us on a project that wasn’t easy to do.”

Another challenge facing QAP was building a surcharge over the peat deposits that make up much of the soil at the C Street location. “We brought in 650,000 megagrams of gravel, and allowed it to settle for six months before proceeding with the road,” said Melone. A megagram is equal to 1.102 tons.

“The biggest challenge for us was getting the surcharge done before freeze-up,” he added. “If we didn’t get it done before winter, we’d lose six months of the following construction season. We started the surcharge in October, and busted our tails to get it done, despite the snow and weather.” Settlement measurements taken over the last year show that the surcharge settled as predicted, and construction was able to move forward.
In addition to the 650,000 megagrams of gravel brought in for the surcharge, 800,000 megagrams of borrow material was brought in to create the bridge embankment. “All together, we brought in almost 1.3 million megagrams of fill for this project,” said Melone.

**Added benefits**

In addition to providing a new north-south traffic corridor and relieving stress on existing roads, the expansion of C Street from Dimond Boulevard to O’Malley Road has also created a new area in which businesses might expand. “What we’ve done is taken land that wasn’t worth much and given it value by creating commercial access,” said Melone. “By creating a major arterial, we’ve opened up this piece of property.”

Parcels of land along the new C Street extension are owned by the city, state, Native corporations and private landowners, according to Melone. Already, Wal-Mart has shown interest in building at the site, and more businesses are expected to flock to the area.
“I would guess that we’ll see a lot of expansion in this area,” said Croghan. “Once the road goes through, new businesses will probably follow.”

According to Mayor Begich, this expansion has already started. “The city owns land out there, and we’ve definitely seen increased interest from buyers hoping to purchase land in that area because of the C Street project,” he said. “It is not only a good location for businesses, but also a great location for an industrial site—especially with the increased airport access.”

“What we’ve done is taken land that wasn’t worth much and given it value by creating commercial access,” said Melone. “By creating a major arterial, we’ve opened up this piece of property.”

– Lloyd Melone III

Though still underway, the expected benefits of the C Street expansion have encouraged the city to move ahead with other transportation projects as well. This includes a new 100th Avenue east-west corridor from Old Seward Highway to Minnesota Drive. “This is an important piece of land for businesses considering development,” said the Mayor. “Once C Street is finished, 100th Avenue will follow, creating another new transportation corridor with long-term development potential, which is very enticing for businesses.”

As Anchorage continues to grow, it seems that its road system will continue to expand as well. This is not only good news for commuters, but for the contractors and businesses who continue to provide this access to the last frontier.

Vanessa Orr is a freelance writer who specializes in construction, business, health and travel writing.
PALM SPRINGS, CALIF.—The Alaska Chapter of the Associated General Contractors of America won the “Best Individual Public Relations Campaign” award during AGC’s national conference in late March.

Recognition for “Improving the Image of Construction Workers in Alaska” was given to the AGC of Alaska and its affiliate Construction Industry Progress Fund for successful efforts in encouraging more young Alaskans to consider careers in construction. CIPF is a specially funded group whose mission is to advance the interests of the construction industry in Alaska.

The highlight of the campaign was a 13.7 percent positive public perception increase to 67.3 percent, through its communications efforts with television commercials and print media supportive editorials.

Anchorage television station KTUU, Channel 2, offered cooperative promotional efforts statewide to AGC in helping attract 17- to 24-year-olds to the construction industry where more than 1,000 new workers are needed annually.

The campaign concept and its implementation was handled by Bruce Pozzi Public Relations. Previously Pozzi won an Aurora Award from the Alaska Chapter of the Public Relations Society of America for the same campaign. The campaign is also a finalist in the nationwide PRSA Silver Anvil competition.

AGC of America President Sam Hunter presented the award to AGC of Alaska President Robby Capps, along with CIPF Chairman Jim Fergusson, AGC of Alaska Executive Director Richard Cattanach and agency principal Bruce Pozzi.
Like the beginning lines in A Tale of Two Cities, Alaska contractors face a two-sided coin—“the best of times” and “the worst of times.”

The good news is there are $6.5 billion in construction projects in Alaska this year. The bad news is there are $6.5 billion in construction projects in Alaska this year. All of this work available for bid can be the catalyst for contractors’ unprecedented, unplanned and unsuccessful growth.

Growing too fast

With so much work to go around, it is imperative that contractors know their limits and take on jobs within those limits. Growing too fast is one of the major reasons that contractors fail, according to a recent study by the Associated General Contractors.

