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3) Supply/Service; Non-Construction bid results are not always advertised in the bulletin
4) RFP results are not always advertised in the bulletin

ARCTIC & WESTERN

POnt Lay power plant construct $9,358,000
Unit Company

A Lakanuk airport relo stage IV $6,767,129.75
Ridge Contracting Inc.

King salmon airport lighting $6,109,633
Granite Construction Co. Inc.

A Lakanuk replace school phs ii site prep $3,700,000
Ridge Contracting Inc.

Bethel Me school reno $3,217,700
Asrc Skw/eskimos Inc.

Marshall teacher housing units $2,888,000
Wolverine Supply Inc.

Noorvik cementary road construction $2,432,149
Pro-West contractors LLC

INtErIOr

Dalton Hwy mp274-mp289 rehab $27,690,519.56
Alaska interstate construction LLC

Richardson Hwy reconstruct $21,434,902
Granite Construction Co. Inc.

Shakwak Hwy asphalt pavement $10,557,610
Skoorkum AsphalT Ltd

Richardson Hwy moose crk resurface $7,389,043.50
GReat NorthWest Inc.

Wainwright power plant tank farm upgrades $1,726,000
Asrc Skw/eskimos Inc.

SOUTHCENTRAL

Anch fire station #6 replace $4,757,000
Sr Bales construction Inc.

Port lions boat harbor reno phs i $3,946,033
Pacific pile & marine lp

Kenai water treatment facility $3,870,000
G & S construction
ANCH UAA SCIENCE RENO PHS II  
$3,536,000  
WATTERSON CONSTRUCTION CO.

HOMER KACHEMAK DR WATER/SEWER  
$3,533,004.74  
HERNDON CONSTRUCTION LLC

SUTTON LIBRARY/COMMUNITY CTR  
$2,347,686.00  
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ANCH HSIP CHANNELIZATION  
$1,750,344  
GRANITE CONSTRUCTION CO. INC.

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$1,571,808  
ROGER HICKEL CONTRACTING INC.

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$1,333,350  
PRUHS CONSTRUCTION CO. LLC

EAGLE GLENN   
SUBDIVISION DRAINAGE  
$1,277,396.28  
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SOUTHEAST

WRANGELL ROAD/UTILITY IMPROVE  
$5,815,975.65  
MCGRAW’S CUSTOM CONSTRUCTION

KETCHIKAN 4 ROAD RECONSTRUCT  
$5,001,597  
MILLER CONSTRUCTION CO. LTD

WRANGELL MEDICAL OFFICE BLDG  
$4,157,000  
MCGRAW’S CUSTOM CONSTRUCTION

JUNEAU GLACIER HWY EXT  
$2,556,698  
MILLER CONSTRUCTION CO. LTD

YAKUTAT SENIOR CENTER  
$1,869,030  
MARBLE CONSTRUCTION

SITKA EXPLORATORY TUNNEL  
$1,790,390  
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JUNEAU N DOUGLAS SEWER PHS V  
$1,627,416  
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WRANGELL MARINE SRVC CTR PHS III  
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Not a lot of action

In Alaska in the Legislature, we don’t have term limits, and that is good. Term limits reduce the institutional memory of an elected body and put more influence and power in the executive branch. Civic leaders from most states that have enacted legislative term limits have almost universally declared them a failure. Our state has no term limits, but there appears to be a lack of institutional memory recently, regarding the nearly complete Goose Creek Correctional Center.

In 2004, when Alaska was spending more than $14 million housing our prisoners in other states, the Senate unanimously approved SB65. That bill gave approval for the State to enter into agreement with the Mat-Su Borough for the lease-purchase of a new prison facility with a maximum of 2,251 beds. At the time, it was public knowledge and openly debated that bringing the prisoners home would cost more, but the increased cost would be more than offset by the benefits. It never did pencil out in dollars alone.

Goose Creek Prison has been designed to provide training and education opportunities to help integrate prisoners into society when they’re released, greatly reducing the chances of their returning to prison. We’ll be bringing prisoners home, spending the money in Alaska and creating more than 350 permanent jobs in Alaska instead of Colorado. It was going to cost more in 2004, and it will cost more in 2012, and some in the Senate wanted to renege on the deal and mothball the prison. As Clara Peller asked in the famous Wendy’s commercial, “Where’s the beef?” After all the debate of funding for opening the prison as scheduled, full funding was eventually included in the budget.

We make a big issue of Alaska Hire, but some would rather export these jobs and services than keep the jobs at home. Sounds like the President when he offered Brazil $2 billion in aid to help them develop their offshore oil resources while at the same time the Interior Department and Environmental Protection Agency were saying “No” to offshore drilling in Alaska.

Oil tax reform measures as proposed in HB110 were hotly debated in the House. Many House members admitted that the State went too far when it adopted ACES and admitted they changed their minds. It is refreshing to hear an elected official regret a past vote, as some have with ACES. While the increased tax adopted in 2007 resulted in billions more in tax revenue that has been a boost to the State of Alaska and the construction industry, it also sent a negative message to our oil industry partners. Less and less oil pumps through the pipeline every year. Our focus should be on more oil in the pipeline.

Through the regular 90 day session and 27 days of a special session, 375 bills were introduced and 28 passed by both bodies.

The Senate needs to study it more to determine what level of taxation is fair. But the issue is not what level of taxation they think is fair—they do not determine the investment by the industry and where that investment is directed: toward maintenance or toward exploration and development.

The issue is what level of taxation the industry thinks is fair for them to continue to invest in the exploration and development of oil in Alaska. Industry looks at the taxation level, the overall business and regulatory climate, risk and reward and a host of other factors.

The industry has said that the taxation level (along with a host of other factors) is not conducive for them to continue to invest in exploration and development in Alaska.

History has shown that we cannot tax ourselves to prosperity. In fact, tax reductions have been the prevailing practice across the country for attracting business, keeping business, stimulating the economy and keeping people employed.

Through the regular 90 day session and 27 days of a special session, 375 bills were introduced and 28 passed by both bodies. There was a lot of talk but, unfortunately for Alaska, not a lot of action where it is needed.
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Why health care?

Are you wondering why Alaska Contractor would have an issue focused on health care? AGC tracks and forecasts construction spending in Alaska. For the past seven years, more than $1.5 billion has been spent on the construction of new health care facilities in Alaska, and, like the Energizer Bunny, health care projects keep going and going.

The Patient Protection and Affordable Health Care Act of 2010, more commonly known as ObamaCare, was signed into law on March 23, 2010. In the Congressional health care debate, the most memorable line came from House Speaker Nancy Pelosi who said, “We have to pass this bill so that you can find out what is in it.” We are finding out what is in it every month when new regulations are issued by the dozens of federal agencies responsible for enforcement and with every new bill from health-related services or supplies. This is just the tip of the iceberg, and many feel we are on the Titanic waiting for the collision.

The foldout in the center of this issue is a chart that shows some details of the act. What appears at a glance to be the wiring diagram of a microchip with a million transistors is really a chart of how the 906 pages of law will be enforced. Instead of addressing the issues, Congress did many things to make the problem worse.

The horror stories of the past health care system are more than anecdotal—we all have experienced or know someone who has been wronged. An overhaul was necessary. In inimitable fashion, Congress took care of the wounded health care system with snake oil, leeches and a tourniquet around our neck. Their solution will prove suffocating. Overkill is an understatement.

If there was a font called “Dripping in Sarcasm,” the next three paragraphs would be in it and sound as if I’m in agreement. I’m not.

There will be an “annual fee” on all health insurance providers. They imposed a new tax on manufacturers and importers of medical devices and a similar fee on manufacturers and importers of branded drugs. These are brilliant! As the government adds a tax to the cost of your insurance, pacemaker and blood pressure medication, the manufacturer will increase the cost to cover the new mandated tax, which will increase the cost, which will increase the tax—ad infinitum. Rumor has it those same brilliant elected ones plan on using this same perpetual tax machine to solve our trillions of dollars of deficit.

Congress has imposed a variety of taxes and fees on high-income taxpayers and a 40 percent excise tax on people who presently have good health insurance plans. The “Cadillac” tax only affects those of us who don’t belong to labor unions—Congress having granted an exemption to this tax only to union health plans until 2018.

There will be a 10 percent tax on indoor tanning salons. We will be taxed if our health plan is too good, taxed if our plan isn’t good enough and even taxed if we choose to not be covered by a health plan. And the IRS will add more than 15,000 agents to make sure we pay our fair share.

The tax system in America is predicated on redistribution of wealth. We take from those who can and give to those who can’t, or don’t as the case often is. People who follow healthy lifestyles and have healthy profiles should not pay the penalty for people who smoke, drink excessively, don’t exercise or are obese: You drive a gas guzzler, you pay to fill up your own gas tank.

There are some good features of the act, the cost of which will necessarily have to be spread among everyone: People cannot be charged higher rates or denied coverage due to pre-existing conditions; insurers are prohibited from dropping policyholders when they get sick; they removed lifetime dollar limits on essential benefits; dependents may be covered up to age 26; and many others. But the cost of all the problems will bury us.

The problems with the current system need to be fixed. Unless you happen to live in Anchorage and are covered by Medicare, the cost of health care is the problem, not the availability of it. We need good, reliable and accessible health care. It doesn’t need to be as expensive as it is; we just allowed it to get that way.

Reliable health care should be affordable, and a health problem should not bankrupt a person nor keep a family in poverty. People shouldn’t suffer because they can’t afford to seek medical care. This is America, and we’re better than that.

For the past seven years, more than $1.5 billion has been spent on the construction of new health care facilities in Alaska, and, like the Energizer Bunny, health care projects keep going and going.
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The first session of the 27th Legislature included a freshman class of seven new Representatives and one new Senator, and what began with enthusiasm ended with a bewildered and frustrated public. After 90 days of a regular session and 27 days of a special session, the House managed to get 20 of the bills they introduced through both bodies and ready to be signed into law and the Senate succeeded with eight. Some people might say the fewer the better, but there are some issues important to Alaska that need to be dealt with and weren’t.

The long-time AGC priority for a state-funded transportation program continues to get attention in the Legislature. HBs 30 and 31 (state-funded transportation programs), sponsored by Reps. Peggy Wilson and Steve Thompson, have advanced in the House and been referred to a special interim finance subcommittee. The subcommittee, chaired by Rep. Anna Fairclough, includes Reps. Bill Thomas Jr., Bill Stoltze, Mia Costello and Mike Doogan. The makeup of this subcommittee shows strong House interest in the concept. They plan a number of public meetings through the interim to gather input on the proposal. AGC will be part of that input.

There is a similar bill, SB 47 (a state-funded transportation program), sponsored by Sen. Joe Thomas. It is presently sitting in Senate Finance.

Rep. Kurt Olson and the House Labor & Commerce Committee successfully brought forward HB 155—Public Construction Contracts. This bill raises the limits where contractors are required to fill out and submit certified payrolls for construction projects. Previously, any contract more than $2,000 required certified payrolls. The new limit is $25,000. Forty-seven percent of all construction projects in Alaska that need to be dealt with and weren’t.

Many of us on the business side of the world have seen the negative effect that high oil taxes have had on the oil and oil-support industry and have supported a rollback of some of the tax provisions in ACES. HB 110—Production Tax on Oil and Gas received priority attention in the House and passed midway through the session, only to come to a stop in the Senate for further study. It’s interesting that the largest tax increase in Alaska’s history could fly through in a 30-day special session in 2007 but will take months of study to roll it back a small amount.

Legislation to attempt to slow down the endless NIMBY litigation on resource projects, HB 168 (penalties on frivolous suits), by Rep. Eric Feige, seeks to impose a financial requirement for parties filing frivolous lawsuits. Under current law the cost to bring a lawsuit against a project is in effect zero, as the public interest litigants are usually awarded legal fees whether they win or lose, regardless of the cost to project developers. By requiring a bond to be posted by the party bringing suit in the event of a stay or injunction, the project developer may be compensated for the cost of the delays. This bill passed the House and awaits action in the Senate.

The capital budget—All the political maneuvering that can be described by a variety of terms I can’t print here resulted in a 27-day extension of the regular 90-day Legislative session. After weeks of delay, the Senate eventually and reluctantly handed to the House the capital budget. The contentious language that most believed was unconstitutional, that bundled more than $400 million in energy projects, was removed by the House, which added hundreds of millions more in projects and appropriations the Senate did not include. In the end, the House adjourned and left the Senate with no choice but to accept the House version of the capital budget.

The total appropriated was almost $3.2 billion. Just more than $1 billion of this was federal pass-through money for transportation, water and sewer and other projects; the rest was state money. It included $486.4 million in the energy projects package including $65.7 million for the Watana (Susitna) dam design, permitting and licensing work; $96.5 million in rail belt electric infrastructure for powerline upgrades; $36.62 million in Renewable Energy Fund grants; $17.63 million for a Kuskokwim River hydro study; and many, many other projects in the pre-feasibility, feasibility or design phase.

Gov. Sean Parnell’s $100-million-a-year-for-five-years facility deferred maintenance package was funded for the second year, and the University of Alaska received $37.5 million of that and additional bonding authority for $100 million to match state investment with their own funding. There were dozens of grants to municipalities and a variety of organizations for their own deferred maintenance needs.

There is $37.5 million for the Port of Anchorage expansion, $37.5 million for the Port MacKenzie rail extension and $44 million for the Tanana River bridge near Fairbanks. The Tanana bridge project funds supplement the $40 million budgeted last year and matches more than $100 million in federal funds that were slated to lapse this year if the additional funding was not included.

There is $21 million to continue in-state gas pipeline work, $10 million for a gas pipeline extension to Homer,
$8 million for the Umiat Road EIS; and $5 million for the Ambler mining district and Nome road studies. The House also set aside funds for an in-state gasoline effort. This appropriation by House leaders would place $200 million that is already part of state government’s multibillion-dollar savings off limits for other uses, making the money available if future legislators want to “invest” in a pipeline.

School construction included $76.3 million for three new rural schools, $73.2 million for schools’ major maintenance projects and the governor’s performance-based scholarship program was funded with $400 million.

In keeping with the health care theme of this issue, capital appropriations also provided funding for a variety of health care organizations and facilities across the state. These include $20 million for a new Alaska Native Tribal Health Consortium building in Anchorage, $8.2 million for the second installment for a new facility for the Blood Bank of Alaska, $7 million for the Norton Sound Health Corp. and $10.5 million for the Yukon-Kuskokwim Health Corp.

There is $7 million in new training facilities for labor, including $4 million for the Local 341 training facility and $3 million for the Fairbanks Pipeline Training Center. Since some in the Legislature didn’t think it important to provide some incentives for the oil industry to renew exploration and development again in an effort to fill up the pipeline, I wonder if this is the training for workers on how to dismantle a pipeline when it shuts down.

The Village Safe Water program was funded at $51.5 million, and the Municipal Water, Sewer and Solid Waste grant program received $21.8 million, mostly from federal funds.

Legislators appropriated another $1.1 billion to the statutory Budget Reserve, in addition to the $1 billion appropriated in the operating budget, bring the total savings there to almost $3.2 billion. When you add that to the $10.2 billion in the Constitutional Budget Reserve and the $41 billion saved in the Permanent Fund, we have almost $55 billion in savings.

A $200 million appropriation was made to pay down state debt from past bond issues. Bonding by the State is important and needs to be exercised, but we need to pay off our credit cards when we can.

The budget also funded the popular weatherization program at $31 million and boosted the governor’s requested $25 million for the Homeowners Energy Rebate Program to $50 million for residential energy savings improvements. This program from a few years ago has been an unexpected success. It helped those many businesses that did the energy upgrades weather a few years of dismal economic outlook, and the improvements it has provided to homeowners who participated resulted in an average 30 percent reduction in home energy costs. Government programs like this keep giving and giving.

