AGC Members Gather in Sacramento for Annual Legislative Day
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The U.S. Environmental Protection Agency (EPA) has awarded CalPortland Company the National ENERGY STAR® Award for Sustained Excellence in recognition of its continued leadership in protecting our environment through energy efficiency. CalPortland’s accomplishment over six consecutive years is a feat that has never been matched by any other U.S. building materials company.
Making Our Voices Heard

In many respects, California is a microcosm of the national political scene and an incubator for legislative and regulatory change throughout the nation. The new CARB regulations and AB 32 regulating greenhouse gas emissions are just two examples of this. There is a never ending litany of new laws affecting our industry, and one of AGC’s primary goals is to benefit our members in area of legislative advocacy.

It is hard to imagine a time when there has been so much flux in the political system and such dysfunction in government coupled with such economic turmoil. Combine this with an election year, and you have a recipe for endless cocktail party conversation. Such times can bring adverse changes, but they can also provide opportunity to positively influence the laws and political landscape that affect our lives and businesses. AGC provides a way for our collective voice to be heard, so it is at this time that we need to redouble our efforts to effect responsible legislation and to elect public officials who will bring positive change that will benefit our members and the citizens of California.

At a time when ‘special interest groups’ are a favorite target of the media and are often portrayed in a negative light, we must remind people that it is through the efforts of our members that the schools, colleges, hospitals and infrastructure for our communities are built, while at the same time providing a source of well paying jobs within our communities. AGC has always been at the forefront of the issues affecting the construction industry and business in general, and we must continue to be seen as a leader on key issues. We must present positive solutions and ideas that will improve the business climate in our cities and state.

Through the continuing efforts of AGC staff, our advocates, committees, and individual members, we have been effective in championing effective, responsible legislation. We must continue these efforts at an organizational level as well as at a grass roots level. Every member should strive to be politically informed and to actively participate in the political and legislative process at all levels. Get involved in your communities, school districts, and local agency boards, and get to know your elected officials who are making decisions that impact your business.

In June of every year AGC members from both California chapters gather in Sacramento for our annual Legislative Day. This is a chance to hear from key state officials, to review new and pending legislation, and, most importantly, to visit our representatives in their offices to promote the positions of AGC on critical issues.

On this day, more than any other, we truly become “The Voice of the Construction Industry.” Look inside this issue of the magazine for highlights of this year’s informative and exciting event.

If you weren’t able to attend this year’s Legislative Day, I encourage you to consider coming next year and to participate in the various grass roots events that AGC holds throughout the year. Together, we can make a difference.

Sincerely,
Bob Christenson
June Primary A Tune Up For November

By Jamie Khan

On election night as the returns came in, there were few surprises at the top of the ticket as Meg Whitman secured the GOP Gubernatorial nomination shortly after the polls closed – followed by Carly Fiorina winning the U.S. Senate Republican nomination.

Senator Abel Maldonado easily won the Republican nomination for Lt. Governor, and he will face San Francisco Mayor Gavin Newsom in November.

The Attorney General race was quite competitive on both sides with Kamala Harris, the San Francisco prosecutor, beating out Chris Kelly, a Facebook attorney, on the Democratic side and Steve Cooley winning on the Republican side.

Of all of the constitutional offices, only one was a big surprise – the GOP Insurance Commissioner hopeful, Mike Villines. The Clovis Assemblyman was considered a safe bet for the Republican spot, but that race was looking to be a big upset. His opponent, Brian Fitzgerald, an attorney from Napa who spent less than $5,000 on his statewide campaign, was leading with over 10,000 votes on election night.

In the Insurance Commissioner’s race, the absentee and provisional votes will decide the eventual Republican candidate, and the final decision may take awhile since there were thousands of ballots received around or on Election Day. (As of this writing, Mike Villines has pulled ahead by 12,000 votes.)

The other Constitutional office that was surprisingly close was the Superintendent of Public Instruction, where Larry Aceves, a local school district superintendent who had 18.8% of the vote and Juan Vargas competed in Senate District 40. They were only a percentage point apart with thousands of absentee ballots to be counted on election night. (As of this writing, there are less than 10 votes separating the two with the validity of thousands of votes in Riverside County yet to be resolved.)

PROPOSITIONS

The AGC Issues PAC decided to contribute to two propositions on the Primary ballot and won on both issues.