Unrealistic growth is a potential hazard in the face of all of the work up for bid today. Losses can occur due to an expansion in volume, project size, work type or geographic location.

Risk increases when contractors significantly increase the volume of their work. The challenge of finding qualified, key people to manage the additional work is one of the most problematic issues a company faces in the current market.

Risk increases as contractors take on larger jobs, especially if they are not used to doing work of that scale or magnitude. Small-scale success does not automatically qualify the contractor to handle larger scale work.

Financial risk

The greatest risk of failure from too-rapid growth arises when the financial resources are inadequate to sustain the volume of growth. For a while, a company can grow, supplementing internally generated cash with credit. But at some point, the growth must level off for a while in order for the...
capital and cash resources to catch up to the volume of work.

All of these factors can contribute to failure at the worst, or losses at a minimum, when growth is not carefully managed. But failure doesn’t have to be the case.

Bankers can be contractors’ allies. We understand the importance of growth, but we also know the importance of not running faster than we have the strength to run. We can help you find the right balance. We also have products and services that can help you manage cash flow.

**How to keep up**

The different roles that bankers and contractors fill bring different perspectives to the table. Contractors know the industry, understand the scope of a project, and have the experience to identify jobs that fit their niche.

Likewise, bankers offer advantages. When they consider a project for potential financing, they look at the numbers: Does the project add up financially? What potential for financial problems are inherent in the project? Is it a sound investment?

Although the perspectives of bankers might be different than contractors, our goal is the same: to support and help projects and companies succeed.

Counting on that type of dedication from your banker is extremely important in a business as volatile as contracting. No matter how good you are at your job, it doesn’t hurt to have a little extra help from your bank.

With a phenomenal amount of construction slated in 2006 and even more on the horizon, it is important that contractors plan now for the future. Talk to your banker and make clear your goals. Let them know where you see your business in the coming years and your banker can help you develop a path to your success.

Alaska’s construction future is as bright as it has ever been. The time is now to make sure your company is on the path toward “the best of times.”

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Elizabeth Setzer is vice president, commercial lending, at First National Bank Alaska. She can be reached at 777-5620.
When we hear the word “wetlands,” a certain picturesque image comes to mind. Some people might see swampy marshes filled with ducks, geese, all sorts of woodland creatures and exotic plant life. When regulators proudly claim to be protecting “waters of the United States,” we think they are safeguarding the mighty rivers and great lakes that are used to move goods from state to state. However, if the Army Corps of Engineers has its way these terms could be given a whole new meaning.

The Corps now is claiming that the owners of four lots in the Fairbanks North Star Borough must get a federal Clean Water Act dredge-and-fill permit if they wish to make improvements to their land. According to Corps officials, these lots represent important “wetlands” that must be protected. Some people have a hard time understanding this since the four lots in question are in a perpetual state of permafrost.

A key to this puzzle is the question, “What constitutes a wetland?” According to long-standing federal rules, there must first be a growing season during which a certain type of vegetation will grow. Congress actually defined a “growing season” as that portion of the year when soil temperatures at 19.7 inches below the surface are consistently higher than 5 degrees Celsius, which is 41 degrees Fahrenheit.

This seems pretty straightforward, unless you are a
federal regulatory body seeking to expand its grip on land uses. Why, then, would the Corps declare frozen acreage “wetlands” when the land does not fit the government’s own definition? The answer is power and control. In government, the more you control, the greater your power.

This is not the first time this agency has pushed the envelope of its regulatory authority. Who can forget the “glancing-goose” theory? The Corps once claimed jurisdiction over any land with a puddle large enough for a goose to glance down, see it, and consider getting a drink of water. PLF played a central role in shooting down this theory, excuse the pun, in the U.S. Supreme Court in 2001.

Then came the “migrating-molecule” theory. The Corps argued that if a single molecule of water made its way to a navigable waterway, regardless of how, then any work in the “wetlands” from which the molecule came required the Corps’ regulatory permission. In Rapanos v. United States, a case recently argued in the U.S. Supreme Court by Pacific Legal Foundation lawyers, the land in question was more than 20 miles from any actual “navigable” waterway. We are currently waiting for the decision from the Court.

Now comes the “it-would-be-a-wetland-if-it-thawed” theory, with the Corps choosing to ignore its own existing rules for what constitutes a wetland in order to fit its desired outcome. The four lots in question may be the tip of the iceberg, so to speak, as this massive federal agency continues its quest for ultimate land use control.