(Note: As of this writing, the governor has not exercised his veto pen but has indicated he will target around $300 million to $400 million in cuts, similar to 2010.)
Alaska’s health care industry: continued growth and inevitable change

This is a time of historic change for the health care industry in our country and in Alaska. With some federal reforms already beginning, others still under debate, state government seeking efficiency in publicly funded programs and private markets also demanding greater value for their health care dollars, there is one certainty: Change is coming.

Hospitals save lives, provide comfort and healing to the sick or injured and keep families together by delivering health care close to home.

But make no mistake, health care is an industry—a strong industry. In Alaska it is a major economic force, a very large employer and a significant contributor to the construction trades. As we think about health reform and other market-driven cost-saving efforts we need to keep in mind the health care field isn’t just about doctors and prescriptions and digital imaging.

It is also about jobs and dollars into local economies and about the spinoff benefits to local businesses supplying construction and operational support. Health care organizations are among the largest employers in any town, with local governments often indexing community viability on the success of the hospital or clinic and the ability to attract physicians, nurses, specialists and other health professionals.

Ours is an industry that provides both physical and economic health.

Health care is a $7.2 billion industry in Alaska. In 2010, it accounted for more than 31,000 jobs here. According to the State of Alaska, health care employs more people here than state government, the oil patch or most other industries. Construction spending for Alaska hospitals alone is forecast this year at $305 million.

Cost pressure from employers and payers, along with demands for increased quality from the public, are spurring Alaska’s hospitals and nursing homes to deliver more for less. The push for more cost-effective care is now a standard expectation in our organizations.

Government reforms offer the promise of as many as 60,000 more Alaskans covered through private health insurance or Medicaid as soon as 2014—but at the same time hospitals face Medicare reductions and stiff penalties for not meeting new quality outcomes.

When an industry of this size and importance is changing, Alaskans should take notice.

Employment trends point to continued growth

According to the Alaska Department of Labor and Workforce Development, 31,065 people worked in health care in this state last year—51 percent of those jobs were in hospitals and nursing homes.

And that doesn’t count construction jobs. Just this year large-scale projects are under way or beginning soon at Providence Alaska Medical Center in Anchorage, the Tanana Chiefs Primary Care Center in Fairbanks and hospital and long-term care facility enhancements across the state.

As the population ages, there is a growing need for a full continuum of elder care and facilities, so senior services are growing everywhere—especially in rural communities such as Kotzebue, Nome, Bethel and Kodiak.

The numbers should stay impressive. The industry has generated the biggest job creation in Alaska’s economy over the past decade, with health care employment up 46 percent during that time. Such growth is about five times faster than Alaska’s overall population and three times as fast as all other sectors of the economy.

The trend is expected to continue into this decade with 11 of the 15 projected fastest-growing professions found in the field of health care.

It is important to note that health care employment is unique in Alaska because job growth occurs throughout the state. Health-related job openings are found in all regions of Alaska, offering close-to-home employment for many people and solid, steady payrolls for local communities.

Another positive trend is that Alaska is doing a better job growing its own health care workforce, meaning more of our neighbors are qualifying for more of these typically good-paying jobs. Alaskans now have access to training in approximately 80 health occupations.

Even when locals can’t fill all of the jobs there is a renewed focus on meeting Alaska’s growing demands for care. A workforce coalition has set priorities for attracting health professionals in nursing, pharmacy, physical and occupational therapy, primary care physicians and the behavioral health professions.

As Alaska ages and health costs rise, change is coming

Part of the change in our industry is driven by simple demographics. Alaska has always been a young state, but it is graying. We have the second-fastest aging population in the country; as the baby-boom generation begins to age
into typically more utilized and more expensive care, overall costs go up and questions arise about making sure older Alaskans have proper access to quality health care.

During all of this change, Alaska providers are still maturing a health care system that in many communities lags behind the Lower 48 in offering basic kinds of treatments and technology in many specialties. Many of these expansions, such as cardiology and cancer care, are partnerships between physicians and hospitals.

Our doors are always open—to anyone. Hospitals operate 24 hours a day, seven days a week and must treat everyone regardless of ability to pay. In 2009, Alaska hospitals reported uncompensated care totaling approximately $156 million, or 7.8 percent of overall expenses.

Health spending in Alaska and the rest of the United States is continuing to rise, driven mostly by increased utilization and higher medical costs.

One illustration is found in the cost of insuring ourselves and our families. According to the Alaska Health Care Commission, health insurance premiums for working Alaska families grew by 91 percent between 2000 and 2009, while in comparison median earnings for Alaska workers rose just 17 percent during the same period.

These rising costs affect not just the family pocketbook but businesses big and small. As businesses are forced to commit more of the bottom line to providing health insurance to recruit and retain top-notch workers, they have less capital available for expansion or investments in innovation and new technology.

Part of the solution will come from meaningful health care reform, which is designed to drive down costs by insuring more Americans so they rely less on expensive, last-resort emergency room care and by demanding more value from health care providers. Part of the change will come from within the industry, regardless of government reforms.

Moving forward with new investments and a continued commitment to quality

Hospitals and nursing facilities have been saving lives, bringing babies into the world and providing 24-hour care in Alaska since the first hospital was established in Sitka in the 1860s by the Russian America Co.

Today, members of the Alaska State Hospital and Nursing Home Association (ASHNHA) and other health care providers are meeting the challenge head on. We focus on innovation in the areas of health care quality, efficiency in health care delivery and on efforts to prevent debilitating and expensive chronic diseases.

Alaska providers are investing millions of dollars in health IT systems with the promise of important payoffs in improved quality outcomes, reduction of medical errors and better coordination of care. New technologies emerge every day—they can prevent costly medical procedures and provide more efficient care.

The progress will continue. Nearly every Alaskan has had the experience of needing important or lifesaving medical care for themselves or their loved ones. Those needs will never go away, so it is incumbent upon all of us to maintain a strong health care system in Alaska, no matter what changes come our way.

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James G. Williams, a lifelong Alaskan born and raised in Juneau, started his career as an iron-worker. In 1978 he, his wife Arbe (pronounced “ar-bee”), and two partners opened Southeast Steel Erectors—a subcontracting steel erection company. In 1994, the company became a licensed general contractor and changed its name to North Pacific Steel Erectors, with Jim and Arbe buying out the stockholders to become sole owners and taking over management of the business. Dropping “Steel” from its name a year later, the company now is known in Juneau, and other areas of Alaska, as North Pacific Erectors—and as a quality, established general contractor.

“They’ve been in this business a long time, really emphasizing hiring Alaskans and keeping Alaskans in the workforce,” said business manager Ann Gilberto.

“They’ve been ready to retire for years but never had anyone who would be able to run the company the way they wanted—until recently,” Gilberto added.

Arbe Williams, who previously worked for the State of Alaska in the Department of Labor, transferred to the company offices full time in 1998 and assisted her husband in all facets of the business. More than a decade later, the Williams’ are preparing to step aside and let another young, motivated and ambitious couple fill their experienced shoes. Ann and Chris Gilberto met and married in Juneau and hope to continue to embody the mission, values and company goals early established by Jim and Arbe.
Ann started work at North Pacific in 2004. Chris started with North Pacific in 1999 as an apprentice carpenter; worked his way through the ranks as journeyman, foreman and project manager; and is now the operations manager for North Pacific, managing more than $2 million in equipment, the facility and general infrastructure for the company. The time Chris and Ann spent growing with the company enabled Jim and Arbe to pass their livelihood into new, capable hands.

And running North Pacific is no simple task. Despite its humble beginnings, the general contracting outfit is now capable of doing all facets of general construction. “We pretty much do anything you put in front of us,” Gilberto said. “We do site work, we do concrete. We do foundations, stick frame structures, renovations or remodels and new construction.”

North Pacific has a Garco Metal Building Systems franchise and is a licensed Carlisle Roofing System installer. The company has also worked setting bridges, on hospitals, schools and medical clinics in various projects. Past work for North Pacific has included numerous private and public sector clients. A multi-million dollar
The dam project was recently completed for Alaska Electric Light and Power Company. North Pacific has worked on projects for Hecla Greens Creek Mining since 1990. In addition, the company has worked from Ketchikan to the Aleutian Chain and on the North Slope, mostly on the coast of Alaska.

Future projects for North Pacific include new construction on the Greens Creek Mine and Kensington Mine. The company is negotiating a private contract for the Goldbelt Place siding renovations and replacement work. This involves work at a privately owned Class A facility that houses the Alaska Permanent Fund and State of Alaska Education offices.

“It’s high profile,” Gilberto said. “We had to work pretty hard to get that contract.”

When the company wins a contract, its values and work ethic continue throughout the process: bid to award to job completion. North Pacific recently completed a significant project in Juneau with the construction of a new “seawalk,” comprised of nearly 300 feet of linear boardwalk with steel piles.

“It was an excellent experience,” said Engineering Department project manager Michelle Elfers. “They are very professional, very honest, and they really keep up great communication.”

The project consisted of the boardwalk construction as well as upland work that involved excavation, concrete work, paving and landscaping.

“They really strive to finish things on time,” Elfers continued, “which doesn’t always happen, so it’s much appreciated. I really enjoyed working with them. They were always really responsive with issues that came up or questions that we had.”

Currently North Pacific hires an average of 55 to 60 employees per year, depending on workload and seasonal crew numbers. The company is dedicated to hiring Alaskans, Gilberto said, and is a union contractor. For a small outfit, this means big publicity – North Pacific has been on the Top 10 Alaska Regional Contractors Council list for the past six years, competing with companies like Neeser Construction Inc., in the same category. “We may not be as big,” Gilberto said, “but as far as union work goes, we’re in the Top 10.”

North Pacific, an Associated General Contractors of Alaska member since 2003, notes that the main benefits of membership include the wealth of advice and experience when dealing with contracts and agreements. “We look towards them for support,” Gilberto said. “The availability of resources is great,” she added. “They provide us with contract support and AIA contract documents, subcontractor agreements, that sort of thing – that’s when I call on them the most.”

In addition, Gilberto said the company benefits from AGC publications. “We get the magazine and always take note of who’s in there, what other contractors might be doing and just staying current with new developments,” she said. “There are always emails that help us with the politics and encourage and inform us about the things that will affect us as a general contractor.”

Jessica Bowman is a writer who lives in Anchorage, Alaska.
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Nearly one in 10 Alaska jobs is in the health care industry. Twelve of Alaska’s 100 largest employers are health care providers, and in the last decade the number of health care workers in Alaska increased by more than 45 percent.

As more services are available in doctors’ and health care providers’ offices, hospitals, nursing and residential care facilities, Alaskans no longer need travel out of state for health care. As more Alaskans access health care at home, the industry continues to grow.

The Alaska Department of Labor and Workforce Development forecasts that health care will experience the largest growth of any industry in the state—an increase of 9,400 jobs between 2008 and 2018, compared to 2,490 new jobs in transportation and warehousing or 610 new manufacturing jobs.

To help prepare Alaskans to fill these jobs, the department has provided almost $2 million from state and federal sources on health care training over the past two years—including the actual costs of tuition, fees, books and other training materials—plus supports costs such as transportation and uniforms.

The 2012 capital budget just passed by the Alaska Legislature includes about $65 million in health care related projects, including hospitals, clinics and Alaska Pioneer Homes.

Alaska’s 65-plus population, with greater health care needs, grew more than 50 percent in the last decade. Projections indicate that our senior population will double in the next 10 years, compared to 33 percent nationwide, and demand for health care services will expand commensurately.

Alaska’s Workforce Investment Board recently received a $150,000 planning grant to further develop the Alaska Health Workforce Plan adopted by the board in 2010. The plan, which originated with the Alaska Health Workforce Coalition, will be expanded to include additional labor market information that will be used to create health care career pathways for students and adults, including dislocated workers, and identify specific sectors that will provide jobs.

Health care offers jobs at every level of training and education, which often have a clear experience/education career path—for example, with the appropriate continuing education a certified nurse assistant can become a licensed practical nurse and then a registered nurse.

AVTEC—Alaska’s Institute of Technology’s Allied Health Program, part of the Alaska Department of Labor, offers two levels of training that meet Alaska Board of Nursing and employer standards—CNA and LPN. The eight-week CNA program produces 120 graduates each year, the 10-month LPN program 20. Both programs have a 100 percent placement rate.

Since opening its Anchorage Allied Health campus, AVTEC has expanded programs twice to meet industry demand. AVTEC’s LPN graduates can enroll directly into the second year of the University of Alaska’s School of Nursing’s associate program and become a registered nurse.

The Bering Strait Health Consortium has also provided CNA training each year since 2004, with a mix of adults and Northwest Alaska Career and Technical Center high school students who are at least 17 years old. The consortium includes NACTEC, University of Alaska Fairbanks Northwest Campus, Northwest Alaska Career and Technical Center, the Nome Job Center, Kawerak, Norton Sound Health Corp. and Nome Eskimo Community. CNA students complete their five-week course in Nome with two weeks of practicum and hands-on training in Fairbanks.

The UA system offers more than 90 health programs statewide in allied health, public health, nutrition and dietetics, behavioral health, health information and management, medical billing and coding, and nursing and nurse practitioner. In addition, partnership programs with other universities for physician, pharmacy, physician assistant, occupational therapy and speech-language pathology offer even more options. About half of the programs are offered using e-Learning and blended technologies. Since 2001, the number of majors enrolled in UA health-related programs increased 91 percent to 2,800 and the number of degrees awarded to more than 800 health-related degrees each year.

An innovative, first-of-its-kind in the U.S. program is providing sorely needed preventive dental care in rural Alaska. Yuut Elitnaurviat partnered with the Alaska Native Tribal Health Consortium to train dental health aide therapists. Students spend a year training in Anchorage and a second year filling more than 1,000 appointments at the Yuut Elitnaurviat Dental Training Clinic in Bethel. The program has graduated 17 students,
with four more now completing their clinical work.

Another Yuut partnership, with the Yukon Kuskokwim Health Corp., is training personal care assistants, a program that provides layered benefits—wage income in regional villages, a boost to Alaska’s rural economy and services that allow elders to stay at home in their communities with family and friends.

Employers are helping build a health care workforce through registered apprenticeship. A partnership between the Alaska Office of Apprenticeship and the U.S. Office of Apprenticeship created the first-in-the-nation apprenticeship in surgery technology.

Other health care occupations that can be supported by apprenticeship include pharmacy technician, dispensing optician, and medical coding and billing. A promising opportunity includes biomedical equipment repair technician, an occupation that repairs and calibrates medical equipment.

The CNA apprenticeship career lattice through Prince William Sound Community College, a true earn-while-you-learn program that supports the needs of both employers and working adults, is a cooperative program with the Alaska Department of Labor, U.S. Department of Labor and the University of Alaska.

Health care offers year-round employment opportunities in all regions of Alaska—even in Alaska’s smallest rural communities where jobs are scarce. To meet industry demand, we will continue to work on initiatives that help Alaskans access health care careers.

Click Bishop, a life-long Alaskan, serves as commissioner of the Alaska Department of Labor and Workforce Development.
Roger Hickel, ROGER HICKEL CONTRACTING

Our team at Roger Hickel Contracting is very proud to receive these awards from our peers. Our clients are impressed by the fact that we have consistently received these awards, and this can and does make the difference when owners select a contractor. It does take time to prepare the submittal but you can’t win if you don’t enter.

Ron Pichler, President, DENALI DRILLING INC.