- Proposition 14 – the Open Primary, which passed with 54.2% of the vote, was supported by AGC.
- Proposition 15 – public financing of the Secretary of State’s race by placing a fee on all lobbyists and their employers was defeated, with 57.5% of the electorate voting “no”. This was opposed by AGC.

In other hotly contested races:

- Doug La Malfa defeated Rick Keene in Senate District 4, which includes most of Northern California.
- In Los Angeles Betsy Butler won in a very crowded field of Democratic candidates in Assembly District 53.
- Fran Florez easily defeated Pete Para in the Central Valley for the Democrat nomination in Assembly District 30.
- In Santa Barbara, Das Williams won over Susan Jordan who was expected to win the Democratic nomination in Assembly District 35, which was vacated by her husband Pedro Nava.

Although the AGC PAC was very cautious and decided to stay out of a lot of the open and hotly contested races, they did participate in about 20 of the open seat races. Of the AGC PAC supported candidates, all but four were victorious.

The most ferociously fought race was in San Diego, where Mary Salas and Juan Vargas competed in Senate District 40. They were only a percentage point apart with thousands of absentee ballots to be counted on election night. (As of this writing, there are less than 10 votes separating the two with

LEGAL LEGISLATIVE

As expected, there were a number of tight races in open seats where the incumbent was either termed out or decided not to run again. One of the closest is
AGC’s PAC in Action

Legislative actions have a major impact on the state’s construction businesses, and AGC has long recognized how important it is to elect members to the California legislature who are willing to listen to industry concerns, understand them and act accordingly. The industry’s opponents on important business and industry issues are powerful. They are spending big money to elect candidates who do not share the same values and concerns as AGC members and will fight efforts to protect the construction industry.

Political Action Committee

AGC of California sponsors a Political Action Committee (PAC) that supports state and local candidates and an Issues Political Action Committee (Issues PAC) that provides support for state and local issues. The AGC/PAC contributes to all candidates in all parties who demonstrate an understanding of the construction industry and who show the most promise of protecting the interests of California’s contractors and those in the construction industry. The Issues PAC supports ballot measures or proposals that strengthen California’s construction industry and fights against those measures that pose a threat to it.

The AGC/PAC and Issues PAC rely on donations for funding. This is truly an investment in a construction company’s future and the future of the industry. Support from AGC members is vital to the Candidates PAC and Issues PAC programs.

120 Club

AGC created the “120 Club” to recognize individuals who contribute $1,000 or $500 during a calendar year. The AGC 120 Club name is derived from the fact that there are 120 combined Assembly Members and Senators in the State of California. The 120 Club supports those that are willing to give the construction industry a fair and balanced hearing on issues that come before them during the legislative session. AGC members that join the 120 Club receive additional benefits such as usage of a private club room during the Spring and Fall Conferences.

How To Become Part of the 120 Club?

It’s easy. To join the 120 Club, contact John Hakel at (626) 608-5800 or hakelj@agc-ca.org.
AGC contractor and associate members descended on Sacramento June 22 and 23 for the 2010 AGC Legislative Day.

The activities started on June 22 with a reception in honor of the legislators carrying legislation on behalf of AGC. Honorees included Senator Lou Correa for authoring SB 694, making changes in the Uniform Construction Cost Accounting Act; Assemblyman Chuck Calderon, who is carrying AB 2060 to provide protection against any future sales tax increases if the contractor holds a fixed price contract; and Assemblyman Felipe Fuentes, the author of AB 2216 to require that a claim against a contractor’s payment bond must be made at the time of, or prior to, the notice of completion.

The AGC Legislative Day on June 23 began with presentations from Senate Republican Leader (elect) Bob Dutton and Assembly Republican Whip Nathan Fletcher, who clearly stated their caucus’ position against any new taxes concerning the current budget negotiations to close a $19 billion gap between revenues and expenditures. The two Legislative Leaders discussed the various issues and political hurdles that must be overcome in order to adopt a state budget plan for 2010-2011.

The opening presentation was followed with two panels discussing the initiative line up expected for the November ballot, the upcoming legislative races and “top of the ticket” race for Governor.

First, Assemblyman Dan Logue discussed the initiative that would postpone the implementation of AB 32, the greenhouse gas legislation signed into law in 2008 by Governor Schwarzenegger. Assemblyman Logue was followed by top campaign consultant Rick Claussen, partner in Goddard-Claussen, who described the multitude of additional ballot measures that likely will appear on the November ballot, including elimination of business tax benefits, redistricting of congressional seats, majority vote to pass the state budget, additional protection of transportation funds, and changes in term limits.