Pacific Legal Foundation does not typically represent government bodies in court. On rare occasions, however, this practice is put aside when the final outcome of a case is as important as this one. This is just such an occasion and PLF attorneys stand ready to represent the Fairbanks North Star Borough in court should they be unable to convince the Corps to drop the demand for a permit.

Russell Brooks is managing attorney of Pacific Legal Foundation’s Northwest Center in Bellevue, Washington.
You are a construction contractor sitting at your desk, staring at a request for a bid on a project you’d love to get. You know you have tough competition, but this is exactly the type of job you want, although you know it’s going to be a challenge. “What if it’s too big” (or too complicated, or too far out of town, or requires different equipment than you’re used to)? But you’re going for it. Why not? Your last job was very successful and had a number of owner discretionary add-ons so you have money in the bank and a higher bonding capacity now. If you get the job, you will have to hire a bigger workforce and divide your attention between a number of projects. You worry about losing your “hands-on” approach, but rationalize that loss to be the price of success.
Losing your hands-on approach may be only part of the cost of your growth. Other costs include losing contact with the ability to know when the project is going badly, how badly it is going, why it is going badly, and ultimately depriving you of the evidence you need to make a claim to recover losses from going over budget.

Don't think this can happen to you? Here are a few snippets of the testimony from a recent lawsuit involving an experienced Alaskan construction company:

Q. All right. So is my understanding correct then, Mr. [Construction Company Owner], that in 2003 the project manager for the [project] would not have up-to-date information at any given time on where the project was in terms of comparison of actual to budget?

A. I don’t know.

Given that this project involved more than $3 million of work, you would think the owner would want to know how actual-to-budgeted amounts were lining up—if not in terms of money, maybe in terms of progress.

Q. Okay. So, do you recall, during the project, ever asking to see a progress schedule?

A. A progress schedule? No.

Q. Or an estimated schedule?

A. Don’t remember.

Q. Okay. Anything about critical path or where we are on this job? How’s it going?

A. I’m sure I asked where we’re at. I don’t remember what the answer was. But I do that every—I do that all the time.

We see here a contractor on the line for a $3 million project who didn’t have up-to-date information to compare actual figures to budgeted figures and was reduced to asking the project manager, “How’s it going?” The problem for the owner was that although the project manager knew there were budgeting problems, he didn’t know to what extent until after the project was virtually over. By the time he realized how bad things were, his boss’s costs exceeded the bid and change-order amounts by a million dollars. Regardless of what the causes of the budgeting problems were, why didn’t the contractor and project manager know how badly things were going?

Unbelievably, the contractor had invested in a good in-house accounting team and spent many thousands of dollars on multifunction accounting software which could have given him and his management team all of the information they needed throughout the project. Why didn’t this work? Here’s what the contractor’s expert testified in response:

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- Please check our website at www.chugachelectric.com and click on the button Pre-qualification information-outside electrical line construction contractor
- Chugach encourages all contractors regardless of union affiliation to explore the opportunity to become a Chugach Electric outside electrical line construction contractor
- If you have questions after reading the information on the Chugach website, please contact Gary Meadows (907) 762-4618

CHUGACH
POWERING ALASKA’S FUTURE
Q. Do you know whether the contractor’s costing system or management systems were capable of creating reports so that job managers were able to keep track of where their jobs were?

A. Well, it didn’t appear that they were actually tracking the budget and the actual during the course of the project. It didn’t appear they had a meaningful effective process for tracking how much they were over budget.

Q. Well, do you know whether the systems that [the Contractor] had were capable of providing that information?

A. Yeah. I mean, they could have done that with the system they have. It could have been done.

Because the contractor wasn’t tracking his actual-versus-budgeted costs during the project, he wasn’t able to determine, for any given event, when he was going over budget. That failure disabled him in several ways. First, he was reduced to managing by reaction. Rather than having the ability to determine which of the problems he faced was costing him money and to quantify those amounts, the contractor made instinctive, reactive decisions. In other words, he was deprived of his ability to use logical and preventative decision-making processes using current knowledge and data.

The second disadvantage for a contractor without current information is the ability to allocate the costs attributable to the additional work necessary within the contract. Regardless of the type of contract between the contractor and owner, if the contractor is required to perform additional work outside of the scope of the contract through the fault of the owner, the contractor is entitled to the reasonable value of that work. To collect for that work, the contractor must be able to prove why he had to perform that work. If the event was caused by the contractor’s own acts, the contractor will have to go without pay.