Over our 25+ years of involvement with the AGC we have had the opportunity to watch with admiration the annual awards presentation for “Excellence in Construction” being bestowed on many deserving/qualified contractors who took the time to submit their projects for entry. We, as a subcontractor worked on many of the projects but never felt the portion of work we completed was worthy of entry even though we do some challenging/interesting work. Through encouragement by the contractors themselves and AGC staff we finally took the time to fill out the application, it was an easier process than we anticipated. What we found was a forum that is available to all members who participate, which is a great way to network your business and highlight projects and specialties that your business is involved in, and if you’re successful it’s great to get the recognition from your peers.

Yes, it’s that time of year again. ALASKA USA INSURANCE BROKERS EXCELLENCE IN CONSTRUCTION AWARDS and the MARSH & McLennan AGENCY EXCELLENCE IN SAFETY AWARDS deadlines are Sept. 7, 2011. So start now to get your projects and programs submitted. Contact Kimberley at the AGC office and request the full award rules, category information, and entry forms. Your organization deserves the credit for its hard work and although not everyone will win an award, everyone receives the satisfaction of knowing their work was examined by a panel of their colleagues. Some of AGC’s best known names have entered and won, and now so can you.

Here is what our members and previous winners are saying...

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CONSTRUCTION

EXCELLENCE

in Construction & Safety Achievements

You can’t win if you don’t enter.
SAFETY

Brad West, West Construction Co. Inc.

Recognition locally and nationally for our company’s safety achievements by our peers is an honor that pays for itself many times over. It illustrates a company can be productive and profitable while accomplishing strong safety records. Safety awards help sell our company to owners looking for contractors with a proven record. Safety awards are similar to viewing the tip of an iceberg. At first glance, it may appear to be a small object, but those who recognize its importance understand the tip represents many hours of training, meticulous management and hours upon hours of safely worked projects which cannot be seen.

Kirk Foster, American Marine Corporation

American Marine Corporation considers the Excellence in Construction and Excellence in Safety Awards extremely valuable to AMC as a company, and to the construction industry as a whole. As expressed in the AMC mission statement, the AMC corporate vision is “Excellence in Operations,” which includes both excellence in craft and safety performance for every process and project. The AGC sponsored Excellence in Construction and Excellence in Safety Awards provide a means for determining how well AMC as a company meets this objective when compared to other AGC member companies. In turn the emphasis on construction and safety excellence creates a positive public perception of AGC member companies and the construction industry when we consistently demonstrate that major construction projects with unique challenges can be completed safely while achieving excellence in construction execution and end product delivery.

Scott Ivany, PCL Construction Services Inc.

Our safety program sets a high standard for our employees and subcontractors. Recognition of these efforts by industry organizations such as AGC adds both incentive and confirmation that our efforts increase our value to our clients and the construction community as a whole.

HOW TO ENTER

So what are you waiting for? The time to enter is now.

Award rules and categories are available on the AGC website www.agcak.org, click on AGC Events.

The DEADLINE to enter is 5 p.m. Sept. 7, 2011, at the AGC of Alaska Anchorage office at 8005 Schoon St.

Call Kimberley at 561-5354 or email Kimberley@agcak.org for more information.
Preparing to thrive or survive in an uncertain economy

Alaska’s economy has certainly remained in much better condition than that of the Lower 48.

Relative to the Alaska construction industry, declining revenues have been limited primarily to our residential contractors. For the time being, reduced North Slope exploration and expansion has been veiled by increased maintenance work.

Could continued delays in North Slope oil and gas exploration result in a downturn in our commercial construction industry? What about reduced federal government spending through a change in the 8A contracting program? It is certainly possible. We don’t have the answers to these important questions yet, thus we must remain somewhat cautious in planning for the future.

- So how does a company brace itself for a potential downturn in revenues? And what temptations should a company avoid when revenue opportunities start to contract?
- Leave as much of this year’s profits in the company as possible. Companies with a large equity base can weather a downturn and can absorb a few years of losses.
- Review all expense categories for potential areas of savings. Have you replaced your job tasks with a layer of middle management? Is it time for you to step back in and watch the jobs more closely, especially since they are probably being bid at lower margins? Proactive expense-cutting could make the difference between a loss and a break-even year. When revenues come back, the bottom line should rebound nicely. A top-to-bottom review of expenses is an exercise all companies should go through periodically, not just when revenues are declining.
- Review the need for future capital expenditures carefully. Is this the time to take on additional term debt? Term loan payments are fixed expenditures that don’t go away when revenues decline.
- Don’t finance capital expenditures under your bank line of credit as an alternative to term debt. You will be tying up valuable working capital support intended to finance job payroll and material costs.
- Should existing term debt be refinanced at a fixed rate? Interest rates are certainly going to be going up in the next couple years. Now may be the time to lock in, especially on long-term real estate debt. (I know, I know, bankers have been telling you for years now that interest rates are going to go up. But I think the time is getting very near.)
- Don’t be tempted to bid jobs at a loss, just to fill the work-in-progress report. Let the naïve out-of-state contractors take the job at a loss. They probably won’t be around for next year’s bidding.
- Be careful bidding jobs out of your area of expertise or out of your geographical area just to fill the work-in-progress report. These are common mistakes made by contractors when existing markets start to shrink.
- Stay close to your bonding agent and banker in busy times and in slow times. Keep your bonding and bank line limits as high as possible. Bankers will become wary if your bonding limits are suddenly reduced. Vice versa, bonding agents will become wary if your bank lines are suddenly reduced.

Bottom line, it is possible to survive and even thrive during times of economic uncertainty and even during economic downturns. Many of today’s large contractors grew out of the 1980s downturn. You just need to stay lean and responsive to the market. As Confucius said, “The cautious seldom err.”

So make no mistake about it, there will be opportunities in this market if pursued with due diligence.

Jean McKnight is a commercial loan officer at First National Bank Alaska. She has more than 34 years of commercial lending experience.
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Health care in Fairbanks is growing in an effort to better accommodate residents of Interior Alaska, and provide local services to Alaskans who were previously accustomed to traveling great lengths to receive specialized care. GHEMM Company recently renovated part of an existing facility and built an addition for Fairbanks Memorial Hospital’s (FMH) new heart center that opened last year; while Criterion General Inc. completed the Surgery Center of Fairbanks for Pfeffer Development LLC in October 2010.
Fairbanks Memorial Hospital’s Harry and Sally Porter Heart Center

In 2009, GHEMM Company took the lead on FMH’s new Harry and Sally Porter Heart Center designed by architect Martha Hanlon. The heart center is a 12,747-square-foot, state-of-the-art facility that serves approximately 10,000 patients a year. Fairbanks is the central hub to Interior Alaska and draws patients from communities such as Healy, Tok, Delta, Barrow and the North Slope.

As the general contractor, GHEMM oversaw the Phase I renovation of a facility to make room for an existing off-site Cardiology Clinic and the Phase II construction of a new facility that added three exam rooms and relocated the Cardiac Rehabilitation program.

Until the heart center opened, FMH could only stabilize emergency patients and fly them to Anchorage. Now FMH can take care of most cardiac procedures from diagnosis to rehabilitation.

– Belinda Brunnett

Mike Davis, GHEMM project manager, said that construction of the new edition was fairly straightforward while the remodel was a bit trickier. The existing facility was a mismatch for the Cardiology Clinic’s equipment, which meant gutting the interior during the renovation.

“We really worked hard to make the design a reality,” Davis said. “Building in and around the facility always means challenges. The heart center has good owners and a good designer, and that made it much easier.”

Belinda Brunnett, heart center director, said that GHEMM made

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the transition into the new facility effortless. “I sat in on several of the construction meetings. They did an excellent job listening to input and making adjustments as needed.”

Brummett said that the goal of the heart center is to centralize services. Until the heart center opened, FMH could only stabilize emergency patients and fly them to Anchorage. Now FMH can take care of most cardiac procedures from diagnosis to rehabilitation. Brummett says about 90 percent of services can be taken care of at the heart center; however, patients still have to travel for some heart-related treatments, such as coronary bypass surgery. Yet, even in these cases, they are able to have a majority of their follow-up care in Fairbanks.

“Keeping people closer to home is less stressful for patients who have a close network of friends and family,” Brummett said. Likewise, she says that FMH provides services at less cost than facilities in other parts of Alaska.

**The Surgery Center of Fairbanks**

Criterion General’s work on the Surgery Center of Fairbanks is a testament to how good organization can result in quick construction. Though the contractor had started some preliminary work in October 2009, it didn’t actually start thawing ground
until mid-March 2010. The goal was to have the surgery center completed by October 2010 for its grand opening mid-November.

“It meant having everything ready to go so that we could meet our deadline,” said Dave DeRoberts, Criterion president and project manager.

The surgery center is a 14,000-square-foot facility with a 27,300-square-foot medical office wing dedicated to multiple types of outpatient surgeries that require less than 24 hours of on-site recovery time. Types of surgeries include neurosurgery; gall bladder; orthopedic; ear; nose and throat; dental; and plastic surgery. The center has six pre-op rooms and 16 recovery rooms.

The surgery center aims to offer cost-effective outpatient procedures that use state-of-the-art technology. This includes digital integration systems for operative suites, advanced air flow systems to minimize contamination risks, LED lighting and closed-circuit high-definition video to maintain up-to-the-minute, real-time communications between departments.

KPB Architects designed the surgery center, and according to DeRoberts, more than 100 craftsmen were working on site at any given time to complete the project on time.

“We are very proud of the quality of this facility,” DeRoberts said. “We are happy that we were able to meet the quick turnaround.”

The addition of the Harry and Sally Porter Heart Center and the Surgery Center of Fairbanks further centralizes health services in Interior Alaska and showcases two quality projects accomplished by AGC members.

Rachael Kvapil is a writer and photographer who lives in Fairbanks, Alaska.
As construction season gets into full swing again this year, employers should be on the lookout for a common hazard: dust, which is often overlooked or dismissed as trivial. There are many potential dust exposures to workers during construction, from a wide variety of activities.

Dust is a generic term for minute solid particles, typically less than 500 microns in diameter. In construction and demolition projects, dust particles are created in a wide range of sizes. Larger, heavier particles tend to settle out of the air, while smaller, lighter solids may hang indefinitely.

For occupational health purposes, airborne solids are categorized by size as either respirable or inhalable. Respirable dust is small enough to penetrate deep into the lungs, usually identified as particles less than 10 microns in size (PM-10). These tiny solids that migrate far into the respiratory system are generally beyond the body’s natural cleaning mechanisms, such as cilia and mucous membranes, and are likely to be retained. In contrast, the larger particles in the inhalable dust classification are typically trapped in the nose, throat or upper respiratory tract. To put that in perspective, a human hair typically ranges from 50 to 75 microns in diameter, illustrating that the most hazardous dust particles in most situations are the ones too small to see.

Hazard Identification – Know Your Dust!

The first step in controlling an exposure to a hazard is to properly identify the hazard. Begin by reviewing your operations to determine potential dust sources. Consider the work, potential routes of entry and health hazard categories.

Work considerations:
- What tasks are performed?
- What tool is used?
- How enclosed is the work area (indoors or out, size of room, ceiling height, windows and doors installed, stairwells)?
- Are dust-control techniques used (water, ventilation, isolating the dusty work)?
- Is the dusty work constant or intermittent? Does the job take the whole shift?

Dust in the wind

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Hazards and Exposures

Just a few examples of potential dust hazards in construction include:
- Exposure to dust generated from wood-cutting operations. Routes of entry can include skin contact, inhalation and ingestion. For example, formaldehyde resins are used to bond the materials in all fiberboards (such as MDF), usually urea formaldehyde, but some exterior or marine quality board will use phenol formaldehyde or other more toxic glues. Many materials intended for ground contact or outdoor uses have been treated or pressure treated with substances such as inorganic arsenic, chromated copper arsenate (CCA), disodium octaborate tetrahydrate (borate), formaldehyde, alkaline copper and quaternary ammonium compounds (ACQ) and many others. Road workers can be exposed to silica-containing dusts, hydrocarbon solvents, lime and cement dusts, and polycyclic aromatic hydrocarbons. Maintenance workers who are working from the road can be exposed to myriad pesticides, as well as respirable dusts from sprays and fumes.
- The most common exposure for demolition and debris recycling workers is crystalline silica, but studies of workers responding to the collapse and cleanup of the World Trade Center have been exposed to contaminants including particulate matter (PM), metals, polychlorinated biphenyls, dioxins, asbestos, volatile organic compounds, particle-bound polycyclic aromatic hydrocarbons, silica and synthetic vitreous fibers (SVFs).
- Residential and commercial contractors can face such hazards as drywall dust, silica exposure, wood dust from cutting, asbestos and combustible dust.

The most common activities that create dust exposure include:
- Abrasive blasting
- Sawing, chipping, hammering
- Crushing, loading, hauling, dumping
- Paving
- Demolition
- Excavation
- Sanding, dry sweeping or blowing
- Spraying
- Environmental (e.g. blowing dust)

In addition to the health issues are other safety issues. Sawdust can act as insulation trapping heat. This can cause the dust to combust and spread flames to all other areas where sawdust is present. A fine “mist” of sawdust can lead to an explosion. Dust can also cause problems for equipment, requiring more frequent repairs and maintenance. It can also create nuisance exposures, obscured vision and slippery or hazardous walking/working surfaces.
• Review the MSDS of all products used
• Consider testing your dust for explosibility and health hazards
• Monitor worker exposures with dosimeters, air samplers and badges

What are the potential routes of entry for the hazard?

Inhalation: Breathing in vapors, mists, dusts, fumes or fibers is the most common means of exposure.

Ingestion: Exposure occurs from eating, drinking or hand-to-mouth contact with contaminated hands. For example, metal dusts from soldering, sanding residue and paint can be ingested in small quantities if hands are not washed prior to eating, drinking or smoking.

Eye absorption or contact: Contact can occur with hazardous materials during operations that create fine dust particles. Dust settling on the eye actually creates a different route of entry from skin absorption.

Skin absorption: Contact allows the chemicals to pass through unprotected skin cells, sweat glands or hair follicles. Some chemicals are absorbed into the skin and bloodstream and affect organs such as the liver and kidneys.

Skin contact: Not all hazardous substances are absorbed. Some affect the skin by drying, defatting or corroding it. Irritation, a rash, mild to severe drying of the skin or severe burns can result. For example, paint solvents can dry the skin.

Injection: A puncture wound (injection) that comes from contaminated glass, metal or plastic. Injection could cause symptoms similar to those experienced with skin absorption or contact.

Determine what health hazard categories may be present: anesthetics,
asphyxiants, corrosives, irritants, sensitizers, carcinogens, mutagens, teratogens or toxics?

**Hazard Control – Keeping your Dust in Check!**

The bottom line in preventing dust exposure is to apply the hazard control hierarchy. (See *The Alaska Contractor* magazine, “Using the hazard control hierarchy,” Winter 2011). Elimination, substitution and engineering are the preferred hazard reduction techniques, as they actually reduce exposure.

Other techniques from controlling worker exposure include:

- Engineer and install appropriate dust collection systems (be sure to consider explosion and toxicity factors).
- Water is often the best option for dust control. It works best when a water spray is directed right at the point of cutting or grinding. A fine mist is generally more effective than a water stream. Wetting or dampening the surface alone before starting is usually not effective because almost immediately cutting or grinding will get below the wet surface, generating dust. Generally speaking, the more water used, the better airborne dust control.
- Table saws usually use water for silica dust control. This explains why exposures for table saws are lower than many other tools. Maintenance of the saw’s water reservoir is important for good water flow and control.
- Isolating the dusty activity, by tenting off or otherwise separating the worker doing the dusty work from others on the site, is good for controlling silica exposure for nearby workers. It can, however, significantly increase the dust level for the worker inside the enclosure. A good way to reduce the dust inside the enclosure is to exhaust dust out of the enclosure using a fan with flexible ducting. A filter sock can be attached to the exhaust end of the duct to collect the dust.
- Install and use the proper vacuums. Make sure that you are using enough suction and power. Inspect...
it regularly and keep it clean. For good dust control, the vacuum needs to be powerful—rated at 90 cfm airflow or better. The vacuum bag needs to be changed often.