The second panel included Rob Lapsley, Vice President of Public Affairs for the California Chamber of Commerce and Dan Eaton, former chief of Staff to the Assembly Speaker and President of his political consulting firm, Winning Moves. They provided an entertaining and informative give and take of the Republican and Democrat strategies as we approach the November elections. Of course, both think their candidates will be victorious and expect the Governor’s race to be one of the liveliest California has ever seen.

After lunch, Assembly Speaker John Perez provided insight as to how the state budget impasse might be resolved, though he indicated a lot of work was ahead for both the Senate and Assembly Democrat caucuses to resolve their differences before engaging the Governor and Republicans in serious discussions. Perez would not predict when we would have a state budget in place for 2010-2011.

AGC members spent the afternoon in meetings with their legislators discussing the current economic impact on construction employment and the need to be aware of legislative measures that would benefit or hurt the construction industry.

Capping off the day was a final stop at Gallagher’s Irish Pub, giving everyone a chance to wind down and share their legislative stories and experiences. ☕️
1. Diane Keltner, Synergy Electric Company and President of AGC-SD with Bob Christenson, Panattoni Construction Inc. and President of AGC-CA.  
2. Paul Gladfelty, AGC Advocate with Assemblyman Felipe Fuentes (D-Los Angeles) and Assemblyman Chuck Calderon (D-Whittier).  
3. Senator Lou Correa (D-Santa Ana) with Tom Holsman, CEO of AGC.  
4. Jeff Turner, Flatiron; Diane Keltner, Synergy Electric Company; Assemblyman Nathan Fletcher (R-San Diego); Marc Flanac, JF Flanac Construction; and Dave Carlin, Sottek Pacific Construction Co.  
5. Jerome DiPadova, Skanska, with Senator Bob Dutton (D-Inland Empire).  
6. Rick Clausen, Goddard/Clausen congratulating Assemblyman Dan Logue (R-Chico) with Dave Higgins, HMH Builders. (Assemblyman Logue’s ballot initiative just qualified for the November ballot).  
7. Steve Bios, Chair of the AGC Legislative Committee with Bob Lapsley, Vice President Public Affairs, CalChamber and Dan Eaton, President of Winning Moves.  
8. Gerry Dibioli, Herzog Contracting Corp. with Tom Holsman, CEO of AGC, Dave Ackerman, AGC Advocate, and Assembly Speaker John Pérez (D-Los Angeles).  
9. Chanel Viola, TWIW Insurance Services; Steve Bios, Chair of AGC Legislative Committee; Senator George Runner (R-Antelope Valley); Kip Keller, TWIW Insurance Services; Randy and Blair Douglas, Sierra Contracting.  
10. Back row: John Hakel, AGC; Tom Holsman, CEO of AGC; Senator Alex Padilla (D-Pacoima); Gerry Dibioli, Herzog Contracting Corp.; Eugene McMenamin, Atkinson, Andelson, Loya, Ruud & Romo; Frank Davila, AGC. Front row: Dave Jenkins, AGC; Jennifer Garcia, Reyes Construction and Robin Carr, Glenn M. Gelman & Associates.  
11. Josh Hunter, Blach Construction; Todd Temple, Hensel Phelps; Assemblyman Jim Beall (D-San Jose); Don Love, Quality Landscape; Jim Campbell, Campbell Enterprises; Mike Biach, Blach Construction; and Eun Kim, Hensel Phelps.  
12. Don Bradley, Musick, Peeler & Garrett; Wayne Lindholm, Hensel Phelps; Mark Steiner, M. A. Steiner Development; Assemblyman Chris Norby (R-Brea); Dan McGrew, Griffith Company; Robert Trelle, GCI Construction Inc.; and Michelle Lovell, First Citizens Bank.  
13. Claire Koenig, McNely Construction with Assemblywoman Joan Buchanan (D-San Ramon), Nikki Affinito, Union Bank and Miguel Galazar, Yerba Buena Engineering.  
14. Mark Shaffer, Granite Construction; John Cooper, AGC; Ken Kayser, Teichert Construction; Kip Keller, TWIW Insurance Services; and Bert Somers, Teichert Construction.  
15. Dave Ackerman, Jamie Khan and Paul Gladfelty, AGC Advocates, toast to the end of another successful AGC Legislative Day.
The California Department of Industrial Relations (DIR) recently reversed its prior ruling on appeal of the Russ Will Mechanical decision (Public Works Case No. PW 2007-008). The AGC of California took a leadership role in filing briefs for the appeal.