For years, contractors have attempted to force owners to pay for additional costs, overhead and lost profits on jobs by using what is called the “total-cost” method (or a variant) of proving damages. In its simplest form, a total-cost method is seen when a contractor subtracts his bid amount from his actual contract costs and demands that the owner pay the difference.

Sixteen years ago in Fairbanks North Star Borough v. Kandik Constr., Inc. & Associates, 795 P.2d 793 (Alaska 1990), the Alaska Supreme Court placed contractors on notice that it had concerns that the total-cost approach was unfair because not all of the losses a contractor might have could necessarily be attributed to the owner. The court announced that it considered the total-cost approach to be “disfavored,” and required that contractors who wished to use it prove, among other things, that through no fault of their own, they were unable to prove their actual damages.

Now, 16 years after the Alaska Supreme Court gave notice that contractors are required to prove actual damages, some are arguing that software development and costs have evolved to the point that absent a highly unusual situation, contractors will no longer be able to qualify to use any form of the total-cost approach. A simple Internet search for construction contractor accounting software will produce a multitude of options for accounting software tailored to the construction industry that provides up-to-date information on actual-versus-budgeted costs; actual-versus-budgeted man hours; actual-versus-budgeted equipment hours and the like. Many programs also have the ability to create project phase-linked accounts, and accounts linked to accelerated and additional work. Some programs even incorporate CPM scheduling capabilities so the contractor’s projects are organized on both financial and timing scales. The price and ease of use of accounting software has developed to the point where there are few, if any, excuses left to a contractor to claim that it is impossible for him to keep track of and allocate extra costs. In
short, some courts simply don’t buy that excuse anymore.

In Jackson Const. Co., Inc. v. U.S., 62 Fed.Cl. 104 (2004), the court said:

“Jackson failed to meet its burden of proving any of these four elements [prerequisites to total cost]. Most notably, Jackson did not prove that its work was disrupted by the multitude of changes, and it did not prove that it was impracticable to quantify the losses resulting from this disruption. It appears that Jackson made no effort to identify the impacts or to quantify the actual losses arising therefrom, even though it utilized a sophisticated, computerized cost-accounting system to manage the contract.

In this case, the court found that the contractor’s statements that he was unable to keep track of his losses were undermined by the capabilities of his accounting systems and he failed to meet his burden of proving actual losses.

In a similar manner, the Alaska Supreme Court recently found that a contractor failed to prove the cause or value of his damages in Fletcher v. Trademark Const., Inc., 80 P.3d 725, 729 (Alaska 2003):

Alaska Electric had not met its burden of proving by a preponderance of the evidence that any of its costs could be attributed to the change orders as opposed to overruns on the original subcontract. In particular, … the documentary evidence presented did not facially differentiate between materials purchased for the original contract and materials purchased as the result of the revisions, and that after three years the plaintiffs lacked sufficient recall to explain the difference credibly. Alaska Electric’s failure of record-keeping at the time of the contract had prejudiced its case. [T]he figures in Exhibit 59, which purported to keep track of which hours worked were for the base contract versus the revised contract, were arbitrary, and … Fletcher’s figures for materials costs were unsubstantiated.

Since Kandik, there have been many other total-cost type cases, most where the contractors have modified the total-cost approach by substituting the comparison of the dollars in the bid to actual dollars spent with other comparisons. Geolar, Inc. v. Gilbert/Commonwealth Inc. of Michigan, 874 P.2d 937, 943 (Alaska 1994) (comparing rates of estimated versus actual production). However, the requirements that contractors must meet to use this disfavored approach remained the same, and contractors must still prove that in their particular claim. They cannot prove actual damages. In the case from which the testimony quoted above was taken, the contractor’s attempt to use a modified total-cost approach was disallowed by the trial court judge.

Any way you look at it, the message is clear. As you look over that Request for Bid, you have to realize that the old days of construction in Alaska are coming to a close, both from a standpoint of cost-accounting setup before the job even begins, to cost-accounting tracking during the job, to claims recovery during and after the job is complete. It’s not enough to own the new computer software tools now available that help you manage your company; you have to actually use them. Lawyers familiar with construction claim litigation and the trend of the case law will tell you that unless you are prepared to prove actual losses and the events that caused them, you may be in for a very long season.

Paul L. Davis is a partner in the Anchorage office of law firm Preston Gates & Ellis LLP.
The Alaska CONTRACTOR

EDUCATION REPORT

By VICKI SCHNEIBEL
Education Director

NCCER Contren Curriculum

This school year AGC of Alaska placed NCCER construction curriculum in 16 rural school districts, four urban school districts, two post-secondary schools, and two correctional facilities. Our classroom count is 94.