- Make good housekeeping a habit. A little time at the beginning and at the end of each day or each project can save a ton of time later.
- Use abrasives containing less than 1 percent crystalline silica during abrasive blasting to prevent harmful quartz dust from being released in the air.
- Continuously monitor airborne dust levels.
- Do not use compressed air to “blow” it away. All that does is to send it all airborne only to settle again later. It also can cause eye injuries and respiratory problems as it sends the dust flying around in the air.
- Do wear the appropriate personal protective equipment such as Tyvek suits, coveralls, face shields, dust masks, goggles and/or safety glasses.
- Respirators should only be used until adequate dust controls are in place. Respirators should not be the primary method of protection. If controls cannot keep dust levels below recommended exposure levels (REL), then respirators should be used. Respirator usage requires a comprehensive respiratory protection program that includes medical surveillance and history, fit testing, selection, use and maintenance.

Construction workers in Alaska face many exposures to dust. Taking the time to properly identify, evaluate and control dust can make life a lot better for your workers. It will increase comfort levels, decrease costs and boost productivity. Which is all good news for your bottom line.

The Engagement Effect, a division of Ross Performance Group LLC, offers solutions in organizational results, safety and health, leadership, talent management and culture change. Learn more about us at www.theengagementeffect.com or email the author at chris@theengagementeffect.com.
The view patients enjoy from the waiting area in the Kake Clinic.
In Alaska, construction season is well under way and projects are moving forward. The health care industry has several new projects and facilities throughout Southeast, with contractors working hard to meet the needs of businesses and local people.

A major Southeast development is almost under way, with construction of the new Wrangell Medical Center estimated to start this fall. The new state-of-the-art hospital will replace the existing 45-year-old building and will be big enough to include all hospital technology in one building. There will be a 20-bed nursing home and extended care, a surgery center and an ER, as well as larger and more private inpatient rooms all of which offer residents more extensive care locally.

The project included support by the Assembly who donated land for the hospital as well as space for the local clinic so that the health care facilities can be co-located. Borough Manager Tim Rooney facilitated the jointly developed site plan to keep both medical providers next door to each other. The economic impact of the new medical campus will exceed $30 million.

Noel Rea, Wrangell Medical Center chief executive officer, says that the improvements have been financed with nearly $20 million from USDA loans, as well as funding from the Rasmuson Foundation and state grants. Currently, Layton Construction has been proposed as the construction manager to oversee the project. "We will be finalizing contracts with the contract team as soon as we get our Certificate of Need in hand," Rea said.

SEARHC, a nonprofit, tribal health consortium of 18 Native communities serving the health interests of Tlingit, Haida, Tsimshian and other Native people, has partnered in recent years with the Denali Commission and other financial partners to

The Kake Clinic lobby after the health center’s improvement and expansion project.
Shawn Sorenson, director of facilities for SEARHC, said the consortium has tentatively received funding to conduct upgrades to the Haines Medical Center.

“Haines is more than a construction project,” Sorenson said. SEARHC acquired conditional ownership of the facility from the Haines Borough in 1998. In 2001, SEARHC participated in the first of the Denali Commission’s primary care funding awards to update the building.

“Over the next 10 years, upgrades have continued, and we now have a 12,500-square-foot comprehensive health care facility. Every square inch of the original late-1960s building has been renovated,” Sorenson said.

Upgrades to the medical center were completed by Steppers Construction, on time and within budget in 2005. The major remodel included a 1,480-square-foot addition to the east end as well as mechanical, electrical and sprinkler system upgrades, and new finishes to almost all the rooms.

upgrade the primary care facilities in many Southeast communities.
“As with most remodel type projects, many unforeseen conditions arise as the job progresses,” Steppers project manager Charlie Korzeniewski said. “The problems we encountered revolved around the age of the existing structure and construction practices of another era that we uncovered. We worked through these and ended up with an exceptionally well-built structure.”

As SEARHC gears up for the next phase of improvements to the Haines Health Center, Sorensen does feel a certain sense of hindsight being 20-20 in that a new facility in Haines might have been a better path in light of the extensive upgrades. “However, initial planning and development occurred only after the Denali Commission was announced by Sen. Ted Stevens. The long-term viability of the commission and its funding opportunities were greatly unknown at the time, and funding was limited,” he said. “With the success of Senator Stevens’ Denali Commission, so went the planning, design and development of the Haines Health Center.”

According to Sorenson, funding recently, and still tentatively, available from HRSA will allow for additional expansion. The scope of work will include such projects as an office space expansion, improvements in the physical therapy unit, emergency and radiology suites and other areas throughout the building.

Another project that SEARHC recently facilitated was improvements and expansion of the Kake Health Center which was substantially completed by June ’09. The consortium purchased the building from the city in 1997 with the intent to expand it in the future. “As the Denali Commission began ramping up, we decided to pursue expansion,” Sorenson said. “The general scope of the project was a combination of new construction and remodel/renovation of the existing clinic. Phase 1 was construction of a 3,700-square-foot primary and emergency care wing. Phase 2 included renovating the existing 3,315-square-foot clinic to better accommodate dental, behavioral health and wellness programs.”

Even more recently SEARHC celebrated the expansion and renovation of the Hydaburg Health Center in January. The year-long $2.1 million project was funded by the Denali Commission and the U.S. Health Resources and Services Administration. The clinic grew 1,200 square feet, its layout was improved to better accommodate patient flow and privacy, and some codes and conditions were addressed as part of the project.

SEARHC’s growth continues as it looks to replace the Hoonah Health Center in the near future. A design and business plan is in place for the project along with 80 percent of the project’s funding and a donated site. Pending the release of the remaining funding from the Indian Health Service, the consortium will take the project to bid.

“We plan to replace the current clinic, which has outgrown the two recycled mobile homes it has been using for the past couple of decades,” Sorenson said. “This is our top priority project for the upcoming construction seasons.”

Jody Ellis-Knapp is a writer who lives in Anchorage, Alaska.
Aaron Plumbing and Heating Co. is a well-traveled mechanical contractor. Posters of planes and trains cover the office walls of co-owner and vice president Jim Gibertoni, a licensed pilot who owns his own plane. But what speaks most about the distance to which Aaron Plumbing and Heating has gone for its clients is the Alaska map on Gibertoni’s wall. The map, just across from his desk, is covered in push pins identifying every location that Aaron Plumbing and Heating has serviced since opening in 1982. A majority of pins cluster around Interior and South-central Alaska, spreading as far north as Deadhorse, into the panhandle just south of Petersburg and as far west as Shemya, the last island on the Aleutian chain.

“My aviation experience goes hand in hand with my work here,” Gibertoni said. “I started flying because we needed to get plumbers out to rural worksites. Now we go all over the state.”

Aaron Plumbing and Heating is a Fairbanks-based company that installs plumbing, heating and air conditioning systems in commercial and industrial buildings; in addition to producing design-build, plan and spec, and time and material projects. About 30 percent of the company’s work is design-build, with a majority of their services provided as a subcontractor.

Gibertoni started Aaron Plumbing and Heating with $26 in small jobs. As the company grew, he brought on two additional co-owners: president/project manager Tom Fisher and secretary/treasurer/project manager Dima Kulmanovsky. Eight employees work in the offices, with an additional 30 to 35 on-site laborers. In recent years, Aaron Plumbing and Heating has worked on projects...
with the Department of Defense, U.S. Army Corps of Engineers, the State of Alaska, the Fairbanks North Star Borough, the Fairbanks North Star Borough School District, the Yukon Kuskokwim School District, the Lower Yukon School District and the University of Alaska.

Tim Jauhola, superintendent of Innovative Technical Solutions Inc. (ITSI), says that Aaron Plumbing and Heating helped make the remodel of Eielson Air Force Base dormitories 2260 and 2266 effortless.

“Aaron is a good contractor and a pleasure to work with,” Jauhola said. “They’re organized. They have the tools and materials they need when they need it. They make sure to have qualified people to complete the job.”

Due to logistics, the remodel of the two Eielson dormitories spanned two years and included major mechanical and electrical work, installation of fire alarms and the repainting of the interior. ITSI has worked with Aaron on two other projects: the remodeling of the Eielson Nosedock #2 and the U.S. Marine Corps training facility at Joint Base Elmendorf-Richardson. Jauhola said he would gladly work with Aaron Plumbing and Heating again.

Fisher said the success of Aaron Plumbing and Heating Company completed several renovations for the dormitory remodel project and Eielson Air Force Base including piping in the mechanical room.
Plumbing and Heating comes from not only their quality work but also their emphasis on building strong relationships within the industry. Even though Alaska is a large state, Fisher said the smaller population means contractors, subcontractors and laborers work together frequently. He thinks it is important to be organized and communicate efficiently.

“My job is to make sure the job runs smoothly,” he said. “It’s not always an easy task. Some people who come up here and bid work do not always understand the environment we’re working against.”

Aaron Plumbing and Heating Co. joined Associated General Contractors of Alaska in January of 1993. Fisher said being an AGC member helps him with his organization. For example, just before the interview he had been reviewing AGC literature about industry updates. Without AGC, he said it would take too much time to find all the necessary information independently. Gibertoni sees AGC as an industry advocate in Juneau, protecting Alaska contractors from unnecessary legislation that will impede their ability to get work done.

Yet, the biggest challenge Fisher and Gibertoni foresee is the economic slowdown. Though Aaron has been busy, it is starting to see fewer projects around the Fairbanks area on which to bid. Gibertoni attributes this, in part, to the general economic downturn that is affecting the rest of the Lower 48; however, he believes political leaders need to take a stronger stance to ensure that things improve sooner than later.

“I’m not a gloom and doom person,” Gibertoni said. “But I feel like it’s the perfect storm and that the stewards of the money need to realize that we are in a blizzard while they’re saving for a rainy day.”

For now Gibertoni, Fisher and Aaron’s third co-owner, Kulmanovsky, continue to take advantage of their ability to get around the state easily. Fisher said they have increased bidding for work in rural areas to make up for the decrease in projects around Fairbanks. Gibertoni’s ability to oversee projects in rural Alaska opens their options more readily than companies that don’t have their own aviator.

“Those airplanes have a lot of freedom,” Fisher said. “If I had to run a project in Nulato, I couldn’t just run out there to look at an issue. I’d fly out, and I wouldn’t get back that same day. I’d have to wait for that plane to get back. And in winter, when the weather is unpredictable, you aren’t sure when that will happen.”

Rachael Kvapil is a writer and photographer who lives in Fairbanks, Alaska.
JOEL BERGLUND KNOWS COOK INLET

Dynamic weather conditions, extreme currents, winter ice floes. Joel Berglund, Captain of the tug *Vigilant*, faces challenges like these daily in the Cook Inlet. "Pilots bringing ships into Cook Inlet have their work cut out for them. We’re here to make their job easier and safer," he says. Crowley shares Joel’s commitment to getting the job done safely — even in the toughest conditions. That’s why we’re proud to invest in state-of-the-art equipment like the *Vigilant* — and top-notch employees like Joel.

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Construction law is multifaceted. Whether cases involve breach of contract, negligence, misrepresentation or fraud, they involve the unique application of general bodies of law to the industry-specific issues and problems that arise in connection with the construction process. According to Robert Dickson, an attorney at Anchorage-based law firm Atkinson, Conway & Gagnon Inc., “A good construction litigator pays meticulous attention to detail. He should have the ability to synthesize construction documents and the critical events on the job into a coherent story that can be told to a judge or jury.”

Founded in 1962, Atkinson, Conway & Gagnon boasts extensive experience in all phases of construction law. Its attorneys have represented contractors, architects, engineers, lenders, title insurance companies and property owners in both small residential and large commercial disputes. Notable clients include Jacobs Engineering Group Inc., Cruz Construction Inc. and Reid Middleton Inc. Dickson has represented Providence Alaska Medical Center for 38 years and was involved in contract drafting for Project 90, a high-profile hospital expansion project that began in the mid-1980s.

“One of the things that attracted me to construction law is there are no simple cases and they all involve big money,” Dickson said. “You have to find out exactly what happened. Whether the contract was based on a written agreement or a handshake, a case ultimately boils down to: What were the reasonable expectations of both parties at the outset?”

One memorable case involved defending a valve supplier when a local contractor installed an 8-inch gate valve on a water line while the line was
in standing water with a lot of loose gravel in the trench. The valve leaked; he was required to re-excavate it and install a new one. The contractor sued the valve supplier, claiming the valve was defective, even though it worked fine when returned. “First the judge limited the damages to $300 because of the contract language, then the jury found that the valve was not defective but malfunctioned because of the way it had been installed. My client didn’t even have to show up for the trial,” Dickson said.

Another case involved representing the general contractor that built Soldotna’s Skyview High School in the early 1980s. A subcontract with an excavation subcontractor included “fine grading.” When the subcontractor was required to “fine grade” the below-slab grade, he considered it extra work and sued for additional compensation. “The case hinged on whether the subcontractor knew what the general meant by
Attorney Bruce Gagnon joined the firm in 1970. That same year he argued on behalf of a contractor who had several union employees walk off a job. Boys Markets Inc. v. Retail Clerks Local 770—a decision that authorized federal courts to enjoin a union strike pending arbitration of a labor management dispute—had just been handed down by the U.S. Supreme Court. “Because of that case, we were able to get an injunction against the picketing from the state superior court,” Gagnon said.

Both Dickson and Gagnon said they find construction law particularly interesting because, as Dickson said, “You really have to dig deep. You have to know the construction processes and technical terms, how concrete is poured, zoning laws, safety and security protocol—you name it.”

“You have your relationship with the general contractor and their subcontractors. Then there are issues with bonding companies, change orders and claims for extras—every case is different,” Gagnon said.

The firm has been a member of AGC of Alaska since 1983. Dickson said membership has benefitted the firm by “bringing us in contact with people in the real world as opposed to the legal world. AGC members are some of the best and most reputable in the business, and these connections have proved invaluable over the years.”

Cruz Construction Inc. has been a client of Atkinson, Conway & Gagnon since 1999. Dave Cruz, the company’s president, said that with high-dollar construction contracts, it’s important to have someone who understands the ins and outs of construction law. “I’m a contractor, not a lawyer, and construction can be a very litigious environment—you’ve got to have someone on your side. The lawyers at Atkinson, Conway & Gagnon are experienced and professional. Their job is to protect their clients, and they do a very good job.”

“We’re open for business,” Gagnon said. “Clients come in, and we help them achieve their goals as efficiently and cost-effectively as possible. It’s that simple.”

For information, visit: www.acglaw.com

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Health care construction is on the rise this summer with contractors hard at work on new significant projects for Alaska Native nonprofits such as Southcentral Foundation’s Valley Native Primary Care Center and Tanana Chiefs Conference’s new Chief Andrew Isaac Health Center in Fairbanks.

Both projects are part of the Indian Health Service’s Joint Venture Construction Program and are expected to be open by 2013. The IHS JVCP establishes projects where American Indian and Alaska Native tribes can acquire a tribally owned outpatient health care facility.

SCF has long recognized the need for a larger facility in the Valley.