The case centers around whether HVAC parts fabricated in the company’s fabrication shop which was not related to nor on the public works site were subject to the prevailing wage laws, since “the fabrication was done in the permanent off-site shop of a subcontractor who is not selling materials to the general public.” The DIR originally had determined that this specific factual circumstance had not been previously determined for off-site fabrication of HVAC. Based on this and other factors, it decided that the manufacturing of the materials in this context was subject to prevailing wage standards.

Counsel for AGC did an excellent job framing the successful argument that without prior determinations, the DIR should use federal regulations applicable to shop work. Although the DIR determined Russ Will Mechanical to be a subcontractor in this specific case, it then went on to apply other criteria such as the fact that it was “done away from the public works site at a permanent facility ...and that the shop’s location and continuance in operation were determined wholly without regard to a particular public works contract or project.”

The final outcome was that the appeal was granted and the determination was reversed. According to the determination in this case, material that is included in the work of a public works project does not fall under prevailing wage as long as it is constructed offsite (not in a dedicated facility) or in a permanent shop. It should be noted that the facts and circumstances of each case vary, and the AGC always recommends seeking legal counsel for your specific circumstances. AGC has assisted numerous members in crafting coverage determinations in advance of a project; please feel free to contact either our Northern or Southern Industrial Relations offices for such assistance.

This decision is particularly helpful in that there are several ongoing attempts by the Unions at extending the prevailing wage regulations beyond the site of construction. The AGC through its coalition of concerned associations and groups will continue to oppose the expansion of prevailing wage applications beyond the site of construction. AGC’s Industrial Relations Departments continually monitor the DIR’s decisions and rulings and defends the interests of the construction industry. A copy of DIR’s decision on this case can be found at www.agc-ca.org, or contact the AGC Industrial Relations Departments at (626) 608-5800 (Southern California) or (925) 827-2422 (Northern California).
On a national scale, AGC of America has long maintained a strong voice in the political and regulatory arenas in Washington D.C., fighting for the interests of its more than 35,000 construction industry member firms. The national association works in complement to the nationwide network of AGC chapters, including AGC of California, who likewise work to protect members’ interests at the state, regional and local levels.

Just a few of the issues and areas in which AGC is focusing its Legislative efforts this year include the following:

**Fight Card Check:** The issue of the Employee Free Choice Act (EFCA, or Card Check) has gained national attention again with supporters wanting to see a vote in Congress this year. AGC opposes any compromise of EFCA and has been actively monitoring this area.

**Defeat Climate Change Rules:** While Congress continues to debate legislation to reduce greenhouse gas emissions that may cause climate change, the U.S. Environmental Protection Agency (EPA) is pushing forward with its own regulations under the Clean Air Act to pressure Congress to act. AGC is supporting a bipartisan resolution by Senator Murkowski that would stop the EPA from regulating greenhouse gases under the Clean Air Act.

**Support Water Infrastructure Funding:** AGC is supporting H.R. 3202, a deficit neutral, off-budget and firewalled dedicated revenue source for water infrastructure that will not be subject to the uncertainties of the annual appropriations process. H.R. 3202 establishes a five year $50 billion fund for this purpose.

**Multi-Employer Pension Plan Funding Relief:** AGC supports H.R. 396, the Preserve Benefits and Jobs Act, which will lessen the impacts on both contributing employers and retirees of the sudden and precipitous investment losses incurred beginning in 2008 by multi-employer defined benefit plans due to the worldwide financial crisis.

**Repeal Excessive 3% Withholding on Government Contracts:** In 2012, a new law will require federal, state and local governments to withhold 3 percent from all payments for goods and services as a guard against possible business tax evasion. AGC vigorously opposes this, as most construction contracts average less than 3 percent profit; tightened cash flow will restrict bonding capacity; and enforcement of current laws would ensure tax obligations are met.

For more in-depth information on these and other issues that AGC is addressing this year, visit AGC’s website at www.agc.org.
CLC Holds Successful Membership Event

Nearly 40 CLC members turned out for the Southern California Membership Social on May 20th.