I've held eight instructor-certification classes this school year. That's double what I usually teach. I've certified 60 instructors to teach NCCER curriculum this year alone!

As of April 5, 2006 AGC has:

- 124 certified instructors
- 545 students on the NCCER National Registry
- 282 students have earned NCCER certificates

NCCER Skill Assessments

We've proctored more than 100 pipeline assessments for which we charge a fee. We've proctored more than 380 assessments including both craft and pipeline since fall of 2003.

With every assessment (craft and pipeline) participants receive a Training Prescription showing how they scored in every section of the assessment. And, on that document it shows the curriculum module where a participant can find that specific subject. So, it ties it all together!

AGC Career Academy

The new AGC Mat-Su Construction Academy will open this fall at Wasilla High School.

In August the Math Curriculum Team will meet with the Academy’s math teacher along with John Heffner from AGC of America to translate as much curriculum as possible to construction. The contractor team is made up of Chris Reilly, Universal Roofing of Alaska; Rob Dun, ASCG Inc.; Ben Northey, Colaska Inc.; and Knick Knickerbocker.

General

Job Shadows: A big “thank you” to all who hosted high school job shadow students. The week of February 27 our contractors hosted Chugach School District high school students, six sessions to be exact. Each job shadow was two-hours long (or more).

The people who hosted and deserve our thanks are Joe Jolley, Cornerstone Construction Inc.; Larry McPheters, Roger Hickel Contracting Inc.; Glenn Kolberg, Neeser Construction Inc.; Mark Haas, Neeser Construction Inc.; Jon Bush, Davis Constructors & Engineers; and Brian Walsh, King Career Center.

These efforts have a big influence on the students. Thanks to the people above who believe this is time well spent on the next generation of construction workers. Thanks much!

High School Construction Curriculum: The NCCER construction curriculum is well received in the schools now. In Dillingham the students are building two steam baths to complement the curriculum. The money from selling them will go back into their construction program.

Through our Denali Commission grant we financially support many rural high school construction curriculum programs.

Another high school in rural Alaska that we support using NCCER curriculum is Stebbins High School. The students are building a sauna house with wiring, insulation and homemade trusses. The sauna will be sold or raffled. Proceeds will go back into their construction program.

In Kodiak High School we're assisting their construction program with NCCER for the first time. They're very successful with the program.

David Allen, the NCCER certified teacher in Kodiak, says, “Last week I gave a quiz on estimating construction costs on typical floor construction. Half of my kids are traditional skippers [of class]. It was a Friday, last hour, [and] all of my students were present [and] ready to take the quiz. My principal was shocked to see these kids show up for a math quiz. At the very least we can say the NCCER curriculum helps keep kids in school.”

We've had a very good year with lots of new interest in construction from many school districts. I've identified six new entities we'll work with next year, too.

We’re partnering with a few entities who are receiving grants from the Alaska Department of Labor & Workforce Development’s High Growth Job Training funding for additional construction training.
Flexible. Innovative. In-tune with Alaska contractors. We can help you enjoy the sweet sounds of economic growth with flexible credit lines and Internet cash management services. Call us.

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Which drugs affect Alaskans?

Summer has arrived in Alaska and that means long-weekends, barbeques and fishing. As the weather warms, it is important to remember how important company policies are regarding drug use in the workplace. This article focuses on which drugs are a problem in Alaska and what you as an employer should watch for.

Marijuana is by far the drug most often abused in Alaska. The chart below shows that positivity rates for marijuana are similar to national averages. At least half of positive tests are positive for marijuana use.

While other drugs may not produce the same high positivity rates as marijuana, workers under their influence should still be a concern to employers. While any illegal drug use is troubling, progress is being made. According to WorkSafe’s 2005 results, cocaine positivity rates in Alaska are down compared to the rest of the country, which is great news.

Among all non-DOT tests administered by WorkSafe in 2005, 10.4 percent of positives were for cocaine. That’s down significantly from the 16.5 percent seen in 2004. That’s also well below the national average from one major lab, which had a cocaine positivity rate in 2003 and 2004 of 13.8 percent.

State government tightens drug regulations

In May, the Alaska House and Senate passed House Bill 149, which according to comments released by Gov. Frank Murkowski’s office, criminalizes the possession of methamphetamine in organic solution and the delivery of precursor forms of the drug for manufacturing purposes. Manufacturers of methamphetamine can be subject to stiffer prison sentences for making the drug in buildings where children reside.