“It has been obvious that the need has existed for at least 10 years,” said Douglas Eby, MD, vice president of Medical Services. “The Alaska Native population in the Matanuska-Susitna Valley was 5,000 in the 2000 census, which is the same size as several rural regions in Alaska that have their own small tribally run hospital.

“The population nearly doubled by the 2010 census to just under 9,000 and continues to grow fast. Expecting all these people to drive all the way to Anchorage for even basic medical, dental and behavioral health care is impractical.”

But the $50 million project didn’t truly gain momentum until the Foundation applied for the IHS JVCP in mid-2009.

“The opportunity that made this possible now was the Indian Health Service funding some joint ventures with tribes where the tribe funds and builds the facility itself and the Indian Health Service helps with some of the staffing costs in order to provide services to all Alaska Native and American Indian individuals,” Dr. Eby said.

After the application was approved SCF quickly went to work, in collaboration with its tribal partners the Chickaloon and Knik tribes, to take the project from conception to building to opening day in just more than two years—a relatively short construction timeline.

The first hurdle to overcome was securing funding to supplement the IHS JVCP money.

“It is a challenge for SCF to fund the facility and a large loan through the USDA has helped with that, but this is still a loan and is stretching SCF debt and financial capacity about as far as it can go in order to not lose out on this opportunity with IHS,” Allison Knox, SCF’s public relations director, said.

Neeser Construction Inc. is the design/build contractor for the 85,000-square-foot, two-story facility. Because the VNPCC is part of the IHS JVCP it must meet IHS design criteria. “This does create some challenges and restrictions, but overall the IHS requirements are pretty reasonable,” Knox said.

The design is also intended to allow future growth and focuses on a theme of welcoming, gathering, health and wellness in a culturally sensitive setting, according to NCI senior project manager Neil Bhargava.

The design provides ample space for education as well as several locations for community events. The interior gathering space is 4,800 square feet and is designed for maximizing sunlight in all seasons with an adjacent children’s play area that allows parents to supervise from the gathering area.

“The landscaping and hard surfaces surrounding the building have been designed to make the exterior a gathering place,” Knox said.

Neeser Construction Inc. is the design/build contractor for Southcentral Foundation’s Valley Native Primary Care Center.

Rendering: Courtesy of Southcentral Foundation
space with a fire pit for warmth and community sharing,” Bhargava said.

The construction phase kicked off in April. Excavation and backfill work, concrete footings, pads and foundations are in progress as of the beginning of June. Structural steel is in fabrication and will be delivered to the site the first week of August. By yearend the building will be enclosed and the roof will be on.

“NCI had to design and build this 85,000-square-foot facility in 18 months which includes supply and installation of FF&E items. This is a really a very fast track design/build project,” Bhargava said.

Once complete the center will expand SCF services in the Valley to include dental, behavioral health, optometry, audiology, limited physical therapy and some visiting specialty services. It will also expand ancillary services such as lab, radiology and pharmacy.

The VNPCC will occupy only a quarter of the “campus” leaving plenty of room available for future expansion.

“We think this is the first sizable tribal facility in the Valley and it will therefore also act as a sort of natural gathering place, and it is our hope that over time the entire campus can be developed in support of the health journey of the people for whom it exists,” Knox said.

Meanwhile Tanana Chiefs Conference has launched the effort to replace Chief Andrew Isaac Health Center in Fairbanks with Bettisworth North Architects and Planners Inc. and GHEMM Company at the helm.

The $68 million 95,000-square-foot medical center will unite services currently provided by TCC in two locations under one roof and will leave GHEMM Company will construct the new Chief Andrew Isaac Health Center for Tanana Chiefs Conference.
ILLUSTRATION COURTESY OF BETTISWORTH NORTH ARCHITECTS AND PLANNERS AND NBBJ
The Alaska Contractor

Summer 2011

room for future growth to meet increasing demand projected through 2020. The project will be LEED silver certified according to GHEMM project manager Mike Davis.

TCC bought 9.5 acres on Cowles Street for the new facility in a land deal with the City of Fairbanks and will fund the construction project through bonds with IHS JCVP providing money for staffing.

In May construction activity for CAIHC included completion of excavation and backfill activities, installation of underground utility infrastructure, completion of the water line, installation of under slab plumbing and electrical with the concrete floor slab placed in conjunction, and the continuation of structural foundation work.

Other early on-site activities include excavation of parking and landscaped areas and installation of project job trailers for use as on-site offices.

By the end of June construction of the structural grade beams around the building perimeter is scheduled to be finished with interior concrete footings at column locations being formed at the same time as the grade beams.

“It has an aggressive fast track schedule,” Davis said of the project with substantial completion by late fall of 2012 with construction running concurrent with design.

The building will begin to take form after the mid-July delivery of shipment of structural steel.

“The shape of the building is very unique,” said Meg Nordale, GHEMM secretary and treasurer.

The building’s shape will include features such as curves and cones around the large gathering lobby areas, and by year end it will be up and enclosed, according to Davis.

Other recent IHS JCVP awards in Alaska include the Kenaitze Health Center in Kenai and Copper River Native Assoc.’s health center in Glennallen.

Though these facilities are intended to serve Alaska Native and American Indian patients, the projects also benefit the local communities by putting Alaska construction crews to work and then employing local residents at the new state-of-the-art health care facilities.

Rachael Fisher is the managing editor of The Alaska Contractor.
Health care reform and the Alaska contractor

The great tsunami of federal health care control, popularly known as “ObamaCare,” is thundering across the land, and its byzantine intricacies have to be addressed. While one lower court has held the law unconstitutional, several others have held it constitutional. Its constitutionality will not be known until the United States Supreme Court decides, which is not likely to occur before late 2013. The state government for the State of Alaska is a party to a lawsuit in which the court has held the law to be unconstitutional, which allows the state government to proceed as if it is unenforceable until and unless that court is reversed. But the private sector is not entitled to that advantage because private citizens are not parties to that lawsuit.

The first thing that Alaska contractors should know about the Patient Protection and Affordable Care Act (it’s actually two statutes) is that it is incredibly complex. Anything approximating a thorough discussion of ObamaCare would be far beyond the scope of this brief article. What follows are a few points that Alaska contractors should bring to the attention of their accountants and their benefit administrators; they are arranged chronologically.

2010

Beginning last year, contractors with 10 or fewer full-time employees who each make $25,000 or less on average will be eligible for a 50 percent tax credit for amounts paid for health insurance premiums for the employees. The employer must contribute at least 50 percent of the premium for each employee. A full-time employee is one who on average works 30 or more hours per week. Contractors with 25 or fewer full-time employees whose average yearly compensation is less than $50,000 each also qualify for a tax credit for employee insurance premiums, but only at 35 percent of the cost of the premium payments made by employer for the years 2010 through 2013. The credit is phased out altogether for those with 25 or more employees. In 2014, provided that the contractor meets the criteria, made by the contractor-employer to the planned state-based health insurance market places, known as Small Business Health Options Program (SHOP) exchanges, are entitled to a credit of as much as 50 percent of the money contributed to the exchange on behalf of the employees, but only for two years.

2011

Beginning in 2011, employers are required to disclose the value of the health insurance premiums and benefits provided by the employer to the employees on the employees’ W-2 forms. At this point, the employees do not have to pay income tax on the additional amount reflected on the W-2. Whether Congress will subject the now-identified value of the health insurance benefits to income tax requires little speculation.

2012

For some “unexplained” reason, no major substantive changes are required during this year.

2014

Beginning in 2014 “large” employers will be subject to “play or pay” penalties, opt-out penalties, and to providing free choice vouchers to certain employees. A “large” employer is one who employs 50 or more full-time employees. A “large” employer will be fined if it covers less than 60 percent of the health care premiums for the employees or fails to offer to the employees “minimum essential coverage.” “Minimum essential coverage” is defined to basically be the same coverage as that provided by Medicare, Medicaid and CHIP, provided that at least one full-time employee receives a tax credit for health care insurance because of his income status. The “large” employer will be fined $3,000 per full-time subsidized employee or $2,000 per full-time non-subsidized employee for each full-time employee in excess of 30 employees. Thus if the employer has less than 30 employees, it will not be subject to the penalty. The penalty is paid on a monthly basis; thus 1/12 of $2,000 or $3,000 would be paid each month. An employer will not be considered a “large employer” if it has more than 50 employees and the excess over 50 are only “seasonal” workers. But this does not help Alaska contractors because the definition of “seasonal” basically refers to the immigrant agricultural workers in the Lower 48.

Those employers with less than 100 full-time employees will be eligible to participate in the state insurance exchanges until the SHOP exchanges are established. Some tax credits are available for small contractors.

Alaska Natives are exempt from the requirements of having to procure health insurance. But the provisions that apply to employers do not distinguish between employees who are required to buy insurance and those who are not so required. Thus even if a contractor employs Alaska Natives, the same rules apply.
Beginning in 2018, a 40 percent excise tax begins to be applied on so-called “Cadillac” health insurance plans when the cost of the annual health insurance premium is more than $30,950 for those in the construction industry. The excise tax will be paid by the health insurance company. But the tax is to be calculated by the plan sponsor, meaning the trust with respect to union health benefit funds. Otherwise it is the employer who calculates the amount of the tax. There is a penalty for miscalculating the tax.

The excise tax is applied to the difference between $30,950 and the actual annual cost of the premiums. Thus the higher the “base,” the less the tax. For those in the construction industry, along with mining, farming, timbering, commercial fisheries, police, fireman, electrical workers and longshoremen, the base is $30,950 regardless of whether the employee is covered only for himself or for his family. For other occupations, the base is $10,200 for employees who have only themselves covered and $27,500 for employees whose spouses and families are covered. Thus those employed in the named industries have a very favorable advantage in avoiding or reducing the excise tax. Because the insurer pays the tax, the premiums will reflect the additional cost to the insurer.

The law is so convoluted that you will need to consult with a benefits professional or accountant or both. Smaller companies that are not now carrying health insurance for their fulltime employees should investigate the available tax credits and weigh them against the premium costs and other costs associated with the law.

Robert J. Dickson is a partner of the Anchorage law firm Atkinson, Conway and Gagnon Inc.
Health care reform

Although Health Care Reform (HCR) was written into law more than a year ago, most employers are only starting to be impacted by this bill. There is an intricate implementation timeline attached to the major provisions of the bill, and only after 2018 will the full impact be felt.

The “Your New Health Care System” chart, prepared by Joint Economic Committee, Republican Staff Congressmen Kevin Brady, Senior House Republican, and Senator Sam Brownback, Ranking Member, offers a visual of the complex changes—such as new government involvement in the health insurance market; new regulations, requirements and mandates; and new reporting requirements—HCR will deliver.

The misconception in the marketplace is that Health Care Reform is the only driver in the constantly changing health care and health insurance landscape; this is not the case. As with every industry, there are several factors that are affecting the way health care is delivered in this country, and with the added pressures of the HCR Bill, employers and employees are getting overwhelmed with information. There is a need to find the appropriate partner to interpret and put in place the necessary changes for employers and their employees.

It must be understood that the health care industry is just that, an industry. As is the case with any other industry, it is constantly exploring additional avenues for revenue. As medical providers, insurance carriers, health insurance brokers and health care consultants are focusing their efforts to work within the parameters of HCR, they must also maintain profitability. This challenge will undoubtedly reduce the number of medical providers, health insurance brokers and consultants in the near term. The message is, prepare to operate in a new health care environment by making investments in technology and personnel or change fields!

The most significant section of the HCR bill that will affect profitability and sustainability is the Medical Loss Ratio, or MLR restrictions. MLR requires insurance carriers to limit their profitability on health plans and in doing so puts them under increased scrutiny. As it stands today, MLR maintains that a carrier must pay out 80 percent of every dollar it takes in on claims, (for
small group plans and individuals) and 85 percent on large group plans. Therefore, the carrier now has 20 cents on every dollar to cover its expenses, invest in new technology and make a profit. Of course a carrier cannot accurately predict claims and profitability in advance, therefore employers will only know after a calendar year has passed, if a carrier has met the MLR guidelines. For example, if a carrier pays out 74 percent of revenue in claims in 2011, the insured employers will be entitled to a partial rebate. In an effort to identify the potential rebate, insurance carriers are now sending out MLR audit requests to the employers they insure. This audit request is somewhat controversial as it requires employers to identify the number of employees on payroll and the number of employees insured. As an employee benefits firm that has been in business since 1990, we have never witnessed as many employers receiving carrier audit requests as we do now.

The implementation of HCR provisions for 2010 and 2011 have been somewhat less far reaching than those coming in 2014. If there are not significant amendments to the current bill, employers and individuals will see the most momentous effects of HCR in 2014. The establishment of State Exchanges and the federal requirement to carry health insurance take place in 2014.

Of course the HCR bill, like any legislation, does contain some positive language. In 2010 the pre-existing clause for children of newly hired employees that did not have previous coverage was eliminated. Newly established wellness and preventive coverage was also required for non-grandfathered plans in 2010. There were also some significant changes in policy limits (lifetime limits were removed on non-grandfathered plans) and certain benefit ceilings were raised.

As an employer, it is more important than ever to have quality representation to guide you through this convoluted maze. Employee benefits brokers that specialize in this field can be a valuable resource to ensure you are keeping your firm in compliance. The number of insurance carrier audits is expected to increase tenfold over the next few years, and the hundreds of amendments pending in Washington will have a significant impact on how employers provide benefits to their most valuable commodity, their employees.
This column provides information about the law to help users competently cope with their legal needs. But legal information is not the same as legal advice—the application of law to an individual's specific circumstances. Although we go to great lengths to ensure accurate and useful information, we recommend consulting a lawyer for professional assurance and your interpretation of a particular situation.

Barbara Stallone, SPHR is a partner in The Human Resource Umbrella LLC, an Anchorage-based human resource consulting company and AGC member. Send questions about this column or suggestions for future columns to Barbara@HRUmbrella.com, or call (907) 727-2111 or (888) 470-0903 Visit the website at www.hrumbrella.com.

Michael Caparso, is a partner in National HealthCare Access Inc., based in Las Vegas. National HealthCare Access Inc. is The Human Resource Umbrella's strategic partner for health insurance. For more information, contact mcaparso@nhcai.com.
The Children’s Hospital at Providence

Receives prestigious 2010 national Eisenberg Award for their Newborn Intensive Care Unit

Every day, around the clock, our dedicated staff care for Alaska’s most critical newborn infants in the state’s only Level III Newborn Intensive Care Unit.

Their exemplary care has been honored with the prestigious John M. Eisenberg Patient Safety and Quality Award, presented by The Joint Commission and the National Quality Forum. The NICU was recognized for Innovation in Patient Safety and Quality at the Local Level. “Our NICU team’s dedication to eliminating catheter-related bloodstream infections for these fragile, immune-compromised infants illustrates our mission in action,” said Richard Mandsager, MD, chief executive, Providence Alaska Medical Center.

Providence wants to thank the hard-working staff who, through their tireless efforts, earned this award. Thank you for taking care of Alaska’s tiniest babies for generations.
Goose Creek Correctional Center, the state’s largest prison and one of the largest construction projects in Alaska history, is less than a year away from housing inmates.

The prison recently came under fire during state budget discussions, but the Legislature included the full $3.6 million in operating funding that Gov. Sean Parnell requested in its final state capital budget. Mat-Su Borough officials said they were thankful to Parnell and Valley elected officials for their hard work to finance the project.

“Goose Creek … will help bring home 1,000 Alaska inmates who are in Colorado. Inmates are less likely to cost the state more money by reoffending if we bring inmates closer to their families and take advantage of the dedicated space for rehabilitation programs at the new prison,” Mat-Su Mayor Larry DeVilbiss said in a press release following the passage of the state capital budget.