Some 38 Construction Leadership Council (CLC) members from more than a dozen AGC member companies gath-
ered at Lucky Strike Lanes in Orange, CA, on May 20th for an evening of networking, food and fun at the CLC’s first South-
ern California Membership Social.


“We couldn’t be more please with the way this event turned for our members,” said Tim Nunn, 2010 CLC Chair. “This was a great way to get to know one another while having a little fun.”

Attendees were assigned to one of “six” different teams upon arrival, (no company teams or grouping was allowed) with the idea to meet and get to know someone new.

At the conclusion, awards were given for “Highest Scoring Team”, “Individual High Score” and “Most Strikes” – and a few humorous awards given to those who won’t be making bowling their new career anytime soon.

Special thanks go the sponsors who helped to make this event a success: Griffith Co., Marina Landscaping, Inc. and Penhall Co.

AGC Holds Career Days in Fresno, LA

AGC continued its outreach efforts to promote careers in construction through two recent Career Days, in Fresno and Los Angeles.

AGC’s Construction Education Foundation in conjunction with the California Community Connection Corporation held the 2nd Annual Los Angeles Construction Career Awareness Day at Los Angeles Southwest College Campus on March 26. Over 1,000 students and adults from throughout the greater Los Angeles basin attend the event to learn more about construction careers.

In Fresno, nearly 700 local high school students from 25 schools turned out for the 3rd annual Central Valley Construction-Career-Awareness-Day, which took place on April 30 at the Fresno County Fairgrounds and featured more than 25 exhibitors. Hosted by AGC’s San Joaquin District and supported by AGC Education Foundation, along with many local area contractors, suppliers, labor unions and education entities, this event enabled students from the area high schools to spend a day meeting with construction professionals to experience first-hand the diver-
Building on the success of the two previous years, the Fresno Career Awareness Event for the first time, added a level of competition to the hands-on exhibits, which increased student participation. Students tested their skills and were timed manipulating the bucket on the backhoe, using hand tools for different tasks, assembling and tightening screws and bolts, running obstacle courses with equipment in tow—all these activities were timed or scored for accuracy. Student scores were totaled by the school; school totals were averaged; and schools with the lowest average times received awards for their 1st, 2nd, and 3rd place finishes. Over 300+ students participated in the competition, and at lunch the awards were presented to Laton, Clovis, and Washington Union High Schools respectively, as the 1st, 2nd, and 3rd place winners.

Three Fresno County Supervisors, Judy Case, Susan Anderson, and Debbie Poochigian, also turned out to support the event.

On April 16, the Orange County District held its annual Grassroots Luncheon in Costa Mesa. Approximately 80 AGC members, guests and elected officials were in attendance, where they had the opportunity to discuss a range of issues impacting the construction industry. Pictured at right are several of the elected officials in attendance, including Scott Baugh, Assemblyman Van Tran (R-Costa Mesa), Assemblywoman Diane Harkey (R-Laguna Niguel), Assemblyman Jeff Miller (R-Orange) and Supervisor Jim Moorlach. Shown above, left, is AGC Past President Wayne Lindholm of Hensel Phelps with Assemblywoman Diane Harkey (R-Laguna Niguel).
Gov. Arnold Schwarzenegger announced the appointment of Cindy McKim as the Director of the California Department of Transportation on May 27, 2010. McKim takes over the position from former Director Randy Iwasaki, who left the department to join another Bay Area transportation agency.

As Director, McKim is responsible for the maintenance and operations of more than 50,000 lane miles of roadway in the state highway system, a budget of more than $13.8 billion, and providing leadership to more than 22,000 employees.

McKim has been with Caltrans for more than 30 years, serving in a number of high profile management positions including the Chief Financial Officer, Deputy Director for Rail, Transportation and Aeronautics; Deputy Director for Policy and Administration; Assistant Director of the Administrative Service Center; Accounting Division Chief; Rail Division Chief; Mass Transportation Division Chief; and Assistant Director for Management and Policy Planning.

Immediately prior to this appointment, she served as the Chief Deputy Director where she advised and assisted the Department Director regarding all aspects in the policy and operation of the Department of Transportation. She represented the Department in meetings, hearings, boards, commissions and committees and had responsibility related to the overall operation and management of the Department.