“At meth labs and meth use is spreading quickly throughout this state,” Murkowski said in a recent press release. “Meth affects the user and everyone around the user, particularly children. The Office of Children’s Services is now receiving an average of 40 ‘harm-to-children’ type calls related to meth use each month.”

The bill passed by the House would also reverse a decision by the Alaska Court of Appeals in Crocker v. State, issued in 2004, that protects marijuana growers and dealers from being subjected to search warrants.

“The primary purpose of the marijuana provisions of this legislation is to target commercial growers of this drug,” Attorney General David Marquez said. “This court decision has significantly tied the hands of law enforcement, reducing their ability to combat this large-scale illegal industry that targets Alaska’s children.”

**Source:** WorkSafe Inc.
In recent weeks a joint federal and state investigation led to the arrest of six men on international marijuana trafficking laws, possessing a large supply of this drug with a street value of over $1 million. The ring was responsible for importing and trafficking at least $10 million worth of marijuana during the past five years. Since this bill went to the conference committee, a month-long investigation by state law enforcement officials ended in the arrest of a Bethel man who possessed over 42 pounds of marijuana with an estimated street value of nearly $1 million.

Local Trends

While positive testing for cocaine is down, amphetamine usage seems to be on the rise. During the first three quarters of 2005, 4.1 percent of all non-DOT positives have been positive for amphetamines, compared to just 3.4 percent in 2004. This increase is consistent with a national trend. A major lab reported a positivity rate in 2004 of 10 percent, up from 9.0 percent the previous year. While Alaska’s positivity rate is well below that of the national lab, the upward trend should be of concern to employers.

This information is very useful in helping us understand the trends that affect employers. It is very clear by comparing the DOT mandatory drug test results from the non-DOT results that drug testing does affect an employee’s decision to use illegal drugs and the types of drugs they are using. This is a major benefit to businesses who drug test.

Matthew Fagnani, C-SAPA, C-SI, is president of WorkSafe, and can be contacted at (907) 563-8378.
Unlike most high school teachers, Gary Hall doesn’t have a room. Instead, he has a whole building. To be sure, there are some classrooms at one end of it and a couple of offices, but the heart of the facility is a huge, warehouse-like room filled with building materials, tools and building projects in various stages of completion. And, it’s as neat as can be.

“What we have here is a construction trades program,” Hall said last April. “It’s for juniors and seniors. AGC is the sponsor for the NCCER curriculum.”

This particular curriculum offers instruction in 30 or more trades and is at the core of the classes he teaches in one-hour blocks to first-year students (juniors), and three-hour blocks to second-year students. Students successfully completing his classes are certified on the national register.

“We do three categories of hands-on projects,” he said, “mock-ups, community service projects and items for sale. I’m giving pre-apprenticeship training here. We work just like we’re on a job site.”

Near the oversize door for bringing materials in and taking projects out sits the current project just finished by his students, a small, wood-frame cabin with metal siding, windows and a door. It’s also wired for electricity. It’s ready for sale to the highest bidder. Gary figures he’s got about $1,900 worth of materials in it and they’ll ask for a minimum bid of $2,500. Profits are plowed directly back into the program.

The Delta Junction High School program has school-to-work agreements with several union apprenticeship programs and Hall notes with pride that last year three of his students were accepted into the International Brotherhood of Electrical Workers and another into the Operating Engineers.

Besides learning the basics of various construction trades, Hall’s students also leave high school certified in first aid, CPR and the use of a defibrillator. Students are also trained and certified on operating a forklift when they complete the course.

Hall has worked in the trades for most of his life. He holds a vocational education certificate based on his qualifications, which are obviously different from most classroom teachers.

When Delta Junction began putting together this construction trades program, Hall got in on the ground floor, helping design the building that houses it. He designed it in such a way that modular houses can be constructed inside and moved outside when completed. In his words, “We build real, live projects indoors and move them outdoors in the spring.

“The building project was a huge fund-raising effort on the part of the community,” Hall notes.

Besides the small cabin for sale last spring, Hall’s classes have constructed the concession stand/announcer’s booth overlooking the school’s sporting field and a safety shelter building at the local swimming hole. He also teaches cold-climate building techniques to students.

Hall’s assistant probably describes him best when she says, “I’m so impressed with the way Gary teaches the kids life lessons while he teaches them to build.”

From the quality of the completed projects inside the building and out, we think AGC members are going to be most impressed by the quality of people trained in the construction trades. AGC’s future is passing through Hall’s hands today.
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