Mat-Su Borough spokeswoman Patty Sullivan called the prison “a good project (that’s) ahead of schedule and within budget,” two achievements that are somewhat unusual for a complex $240 million project.

“This is one of the largest vertical construction projects that’s ever taken place in Alaska. It’s like building an entire university campus at once,” borough purchasing officer Russ Krafft stated in a borough project update.

**Partnership fostered project success**

The borough owns the prison, which is being built on a 330-acre tract in the sparsely populated Point MacKenzie...
area south of Wasilla. When it opens, the medium-security prison will house as many as 1,536 male inmates. The facility will effectively double the number of beds in the state corrections system.

Employees from the borough and the state Department of Corrections are overseeing construction. The state has agreed to lease the facility for 25 years, at which time the state will own the prison.

Neeser Construction Inc., owned by Gerald Neeser, was chosen as the design-builder. Neeser project manager Neil Bhargava is managing the project. By contract, the prison must be complete by Dec. 15, but Neeser representative George Tuckness said it’s on schedule to be finished by Sept. 1.

Tuckness said the project has gone well in part because the borough and the state took an active role in overseeing construction.

“They stayed involved in the design-build process,” Tuckness said.

“Tens of thousands of hours were put forth by the design-build team under the watchful eye of the Department of Corrections, who set up offices on site to oversee the project. It was the most mutually beneficial process in Alaska history; a successful attempt was made to meet the concerns of each of the stakeholders,” he said.

Corrections Commissioner Joe Schmidt said he is pleased the process has gone so smoothly.

“The partnership with Neeser and the borough has been great. Any changes needed have been quickly addressed,” he said.

Creating a secure campus

The project is huge, one of the largest state-owned facilities in Alaska. It

Site – looking north into the movement yard, support/visitation building on the left, general housing building on the right.
A 176,000-square-foot support services building will house facility administrators, a visitation area, a medical infirmary, 120 segregation cells, a kitchen and three dining halls, a central plant room, laundry, maintenance shops, and vocational and educational areas.

Schmidt said vocational education and visitation are two areas he hopes will help reduce repeat offenses by prisoners who pass through Goose Creek. His research shows prisoners have a better chance staying out of prison when they are able to stay connected to their families and community while incarcerated, Schmidt said.

At any prison, safety and security are a primary concern. Goose Creek includes a 24,690-square-foot three-story steel building with an elevated master control room where officers can quickly scan the prison’s roofs and landscape. And a 16,442-square-foot steel warehouse will contain a 14-day supply of essentials, allowing the facility to be self-sufficient for at least two weeks.

Its rural location means transportation is essential. The facility includes a 24,077-square-foot vehicle maintenance and storage area that also has a wash bay and generator room.

**Wrapping things up**

Tuckness said construction is substantially complete on all buildings except the general housing and recreation building, which is about 70 percent complete. Workers are finishing interior spaces, landscaping and making sure everything is in working order.

Neeser isn’t responsible for providing utilities to the site; Valley Utilities LLC was selected to design, build and partially finance sewer and water service. A spring borough update stated that construction of the well field, pipeline, water plant and wastewater plant were about 65 percent complete and on schedule.

The project faced a few challenges along the way. Tuckness noted that construction started on forested land two years ago. The relatively remote location of the site—it’s nearly a two-hour drive to Anchorage—led Neeser to provide housing for key personnel such as project superintendents, managers and foremen. The company bought or leased apart-
ments and condominiums near the site for those employees, he said, and had a small city of work trailers on site for offices.

**Employment a key benefit for borough now and in future**

By the time the project wraps up, between 500 and 1,000 people will have worked on it, Tuckness said. Crew sizes varied according to the phase of construction but on some days as many as 300 employees were working at the site, he said.

“When the nation was experiencing a downturn, we had $100 million of construction dollars in payroll, and almost all of it local hire,” Sullivan said.

Mat-Su Borough officials said 93 percent of the employees working on the prison live in Mat-Su.

“We hope the long-term staffing will be similar,” said Mat-Su Borough Assembly member Cindy Bettine.

**Ramping up for occupancy**

Commissioner Schmidt said the $3.6 million in operational funding would allow his department to debut the facility with a small group of minimum-security inmates and a small pool of employees next spring, probably in mid-March.

Schmidt said the group of inmates will move from one housing unit to another, under the guidance of correctional officers, checking that the facility works as intended.

After a three- to four-month test period, Schmidt said he would be back before the Legislature to outline his plan to bring all the prisoners now housed in Colorado back to Alaska.

“We would start the next fiscal year with our 30 inmates and … end the fiscal year with all the prisoners we intend to put there,” he said.

Assuming the Legislature finances the positions, Schmidt said, his department would need a few months to recruit and train employees to run the new prison. The state and borough have estimated it will take 350 employees to run the facility.

“It’ll be a challenge,” he said, “but I think we’re ready for it.”

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Rindi White is a writer who lives in Alaska.
The issue of health care is a hot topic across the country, and Alaska is no exception. With an increasing population rapidly reaching the age to qualify for programs such as Medicare (the number of Alaskans age 65 and older has grown approximately 50 percent in the past 10 years), the inability to sustain these programs has become obvious. Only a handful of doctors in the Anchorage bowl accept new Medicare patients, mainly due to reduced payments and red tape. In Alaska, residents who qualify for Medicare find their choices are limited, perhaps nonexistent. However, new and recently completed construction projects across the state may help alleviate some of these issues. Contractors are working to build new facilities and additions to existing structures, which may go a long way toward giving Alaskans more health care options.
Providence Senior Care Center

Providence’s recently opened Senior Care Center caters to patients 55 and older. Located in Tower B, Suite 314 at Providence Alaska Medical Center, the center provides primary care to anyone meeting the minimum age requirements, regardless of insurance coverage. According to Tom Hunt, MD, chief executive of the Physician Services Organization at Providence, almost 100 percent of the center’s clients are on Medicare.

“Many people in the 55- to 65-year-old age group are disabled, thus on Medicare,” Hunt said. “The Providence Community Ministry Board and Foundation Board both felt strongly that Providence should contribute to a solution to the Medicare access problem. Providence also financially supports the Anchorage Neighborhood Health Center and the Alaska Medicare Clinic in their efforts. Providence’s mission is to minister to the poor and vulnerable, and in this community, seniors without health care are as vulnerable as any population.”

The idea for the center took form in spring 2010, and it opened in late January 2011. To date, the new center has seen more than 750 patients and now has five providers. The center is focusing on a model of care that encourages “patient-centeredness,” placing the needs of the patients at the forefront of service.

Providence Health & Services Alaska will also build a new long-term care facility to accommodate elders currently being treated at Providence Extended Care Center. This new $62.58 million facility will provide an improved model of care for Alaska’s elders, offering a homelike setting in eight cottages with room for 12 residents each and one common building. The total building area will be 97,198 square feet at 1101 Boniface Pkwy. in Anchorage. The Certificate of Need has been approved and construction is slated to begin this year with an estimated completion date of fall 2012.

Anchorage Neighborhood Health Center

A long-time staple for patients on Medicare, with low income or without insurance, the Anchorage Neighborhood Health Center will be opening

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Anchorage Neighborhood Health Center

A long-time staple for patients on Medicare, with low income or without insurance, the Anchorage Neighborhood Health Center will be opening...
a new clinic at C Street and International Airport Road. Currently located in Fairview at 10th Avenue and LaTouche Street, the center will benefit from more space and a more prominent location with the move.

According to Joan Fisher, the center’s strategic initiatives director, it currently accommodates about 10 percent of Anchorage’s Medicare patients. “There are between 18,000 to 20,000 people in Anchorage who are eligible for Medicare,” Fisher said. “Last year we saw about 1,800 people.”

Fisher thinks that the new location will make the center’s services more accessible. “People often don’t know where we are, as we have always been kind of tucked away in Fairview.”

The clinic will offer expanded medical and dental services, doubling its space for dental operatories and going from 24 to 45 exam rooms for medical services. Administrative offices will be housed under one roof with the clinic, making it more convenient. The center plans to expand its provider base, as there will be more room for doctors, and to continue to develop its mission to assist residents below the poverty level and Medicare patients.

Roger Hickel Contracting Inc. is in charge of the project, with preconstruction site preparation already finished and an estimated completion date of late summer 2012.

**Maniilaq Association Elder Care Addition**

In Kotzebue, Maniilaq Association is nearing completion of an Elder Care Addition to the Maniilaq Health Care Center. Site work began on the 18-bed, 15,000-square-foot facility in September 2008, with ASRC SKW Eskimos as the contractor. Capital projects manager Matt Bergen said that the facility is substantially complete with only some follow-up items to be finished. “This summer, once we dry out, we have to do work to the exterior grounds, paving, etc. Our plan is to have everything complete by September,” he said.

The Elder Care Addition will replace an existing facility that had structural and plumbing issues and was no longer fully operational, Bergen said. “This new facility will offer skilled nursing care, exceeding the services and support currently available. It also provides a level of care that gives people the option of staying in their region in Kotzebue, near...
family and friends, as opposed to having to stay in an extended care facility in Anchorage or Seward.”

Community support has been strong for the project, with many residents touring the nearly complete facility, excited to see it put to use. Ian Erlich, president/CEO of Maniilaq, said, “Opening the long-term care center in Kotzebue will allow Maniilaq Association to provide necessary services to our people in a culturally relevant setting. Long-term care has been a goal of the Maniilaq board of directors for several years. Opening this new facility is a fulfillment of our commitment to care for our elders close to home.”

Maniilaq also added a patient hostel and itinerant staff housing, a modular building intended to house staff for the Health Care Center and Elder Care Addition.

**Wrangell Medical Center**

Wrangell Medical Center is set to begin construction of a new facility this fall. The new hospital will include a 20-bed nursing home and extended care.

“This is going to be a state-of-the-art facility and will be able to provide more extensive care, especially senior and elder care, which is a big area of growth in Alaska,” Noel Rea, WMC chief executive officer, said.

As Alaska’s population ages, Medicare issues faced by seniors and the disabled cannot be ignored. With continued construction of medical facilities in Alaska, there will be more health care options available to all, including those who are on Medicare.

*Jody Ellis-Knapp is a writer who lives in Anchorage, Alaska.*
In biology, the building blocks of life start small but unite to form a complex organism. Cells form tissue forming organs forming organ systems to make a stronger being.

The same idea is at work on a larger scale, constructing a healthier future for Southcentral Alaska. Bricks form room wings forming buildings to make better hospitals.

And the forces behind these larger-than-life projects include some of Anchorage’s most-skilled contractors, including Davis Constructors & Engineers and Cornerstone General Contractors. Brick by brick, they’re helping establish stronger services at Providence Health & Services Alaska, the Alaska Native Health Consortium and Alaska Regional Hospital.

Growing gains

Southcentral health care providers to embrace more patients with campus expansions

By Jamie Rogers
The Generations project at Providence Alaska Health & Services includes the remodeling of 100,789 square feet of existing space within the Anchorage hospital and the construction of a new 85,782-square foot-building. The expansion features improvements to the Newborn Intensive Care Unit services and the cardiac surgery program.

Illustration: Courtesy Providence Alaska Health & Services
A longer lifespan

Alaska’s largest health care provider is focusing on its tiniest patients for its latest expansion.

But to represent Providence’s overall commitment to care for Alaskans of all ages, the medical center has named its expansion project Generations. Three years in planning, the $150.3 million project will remodel 100,789 square feet of existing hospital space as well as add an 85,782-square-foot building to the Providence campus, said Kirsten Schultz, regional director of Communications & Marketing at Providence Health & Services Alaska. Major construction began in January, with a planned completion date of December 2014. “In the past, Alaskans had to travel out of state for health care,” said Richard Mandsager, MD, chief executive of Providence Alaska Medical Center. “We are looking to the future, planning ahead to ensure that Alaskans can stay at home and still receive high-quality care for their families.”

The Generations expansion will focus on the hospital’s newborn inten-
sive care, prenatal, mother-baby and labor and delivery units. The Level III NICU, currently the only one of its kind in Alaska, will grow from six private rooms and one large bay-style room with 47 bassinets to 50 private rooms with a capacity for 66 bassinets.

Generations will also add an operating room dedicated to cardiac surgery with less-invasive hybrid technology (a first of its kind in the state), modernize the surgical services area and expand a host of support services, such as sterile processing and pharmacy.

“We are Alaska’s community hospital,” Mandsager added. “If we don’t provide a service, it might not be provided. As a not-for-profit hospital we reinvest in the state. This project is one way we are investing in health care for Alaskans.”

Generations is the newest project in a series of capital upgrades Providence has undertaken in past years.

“The general contractor for Generations is Davis Constructors & Engineers of Anchorage with whom we’ve had great success working with in the past, most recently the Providence Health Park, including the Providence Cancer Center,” said Micaela Jones, Providence’s regional director of Real Estate & Property Management.

Josh Pepperd, president of Davis Constructors, said about 175 Davis and subcontractor employees are working to ensure the various Generations projects stay on target this summer. The scope and specifics of the campus-size site mean Davis is adapting to some special demands at Providence.

“The renovation work is taking place in Class 4 infection control areas,” Pepperd said, “requiring extreme caution as
well as stringent planning and operating practices to ensure the safety of both patients and staff as non-actively constructed areas will remain operational throughout the construction process.”

Other challenges Davis has addressed include relocating the hospital’s main air intake to the other side of the hospital, away from a new tower site, and pumping water out of the hole for the foundation of a new tower, since the depth exceeded the water level of nearby Chester Creek.

Making the connections at ANTHC

At the Alaska Native Tribal Health Consortium, construction is branching out in all directions: from renovations of existing spaces on the campus to entire buildings, started from seed.

The Consortium recently broke ground on a $25 million Healthy Communities Building to join its Alaska Native Medical Center. Set to open in 2012, the 97,000-square-foot facility will help serve the growing health care needs of Alaska Natives.

But the new construction isn’t only about offering more services. Rather, it will also allow ANTHC to offer more efficient services. Consortium divisions that are now leasing space elsewhere will consolidate in the central location, streamlining organization and improving access, a benefit to patients and employees alike.

“There is currently a shortage of clinical space in the ANMC hospital building,” said Ted Dickerson, AIA project manager. “By moving non-clinical, business functions out of the hospital, we can create more space for clinical programs within the hospital building.”

The reorganization of clinical and non-clinical services will bring the bigger picture of healthier futures into focus.

“Our new building is really part of a big puzzle; a campus-wide master plan, with the goal of improving health care for Alaska Natives and streamlining ‘lifecare’ services to the villages,” Dickerson said.

In addition to the construction of the Healthy Communities Building, the ANMC campus is undergoing extensive renovations
to existing facilities. Those include six exam rooms and new infusion areas at the medical center's oncology department (2,4000 square feet at a cost of $600,000) and four new private rooms in postpartum services (2,000 square feet at a cost of more than $2 million). Cornerstone General Contractors in Anchorage is working on some of these renovations.

Exploring new regions

Alaska Regional Hospital is known to many in Southcentral for its recent slogan “Not bigger. Just better.” Though with more than 250 beds, 1,000 employees and a medical staff of more than 450 independent practitioners, the hospital is probably rethinking that catchphrase — simply because it too is expanding its mission this year.

The hospital is set to develop its outpatient surgery and outpatient imaging services at the Regional campus in Anchorage, incorporating space from the Veteran's Administration Clinical Building. The project consists of remodeling approximately 32,000 square feet at the VACB with an estimated cost of $7,200,000. New equipment costs are estimated at $4,283 million, for a project total of $16.283 million.