As the Chief Financial Officer, McKim was responsible for the Department’s financial management and policy, including oversight of an annual operating budget of nearly $13.8 billion. She was also responsible for programming State and federal transportation funds.

McKim earned her bachelor’s degree in Human Resources and Organizational Behavior from the University of San Francisco. She also holds a Certificate in Public Administration from the California State University, Sacramento.

Several members of AGC turned out for a farewell and tribute dinner for former Caltrans director Randy Iwasaki on May 25. Iwasaki resigned from the Department in May to become the Executive Director of the Contra Costa Transportation Authority. His career at Caltrans spanned nearly 27 years, during which he earned a national reputation for innovation and leadership. On hand to present Iwasaki with an award from AGC honoring his years of service were, l-r, John Franich, Granite Construction; Eric Taylor, Skanska; John Jansen, Kiewit; Iwasaki; Ken Kayser, Teichert; Todd Sutton, Skanska; Sam Hassoun, AGC; Bob Brosamer, R&L Brosamer; and Clint Myers, Myers & Sons.

Skanska USA Building Inc. announced that it has hired two new members to its Bay Area office in downtown Oakland.

Leslie Saulsbury has been hired to fill the role of marketing manager. She joins Skanska from Wilbur Smith Associates, where she served as the west region marketing manager. During her five years at the firm, Saulsbury supervised the west region marketing team and worked closely with the region’s associates-in-charge, division directors and project managers in the pursuit of new work, client marketing and community/public relations.

At Skanska Saulsbury will manage all of Oakland’s marketing efforts as well as support its business-development activities by acting as the primary contact between business development, account management and operations.

Saulsbury holds a Bachelors of Arts in Mass Communications from the University of the Philippines and was named one of San Francisco Bay Area’s “Top 40 Executives Under 40” by the East Bay Business Times.

Also joining Skanska is Robert Rolla as pre-construction manager. He will be responsible for managing and participating in providing pre-construction services to clients from project inception through buyout.

With more than 25 years of experience in the industry in the San Francisco Bay Area, Rolla is a LEED® accredited professional who earned a bachelor’s degree in business from San Diego State University. He is pursuing a Certificate in Project Management from the University of California at Berkeley Extension Program.

Skanska USA is one of the largest construction networks in the country consisting of four business units: Skanska USA Building, which specializes in building construction; Skanska USA Civil, which...
is focused on civil infrastructure; Skanska Infrastructure Development, which develops public-private partnerships; and, Skanska Commercial Development, which pursues commercial development initiatives in select U.S. markets.

**McCarthy Tops Out CHOC Project, Holds Special Event for Children**

McCarthy Building Companies, Inc., one of Southern California’s preeminent healthcare builders, recently topped off the structural steel on CHOC Children’s new patient care tower. Currently on schedule for construction completion in December 2012, the $563 million expansion is located on the south side of the existing CHOC Children’s hospital site.

Over the last six months, construction workers used a 196-foot tall Liebherr tower crane with a reach of 276 feet to install 5,805 pieces of structural steel creating the frame for the new tower. The project team celebrated the placement of the last structural steel beam with a barbecue lunch for the project’s construction workers. During the luncheon, project team members followed the long-standing topping out tradition of signing the I-beam which was adorned with an American flag and an evergreen tree before construction workers from Schuff Steel lifted it 160 feet and attached it to the top of the structure.

A week after workers celebrated the project’s official topping out on the job site, some of the young patients at the hospital also celebrated the milestone with a party of their own on June 3. The children joined some of the tower’s construction workers on the 3rd and 5th floor playrooms at CHOC for a “mock” topping out celebration. During the event, McCarthy, along with some of its subcontractors helped the children with construction themed crafts such as building a structure with pretzels and gum drops and decorating Legos to be used in construction of a fun structure that will be displayed in the playrooms or at the hospital in the future.

In the spirit of a real topping out, the children were able to sign a mini structural steel beam which was lifted to the top of the structure during the event. The beam lifting was video taped and narrated by construction personnel and their children and broadcast live to the CHOC patients in their patient rooms as well as in the playroom on the hospital’s internal Radio Lollipop TV channel. The children in attendance had refreshments and received a topping out t-shirt just like the construction workers on the job received during the real topping out the week prior.