According to Paul Morris, Alaska Regional Hospital's chief financial officer, the new improvements include four surgery suites, eight pre/post-op bays and MRI, ultrasound, X-ray and digital mammography imaging systems.

"Due to the annual increases of inpatient surgeries for the past five years, ARH must acquire more facility space to stay up with current demand," Morris said.

Completion is set for this later year.

In addition, the facility is working toward remodeling existing space that will support the addition of two to three Level III NICU bassinets. According to Morris, the project consists of renovating approximately 1,615 square feet of space in the existing NICU department and the addition of specialty equipment. Costs have been estimated at $299,640 for renovation and $395,814 for equipment, for a project total of $695,454.

Completion of the NICU remodel is also scheduled for this year.  

Jamie Rogers is an editor for The Alaska Contractor.
Spice abuse on the rise

Synthetic marijuana banned by the DEA; new methods of detection may help to prevent workplace accidents

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ynthetic marijuana, commonly known by brand name Spice, has quickly emerged in the U.S. as one of the biggest barriers to a safe work environment, and many employers are wondering how to handle it. Since Spice was first introduced to the U.S. in 2008, its popularity has skyrocketed and it has affected all ages and cross sections of society. For workers who are subject to random drug testing, Spice is especially appealing because it cannot be detected in a standard drug test due to its synthetic composition.

A designer drug that mimics the effects of marijuana, Spice was sold legally in most states—at least until March, when the DEA temporarily added it to its list of Schedule 1 drugs. Spice sells for about $50 for three ounces.

Spice is also known by brand name K2 or a number of colorful brands: Genie, Smoke, Pot-pourri, Buzz, Pulse, Hush, Mystery, Earthquake, Ocean Blue, Stinger, Serenity and many others. Spice is usually sold in foil packets or plastic canisters. Brands often bear a warning stating that the contents are an “incense” and are not to be smoked, which is disingenuous at best, law enforcement sources say.

Spice is manufactured using any single compound or uniform method, its effects can be unpredictable and dangerous.

Since the Food and Drug Administration (FDA) does not regulate these herbal products, they are not approved for human consumption. In addition, without proper ingredient labeling or measured potency, users risk overdosing. To complicate things more, in recent months, these compounds have become available online on the Internet in their pure form, allowing users to make their own products.

The FDA has received reports indicating that many popular versions of Spice are now counterfeit, leaving the user gambling with the outcome.

Spice was first introduced in Europe several years ago and has caused enough health problems there that it was banned more than a year ago. A European Union study concluded that these synthetic compounds can potentially be quite harmful. The study also notes that synthetic THC may prove stronger than natural THC and carry a heavier risk of dependence and overdose. Some reported harmful effects include short-term memory loss, extreme sedation that may lead to coma, paranoia, anxiety, confusion and vomiting. It clearly affects the brain, even causing severe life-threatening hallucinations and some seizures. Added to these are frightening physical effects in the cardiovascular system, such as increased heart rate and blood pressure.

Spice has also infiltrated the military, first appearing on Army posts in 2008. During the past year, every branch is now reporting cases of abuse. Despite the banning of these substances in July 2010, the military still reports cases of abuse, even more troubling when considering the number of deployments the military is involved in.

In 2010, poison centers across the nation reported 2,874 calls about the synthetic products, according to the American Association of Poison Control Centers’ National Poison Data System (NPDS). As of April, poison centers have reported 2,052 calls for 2011. The drugs are suspected in at least nine deaths in the U.S. since last year.

“These products present a health risk that is not worth it for consumers,” said Missouri Poison Center medical director Anthony J. Scalzo, MD, who first noticed increased calls about these products to his center last fall. “The products are meant to create a similar reaction to marijuana, but in fact, patients often report the opposite—a fast, racing heartbeat, elevated blood pressure and nausea.”

In addition to the rise in calls to poison control centers, a rapid increase in synthetic drug users are coming to hospitals with problems including seizures, breathing problems, rapid
heartbeats, delusions and extreme paranoia—at times ending in death.

So what are employers to do? Where will help come from? With the increasing popularity of this designer drug, users will eventually show up in their work force—if they haven’t already—ultimately causing an increase in accidents.

Two things have recently helped employers deal with this problem. First, due to the many alarming reports that are being received about the hazards and health effects of synthetic marijuana, the Drug Enforcement Administration (DEA) has banned Spice. On March 1, 2011, the DEA issued a notice of intent to temporarily place five synthetic cannabinoids into the Controlled Substances Act (CSA). The substances are:

- 1-pentyl-3-(1-naphthoyl)indole (JWH-018)
- 1-butyl-3-(1-naphthoyl)indole (JWH-073)
- 1-[2-(4-morpholinyl)ethyl]-3-(1-naphthoyl)indole (JWH-200)
- 5-(1,1-dimethylheptyl)-2-[(1R,3S)-3-hydroxycyclohexyl]-phenol (CP-47,497), and
- 5-(1,1-dimethyloctyl)-2-[(1R,3S)-3-hydroxycyclohexyl]-phenol (cannabicyclohexanol; CP-47,497 C8 homologue).

Under this ban, synthetic marijuana will be categorized as a Schedule I drug, a restrictive category reserved for highly abused substances that provide no medical use. Synthetic cannabinoids will join the same Schedule I category as heroin and LSD—even more restrictive than cocaine. The one-year ban will be in place while federal agencies research the chemicals and decide if they should be permanently controlled.

Secondly, tests have been developed to help employers detect synthetic marijuana. Laboratories are reporting that the window of detection for Spice is up to 72 hours following a single low dose. In cases of chronic use, the detection window could be longer. Employers should contact either their third-party administrator or a laboratory to find out more information regarding testing availability, timeliness and costs.
Just a year ago in May, the University of Alaska Anchorage and Cornerstone General Contractors celebrated the 25 percent completion of the new Health Sciences Building with a “topping out” ceremony. The last piece of structural steel was ceremonially put in place and a fir tree raised with the steel as a “top,” a symbolic holdover from the days of wood structures. In the year since, Cornerstone General Contractors has enclosed the 65,321-square-foot building, put in the systems to run it, set up the interior fittings and furnishings, and made the close-to-final touches to have the building ready—on time and on budget—for students in August.

This is the first phase in the planned construction of a Health Sciences Complex on UAA’s campus and will provide a foundation for enhanced partnerships with Alaska’s health care.
organizations, including regional Alaska Native corporations such as Norton Sound Health Corp. and Yukon Kuskokwim Health Corp., to address chronic vacancies in the health care workforce.

The $36 million Health Sciences Building provides a platform for interdisciplinary learning, communication and understanding. Four program areas are moving into Phase I—the School of Nursing, medical laboratory and physician assistant programs. In addition, it will house the WWAMI Biomedical Program—a partnership with the University of Washington School of Medicine to provide access to publically supported medical education across Washington, Wyoming, Alaska, Montana and Idaho. Currently, Alaska offers three of the four years of medical school through this partnership. The fourth year is expected to be added here in the next few years.

Phase II will bring many more allied health and therapies programs into the complex. Planning for new and consolidated health programs and departments in one building meant

academic restructing at UAA, a reorganization that is expected to be completed in July by move-in time.

Serving the state’s health needs is a priority for UAA, which offers more than 60 health and health-related programs throughout the state and is often called “Alaska’s health university.” Health care workers of all kinds are in short supply in Alaska, especially in the Bush. UAA aims to meet that need by creating “homegrown” workers, educated and trained in state and attuned to Alaska’s needs and conditions. Lacking a full-scale medical school in-state, Alaska can help meet Alaskan’s health care needs by building a facility to train medical
support people and provide part of med school training through WWAMI. The new Health Sciences Building is another step toward treating the state’s shortage of local health care professionals.

With the Health Sciences Building next door to Providence Alaska Medical Center, and less than a mile from Alaska Regional Hospital and the Alaska Native Medical Center, teaching and training in health and medical fields can be broader and more efficient through partnerships and real-world clinical experience for nurses, physician assistants and other health care workers.

Most of the second floor of the new building is geared toward simulations and practice for patient care. Jan Harris, vice provost of UAA Health Programs, is pleased with the opportunities presented. “The building allows for an increased use of clinical simulation to broaden and deepen educational experiences in a safe environment and to practice interdisciplinary teamwork skills,” she said.

The new state-of-the-art simulation center will include three high-fidelity simulation patient rooms, one control room with three content expert and technician control stations with advanced video system technology, two video debriefing rooms and two simulation computer labs. Simulations are already used in UAA Health Programs, but the new facility makes possible much more collaboration, variety and depth. Students from different disciplines can come together to participate in scenarios of all aspects of care, including critical care, as part of their coursework.

“These professionals will work together once they graduate. Having opportunities to practice teamwork while in school should result in better, safer patient care in the future,” Harris said.

The Health Sciences Building also includes hands-on equipment and training space, such as a gross anatomy lab. Harris emphasized that the goal of the building is to provide the best education to meet Alaska’s needs. The building also has the newest and best connections for distance education—which UAA
already makes use of in more than half of its health-related programs. “Because we have many health programs that are delivered using distance learning technologies, the new building is also designed to support the use of distance education and caregiving methods,” she said. Distance learning is essential in specialty medical instruction not available in Anchorage.

Designed to meet LEED (Leadership in Energy & Environmental Design) silver standards, the Health Sciences Building is part of the University of Alaska’s “building green” efforts. The building is energy efficient with attention to directing outdoor light to interior spaces and using sustainable finishes to ensure a lasting building with a small environmental impact.

Cornerstone General Contractors is the construction manager/general contractor (CM/GC) for the new structure. It provided value engineering and scheduling services during the design, by local architect Livingston Slone Inc. Some suggestions, such as developing an early footings and foundations package succeeded in saving UAA more than $1 million. The university has been using the CM/GC model for constructing its highly complex buildings for the preconstruction services and scheduling advantages that it brings to the construction process.

Commissioning and project closeout is active on campus. Move-in will take place after substantial completion, and the building will be available for Fall 2011 classes. “The opening of this building ushers in a new era in health care education for University students throughout Alaska,” Harris said.

Brook Mayfield works for Cornerstone General Contractors Inc. and is a member of the AGC Editorial Board for The Alaska Contractor magazine.
arah Smythe had a problem to solve. The state Department of Transportation was overhauling a segment of Huffman Road in Anchorage and needed to find a way to join a 60-inch plastic pipe with a 66-inch metal arch pipe for the storm drains.

Smythe, project engineer for the DOT’s contractor, Quality Asphalt Paving, said she turned to CONTECH Construction Products.

“We’ve had an awesome interaction with CONTECH,” Smythe said. “They’ve always been helpful with extra pipe and with fabricating special pipe for us. CONTECH sent [sales engineer] Jeff Bristow down and he was able to help design something DOT was satisfied with. They fabricated a piece to go between the two types of pipe. It wasn’t an easy task and it was a pretty complicated thing, but they did it quickly and effectively.”

CONTECH is a large civil site products company that sells bridges, geotech and erosion-control products and stormwater solutions, in addition to manufactured aluminum, corrugated steel, polymer-coated and welded-seam drainage pipe for the construction and oil industries. CONTECH has been manufacturing corrugated metal and other types of pipe in Alaska—originally in the Mat-Su area—since the 1970s. It acquired its competitor, Culfabco Inc., in January 2003. It has nine year-round employees in Anchorage, Bristow said.

CONTECH became a member of the Associated General Contractors of Alaska on Jan. 1, 1984.

“One of the benefits we have is the relationships with the contracting community,” Bristow said. “We get involved in all the activities AGC provides — golf
tournaments, lunches. We get to meet a lot of different contractors and they get to know us. It’s a mutual benefit. And, we look at all the plans.”

CONTECH products can be found at the site of just about every significant road project in Alaska. The company supplies everything from structural plate Super Spans to driveway culverts, from Ketchikan up to the North Slope.

Its larger culvert projects include:

- Dalton Highway rehabilitation, miles 175-197, 8,000 feet of 24- to 60-inch culvert;
- Fort Greely military training facility, 24- to 96-inch culvert with special fabrication;
- Ketchikan runway, Multi-Plate Super Span;
- Steese Highway, miles 53-62, assembly in the Anchorage CONTECH plant of Multi-Plate manufactured in Winchester, Ky.;
- Anchorage Midtown Park, Vortech stormwater vault and pedestrian truss bridge;
- Reka Street, aluminum box culvert;
- Ray River bridge, steel retaining wall bins.

Contractors who work with CONTECH say the company supplies more than just culvert and building supplies.

Mike Wheatley, who works as an estimator with Brice Inc., says the company almost always buys its pipe from CONTECH.

“They’ve been really good, very helpful and forthcoming with helping us find out what we needed and getting
it to us on time,” Wheatley said. “Jeff’s always done his own takeoffs; we’ve never had problems with the quantities he’s come up with.”

Wheatley says almost every DOT project Brice works on has some type of corrugated metal pipe used in it.

“We need different sizes, different quantities, all the time,” he said. “They’ve just been a great supplier to work with. We, as contractors, give them as much lead time as possible since they don’t have that stuff on the shelf—they make it to order.”

Wheatley says CONTECH supplied culvert for airport projects in Tanana, Point Lay, Deadhorse and Stevens Village, as well as for an erosion control project in Deadhorse.

“They’re very competitive as far as corrugated metal pipe in Alaska,” Wheatley said. “I can’t think of a time we haven’t used their culvert pipe.”

Randy Brand, an estimator with Great Northwest, says his company has been using CONTECH’s culvert for more than 30 years in road construction projects.
“Just about every road job we do, we buy our culvert from them,” Brand said. “The Dalton Highway project at Coldfoot that was completed last year, we utilized their culvert. We’re just getting started on the Steese Highway project at Mile 70, which involves 20 miles of construction. We’re utilizing their materials. They provide an essential material for our work, rebuilding the roads in the state. Culverts are required for that. They provide an expert service and a responsive service to help us meet our schedules.”

CONTECH’s service also wins accolades from its customers.

“If they bid a product and something doesn’t work, they make concessions to adapt and make it fit on-site use,” QAP’s Smythe said. “They work with us and get us what we need.”

Tracy Kalytiak is a writer who lives near Palmer, Alaska.

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Teddy Cares Campaign

A ‘beary’ worthwhile charity

By Colleen Madonna Flood

Leah R. Boltz, director of marketing and communications for CRW Engineering Group LLC, and immediate past president of the Architecture/Engineering Marketing Association of Alaska, started Teddy Cares in 2009 with the support of the AMEAA board. Boltz was inspired by a similar program led by the Seattle Chapter of the Society for Marketing Professional Services at the UW Hospital in Seattle.

“They have a teddy bear drive each year at Valentine’s Day, and donors give money to purchase bears for children at the UW hospital,” Boltz explained. “I thought that was a very fun program and a simple fundraiser for local hospitals.

“My daughter has spina bifida and spends quite a bit of time in hospitals. It has always been great when people have donated toys, blankets, etc., to make her days a bit brighter and less scary. For kids who have extended stays in the hospital, it’s even more important to show them community support. It also brightens the parents’ days to see that outside support.”

CRW Engineering Group LLC is a major sponsor of the campaign, contributing financially each year in addition to volunteering time and printing.

“CRW contributes because building and supporting our communities is part of our vision and our core values. We are also very active in supporting Alaska’s youth, and this is just one more way we can contribute to our future. This teddy bear drive is funded as part of our annual corporate giving budget,” Boltz said. Skip Bourgeois, marketing manager of Coffman Engineers and current AEMMA president, became co-chair in 2011. Coffman is also a major campaign sponsor.