This construction themed patient activity event is the first one conducted and is just one of many planned by McCarthy and the new patient tower design and construction team throughout the course of the project. Some of the other events planned for this year will feature construction vehicles and architecture themes. The events are intended to be fun as well as educational, teaching children a little about the construction process in hopes of providing a distraction from their hospital visit and sharing the exciting news about the new tower.
Highlights from AGC’s 2010 Spring Conference

Thank you 2010 Spring Conference Sponsors

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Men’s & Women’s Golf Tournament

Longest Drive
Jerome DiPadova
Nikki Affinito
Nikkie Affinito

Closest to the Pin
Walt Johnson

First Place
Tom Foss
Tom Holsman
Brian Schroeder
Kenny Waggoner

Second Place
Tom Griffith
Tim Nunn
Bert Somers
Jadon Smith

Third Place
Rob Ford
Diane Grenz
Larrie Grenz
Mike Navin

Croquet Tournament

First Place
Gwen Callan
Don Dolly

Second Place
Bob Christenson
Alyssa Bussey

Third Place
James Diwik
Kim Sykes
Top 10 Projects Awards

Following are the top 10 public project awards California last month, compliments of McGraw-Hill Construction.

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Project City</th>
<th>Reported Low Bid Amount</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Irvington Tunnel WD2581</td>
<td>Fremont</td>
<td>$226,657,700</td>
<td>Southland/Tutor/Perini JV</td>
</tr>
<tr>
<td>San Jacinto Valley RWRF Title 22 Upgrades 1047S</td>
<td>San Jacinto</td>
<td>$112,406,264</td>
<td>PCL Construction Inc</td>
</tr>
<tr>
<td>San Bruno Grade Separation 10PCJPBC002</td>
<td>San Bruno</td>
<td>$77,699,000</td>
<td>Granite Construction Company</td>
</tr>
<tr>
<td>Barack Obama Global Preparation Academy 5640025</td>
<td>Lost Hills</td>
<td>$74,985,000</td>
<td>Bernards</td>
</tr>
<tr>
<td>CA/DOT Construct HOV Lanes - Retaining Walls REBID 071218V4</td>
<td>Burbank</td>
<td>$52,682,730</td>
<td>Security Paving</td>
</tr>
<tr>
<td>Science/Math/Central Plant Complex - Inc Nos 2 /&amp; 3 305A</td>
<td>Kentfield</td>
<td>$34,040,000</td>
<td>Lathrop Construction Associates Inc</td>
</tr>
<tr>
<td>CA/DOT Widen to Provide 4 Lane Segment (03-Sut-99-10.9/14.7 031A4324</td>
<td>Nicolaus</td>
<td>$30,436,533</td>
<td>Nehemiah Construction, Inc</td>
</tr>
<tr>
<td>MDAB Renovation Project C1094D</td>
<td>Long Beach</td>
<td>$22,191,000</td>
<td>W E O’Neil Construction Co. of California</td>
</tr>
<tr>
<td>CA/DOT Widen Highway With Hot Mix Asphalt on 06353414</td>
<td>Lost Hills</td>
<td>$22,153,604</td>
<td>Granite Construction</td>
</tr>
<tr>
<td>Gilroy Public Library Phase 2 10CDD173</td>
<td>Gilroy</td>
<td>$17,263,444</td>
<td>Devcon Construction Inc</td>
</tr>
</tbody>
</table>

Markets at a Glance

This graph depicts the value of religious facilities in California historically (2007, 2008 and 2009) and Forecast (2010 and 2011). Information is provided courtesy of McGraw-Hill Construction.
Ten Tips for Construction Creditors

By William L. Porter

Many contractors, subcontractors and suppliers are suffering at the hands of those who fail to pay for the work or materials they supply to construction projects.Outlined here are 10 tips to keep in mind when dealing with delinquent construction accounts.

1. Obtain Written Confirmation of the Debt
   Obtaining written confirmation from the debtor of the exact amount the debtor believes it owes you is powerful evidence in support of your later claim. When the debtor’s attorney begins to fight your claim months later you may rest assured that the attorney will come up with a multiplicity of disputes and back-charges of which you were entirely unaware.

   Having written confirmation of the debt will prove extremely persuasive in support of your claim. In the alternative, if you are ultimately unable to persuade the debtor to confirm the amount of the debt in writing you might resort to a lesser substitute of writing the debtor and confirming the debt yourself and inviting them to challenge your figure. Such letters often contain a phrase such as: “Unless I hear from you within the next 10 days that you dispute the above figure I will reasonably conclude that you agree that the figure is correct.” While this technique is helpful, it is not an equal substitute for affirmative written confirmation from the debtor of the exact amount of the debt.