“AEMMA is always looking for ways to help the community, and this cause was very easy for our members to rally behind. Leah, Build-A-Bear and the others coordinating the event do such a great job that our members need only to donate money. The rest is taken care of,” Bourgeois said. AEMMA collects money and uses it to donate bears through the Teddy Cares Campaign to local Alaska hospitals and children’s organizations. In years past, leftover funds have gone to The Children’s Hospital at Providence.

“This year, we branched out our offerings to other groups as well. Since we had about $750 left over after our Valentine’s Day drive this year, we were able to donate 100-plus bears to the Red Cross,” Boltz said.

Teddy Cares began by distributing stuffed bears to children in Anchorage and the Valley but has recently begun to reach out to communities across the state. According to Boltz, “That was part of the reason we wanted to partner with the Red Cross this year. They offered to take care of the distribution of the bears to their different locations, so kids all over the state could receive a little extra love and support in times of need.”

Boltz went on to praise Build-A-Bear’s contributions, “They have been extremely supportive and helpful, and we’re excited to be able to give the kids really nice quality stuffed animals. They seem genuinely excited to hear from us each year and go out of their way to support the program. They were very excited to hear about our partnership with Red Cross this year as well. We hope that with larger donations we can afford to buy outfits for the bears next year—perhaps dress them as doctors or, better yet, construction workers and engineers.”

Bettina Cassidy, chief workshop manager of Anchorage’s Build-A-Bear, said, “The opportunity to partner with
Colleen Madonna Flood is a writer who lives in Alaska.

Teddy Cares Campaign donates to:
- The Children’s Hospital at Providence
- Providence maternity center/NICU
- Alaska Regional Hospital
- Alaska Native Medical Center
- North Star Behavioral Hospital
- Mat-Su Regional Hospital
- Programs for Infants & Children
- Alaska Cares (serves the Anchorage Police Department, Anchorage Fire Department, local shelters)/American Red Cross of Alaska

AGC member donors to the Teddy Cares Campaign:
- PCL Construction Services Inc.
- Coffman Engineers Inc.
- ECI/Hyer Architecture & Interiors
- HDR Alaska Inc., R&M Consultants Inc.
- RSA Engineering Inc., Shannon & Wilson Inc. and USKH Inc.

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Bridging the health care gap in Arctic and Western Alaska

Contractors at work on state-of-the-art hospitals

BY E. COLLEEN KELLY

Through the investment of hundreds of millions of dollars on projects spanning years of construction, the quality, quantity and capability of health care facilities in the Arctic and Western Alaska are poised to improve significantly. Soon, hospitals in rural Alaska will offer services similar to those of their urban counterparts.

Neeser Construction Inc. | Norton Sound Regional Hospital | Nome

More than $90 million in steel, concrete and glass will be used to build the new Norton Sound Regional Hospital in Nome. A Neeser Construction crew of nearly 100 members is tasked with building the 150,000-square-foot, three-story hospital in the heart of Western Alaska. Funding for the project was made possible with dollars allocated from the Amer-
ican Reinvestment and Recovery Act, more commonly known simply as “the stimulus bill.”

In addition to a keen attention to detail, George Tuckness, senior project manager at Neeser, said the crew has battled permafrost, darkness and the infamous, and patience-trying, four-times-a-year barge schedule—just some of the challenges contractors must overcome to work in rural Alaska. So far, the project has required a tremendous amount of long-range planning and logistics but will be much appreciated by the residents of Nome and by the region’s smaller communities Norton Sound Regional Hospital will serve as the health care hub in Western Alaska.

The new facility will be equipped with:

- 17 inpatient beds with plenty of outpatient services such as optometry, a pharmacy and radiology
- 12 dental procedure areas, including a dental lab
- Three surgical procedure rooms
- Two labor/delivery rooms and a nursery
- An emergency room, urgent care services and ambulance bays
- A full-service kitchen with cafeteria
- A full-service laundry
- An administrative department
- A morgue

As of early May 2011, the interior framing of the first two floors was nearly completed and the third floor was 55 percent away from completion. On the upper two floors, mechanical, electrical and plumbing work continued as exposed sheetrock was still being hung on the first floor and upper sheetrock was installed on the second and third floors.

**UICC/ASKW JV | Samuel Simmonds Memorial Hospital | Barrow**

They were competitors that became joint venture partners. Two Alaska Native construction companies—ASRC SKW Eskimos a subsidiary of Arctic Slope Regional Corp., the North Slope Borough Regional Corporation under ANSCA, and UIC Construction LLC, a subsidiary of Ukpeagvik Inupiat Corp., the Village of Barrow Native Corporation under ANSCA—often find themselves competing against the other for a contract. But the two joined forces to form the UIC Construction LLC/ASRC

![Norton Sound Regional Hospital in Nome](photo: Courtesy of Neeser Construction Inc.)
SKW Eskimos Joint Venture for the construction of the Samuel Simmonds Memorial Hospital in the northernmost city in the United States: Barrow.

Among the joint venture’s top priorities is putting its shareholders to work since the majority of the project will be constructed on-site in Barrow. David Sterling, general manager of UIC Construction LLC, estimated that about 80 to 85 percent of the nearly 100-person crew is local hire. The only other hospital in Barrow has undergone a series of face-lifts and reconstructive surgeries to prevent its signs of aging since it was built in 1964, and Sterling said Barrow residents have been nothing but receptive to the new hospital’s construction.

Determined to deliver the finished product ahead of its tentative completion deadline of September 2012, UICC/ASKW JV Eskimos made a construction move it hadn’t originally planned on—building during the harshest winter months in some of the most unforgiving weather conditions in the Arctic. Insufferable winds and average temperatures of minus-20-below-zero temperatures would have been a significant blow to

Construction of the new Samuel Simmonds Memorial Hospital in Barrow began in June 2010. The new Samuel Simmonds Memorial Hospital replaces an aging hospital that was originally built in 1964.

The new Samuel Simmonds Memorial Hospital in Barrow has a tentative completion deadline of September 2012. COURTESY OF RIM ARCHITECTS.
progress for many construction crews, but not for this joint venture team. Sterling said if his crew had halted construction between December and April, as planned in the awarded bid, they would not have the opportunity to finish ahead of schedule. A bevy of Visqueen tents and inexpensive local natural gas kept the crew and building materials warm, dry and, ultimately, kept the project ahead of schedule.

The price tag for phase three of the project is expected to be around $90 million and is largely sourced by the American Recovery and Reinvestment Act. This year, UIC was supposed to receive $50 million to continue building the project, but the amount received was nearly $20 million less than expected. Arctic Slope Native Assoc. is coordinating with the federal government to ensure the project receives sufficient funds.

Despite a bit of cloudiness surrounding the project’s finances, the construction crew has had spurts of good fortune along the way, including a more-frequent-than-usual barge to Barrow. What is typically a once-per-year “milk run,” as UIC’s Sterling put it, instead ran four times in 2010. More supplies delivered more frequently greatly expedited early construction of the hospital. Construction kicked off in June 2010 which began merely as a “forest of piles” on a gravel pad.

The new hospitals will offer health care comparable to the top facilities in urban Alaska, allowing local residents to receive care close to home. But before a single fracture can go under the X-ray, these five-star facilities must be constructed. And though it’s not part of the project bid, from the first pour of concrete until the last roof shingle is laid, contractors are helping to pave a road to better health for rural Alaskans.

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E. Colleen Kelly is a writer who lives in Alaska.

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Phase 1 – Site development materials package
Furnish 92,000 cubic yard stockpile gravel, furnish only various civil materials in Barrow
Open bid date: June 12, 2006
Work completed: July ’07
Original contract: $4,497,000

Phase 1a – Place site development materials
Proposal accepted: Jan. ’08
Work performed: Summer ’08
Negotiated change order amount: $2,850,000

Phase 2 – Steel and shell package
Accepted base bid only which was to furnish and install 12” diameter pipe piling and a security fence
Open bid date: March ’09
Work performed: August through November ’09
Original contract: $4,513,000

Phase 3 – Furnish and construct the Barrow replacement hospital
Open bid date: October ’09
Work performed: December ’09 through Sept. ’12
Original contract value: $82,400,000 (with changes and additional scope items it is expected that this contract will end up in the ±$90 million range)
The American Cancer Society says, ‘Cancer touches everyone’
Davis Constructors and Engineers asks, ‘Who do you know?’

By Colleen Madonna Flood

The American Cancer Society’s Relay for Life is described as, “One day, one night, one community and one fight.” This year’s Anchorage Relay for Life was held June 3-4 at the Delaney Park Strip.

According to Beth Rhoden, utilization review nurse for St. Elias Specialty Hospital and events chairperson for Relay for Life of Anchorage, “The Relay kicks off with a Survivor Lap, a Caregiver Lap and then the teams all join in.”

When asked about Davis Constructors and Engineers’ contributions to the event, Rhoden said, “Team Davis got involved in Relay for Life a few years ago when cancer hit their company family—hard. They decided as a group to fight back, and, boy... did they fight. They won the national award for fundraising that year and have consistently been the No. 1 fundraiser in Anchorage."

‘Lynn, Jon, Stan. Who do you know?’

Lynn Steeves, Jon Kumin, Stan Smith. These are the names behind Team Davis’ Relay for Life motto. Steeves, marketing director for Davis Constructors and Engineers, is a thyroid cancer survivor, who fights back overwhelming emotions to walk in the Survivor Lap at the annual event. Kumin, the architect who founded Kumin Associates Inc., and Smith, vice president of operations for Spenard Builders Supply, both lost their battles with cancer.

“Team Davis joined Relay in honor of them, and the construction community has supported us in unbelievable ways,” Megan Palagyi, controller for Davis Constructors, said.

Judy Montgomery, accounting director for the Associated General Contractors of Alaska, said, “I really had not had relatives affected by cancer when I joined the Relay for Life in honor of Stan Smith. He was so supportive of AGC."

Team Davis honors all three to this day by contributing and committing yearly to Relay for Life. Steeves dedicates herself to fundraising and organizing Team Davis’ efforts throughout May with the company’s blessings and financial support. Steeves added that Davis Constructors and Engineers not only pays her salary while she dedicates her efforts to raising money for the Relay for Life but also pays her intern and crew. In addition, the company makes a substantial financial donation to the event each year.

Team Davis raises a portion of its donations by allowing its employees to nominate their yearly Miss Relay contestant. Each nominee has a donation jar. The nominee with the largest amount of contributions in his jar becomes the official Team Davis Miss Relay contestant. Rhoden commented, “My favorite part of Relay has to be the Miss Relay contest. Three years ago, there were only a handful of men that we could convince to dress up and participate. Last year, there were about 50 men dressed up—several of which were from Team Davis! It was very funny to see these burly, macho construction guys dressed up in prom dresses, ball gowns, high heels and lipstick. They were in full character and entertained everyone.”

Team Davis also has volunteers who stay the entire 24 hours. Jed Shandy, Team Davis’ captain, cooks burgers and hot dogs to sell at the event. The food is donated by Davis Constructors and Engineers, with all proceeds going to the American Cancer Society. Davis provides equipment for the event, ranging from generators to portable toilets as well as a cleanup crew.
Impact on community

Asked how Team Davis’ efforts and the Relay for Life event have affected the Alaska community, Palagyi responded, “The American Cancer Society has a multitude of programs to help cancer patients in our community. They use the money raised to fund much-needed research, to provide education to patients, their caregivers and the general public. They advocate for laws to protect our community and help cancer patients, and they support survivors and their families with programs like Road to Recovery or Look Good Feel Better. In 2010, 24 Alaskan youth were sent to Camp Goodtimes.”

The Anchorage Relay for Life event raised more than $350,000 in 2010. Team Davis has raised more than $500,000 in the past three years.

Colleen Madonna Flood is a writer who lives in Alaska.
AGC members' projects

Operating Engineers Training Facility - Palmer

Contractor: Roger Hickel Contracting Inc.
& Swanson Steel

AOETT Statewide Training Campus: Design/Build
Consisting of 3 buildings: arena, shop and classroom.
1 of 3 buildings-Arena steel erection by Swanson Steel and RHC.
Arctic Warrior Conference Center
at Joint Base Elmendorf-Richardson

Contractor: Weldin Construction Inc.

Arctic Warrior Conference Room

Photo: Sam Amato
Panel installation at south elevation.

Roof panel installation.

NHI Hangar and offices

CONTRACTOR: BENCHMARK CONSTRUCTION
F22A Field Detachment Training
Center at Joint Base Elmendorf-Richardson, Alaska
CONTRACTOR: PCL CONSTRUCTION SERVICES Inc. &
SIKU CONSTRUCTION

PHOTO: COURTESY OF PCL CONSTRUCTION SERVICES, INC.
Mclaughlin Youth Center, Phase 1B

CONTRACTOR: CORNERSTONE GENERAL CONTRACTORS AND KOONCE PFEFFER BETTIS, ARCHITECT
EVERTS AIR CARGO

expands fleet to include DC-9 jet aircraft

Fairbanks-based carrier Everts Air Cargo’s first DC-9 all cargo aircraft entered service May 11 with a flight from Anchorage to Bethel. The jets mark the newest addition to the carrier’s fleet which includes DC-6 and C-46 aircraft, as well as Embraer-120 cargo and passenger aircraft.

“The DC-9 will complement Everts’ existing capabilities, allowing greater flexibility, increased efficiencies and service enhancements,” said Everts President and CEO Robert Everts. It will also allow Everts to expand operations outside of Alaska.
The award recognizes student leaders who, through their leadership, involvement and commitment, make significant contributions to campus life. Jason Richards has been an active member of the Construction Management program and through his work has contributed greatly to both UAA’s CM program and thus to the Alaska construction industry.

Cornerstone Employee Jason Richards receives 2011 Seawolf Student Leader Award from UAA

Links to the electronic versions of the current and archive issues of The Alaska Contractor magazine are online at agcak.org under “News and Media” tab or at AQPublishing.com under “Business” publications.
CONGRATULATIONS TO AGC MEMBERS
awarded the Governor’s Safety Award of Excellence

This recognition is awarded to a group that has demonstrated excellence in safety and health systems that protect employees. Companies must show there is management commitment, employee involvement and a documented system for hazard analysis and hazard reduction.

PCL Construction Services Inc./Alaska Operations begins its approach to safety at the top levels of management including its CEO and vice president, as well as its health safety director. Its annual District Strategy Safety Plan goes above and beyond corporate and regulatory safety standards, which translated into a Days Away/Restricted/Transfer rate that went from 4.28 to zero from 2008 to 2009.

The well-being of its employees is one of the driving forces behind the safety program at Cornerstone General Contractors. With a goal of zero incidents and injuries on all its projects, the company improved its DARTs rate from 4.21 in 2007 to zero in 2008 and again in 2009. All supervisors carry current first aid and CPR cards.
Welcome new AGC Members from March 2011 - May 2011

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Email: jasonroofer@gmail.com

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Fax: (907) 569-8923
Email: colby@kellyllc.net
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Labor Commissioner Click Bishop,
Mike Vessey, Ann Lindsey, Ray Smith

West Construction Company’s safety program starts immediately upon initial employment and at the same time starts “from the top down,” so that its employees and stakeholders all have a stake in safety. West employs an average of 92 employees and has a zero DARTs rate for the past three years.

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AGC of Alaska Calendar

Golf Tournament – July 15 – Fairbanks
AGC Chili Cook-off – October 5 – Anchorage
AGC Annual Convention – November 2-5, 2011 – Hotel Captain Cook, Anchorage
AGC Members Christmas Open House – December 14 – Anchorage
AGC Members Christmas Open House – December 15 – Fairbanks

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