2. Follow the Dispute Resolution Procedures in Your Contract
   Many construction contracts contain specific dispute resolution procedures describing the steps you must follow in order to make a claim. These often include notification deadlines as well as specific alternative dispute resolution procedures such as mediation or arbitration as a prerequisite or an alternative to litigation. It is important to follow these deadlines and procedures lest you later be determined to have waived your right to make a claim.

3. Calendar Your Collection Deadlines
   There are a number of important collection deadlines you must recognize and calendar in order to protect your rights to such important construction remedies as mechanics liens, stop notices, bond claims deadlines often begin to expire within 30 days after site work is completed. For more detailed information contact your local Builder’s Exchange and sign up for a class to learn the rules for mechanics liens, stop notices, bond claims and other construction collection remedies.

4. Do not be Deceived into Waiving Your Collection Rights
   Many in the construction industry are well aware of the important deadlines for pursuing construction claims. Others are not. Some unscrupulous players will lull unsophisticated creditors into a false sense of security with promises that the check is “in the mail” or other false assurances. These tactics may continue until the debtor confirms that the creditor has missed important construction claim deadlines. Avoid this result by calendaring important dates to pursue your construction remedies and inform the debtor that you are fully aware of these deadlines and will act to protect your rights to collection before these deadlines expire.

5. Be Careful in Your Use of Releases and Your Reliance on Checks
   California Civil Code section 3262 specifies the four types of required releases for use in California construc-
tion projects. Two of these releases are “conditional”. Two are “unconditional”. Both release claims to the last date of work specified in the release. Conditional releases can be exchanged for a check. If the check does not clear the bank the release is generally not effective and the claim remains viable. However, with the “unconditional” release the claim for payment is generally released as to the date stated regardless of whether the check actually clears the bank. It is therefore very important that you only provide an unconditional release when you know that the check has actually cleared your bank.

Please also note that use of a bank cashiers check does not automatically mean the check will be honored. Payment on a cashiers check can still be stopped, usually through an allegation of fraud. Although it is easier to claim fraud than to prove it, the allegation alone is usually sufficient to stop payment on a cashiers check. Please also note that a check drawn on an out-of-state bank is usually held for 10 days before confirmation that it has cleared will be given. Please finally note that Under California Commercial Code section 3311 a check bearing the notation “paid in full” or similar language probably means exactly what it says and the recipient of the check may be precluded from arguing to the contrary even where the recipient believes it was actually owed more than the amount of the check.

6. Do What You can to Avoid Attorneys and Lawsuits

Attorneys can be expensive and litigation is rarely the most efficient way to resolve a dispute. Therefore, before resorting to an attorney, do your very best to exhaust all reasonable efforts to achieve resolution. Remember, it is often better to compromise a bit and receive a check early than face a year or more of uncertainty, expense, business disruption and anxiety as litigation or arbitration runs its course. A common outcome of a construction dispute is settlement before trial, with each side bearing their own attorney fees and costs. If you can use your negotiation skills to reach a reasonable resolution before it is necessary to begin paying an attorney, you are often better off.

7. If You Must Use an Attorney, Use One with Knowledge in Construction Collections

The practice of law has become extremely specialized. You would never hire a probate attorney to handle a criminal matter. You would never hire a patent attorney to deal with a divorce. When you need to resolve a construction dispute hire an attorney who deals with construction disputes. When construction collections are an issue use an attorney with experience in the rules of mechanics liens, stop notices, payment bond claims and prompt payment remedies. Without knowledgeable legal counsel you may miss important deadlines or fail to take advantage of beneficial legal doctrines crucial to the successful prosecution or defense of your claim.

8. Documentation of Your Claim Will Often be Your Key to Success

If you are unable to resolve the debt yourself your construction attorney will require full documentation of your claim in order to prove your entitlement to payment or to defend a claim against you. All other things being equal, the party who can best document the validity of its claim or defense will more likely win the case. Of course, good documentation begins long before you ever visit your attorney. It starts with good practices in your office and in the field. Proposals and bids should be clear and unambiguous. Contracts should be closely reviewed and revised. Contract changes must be initialed. Contracts must be signed. All changes in work should be confirmed in signed change orders containing agreed details, price and time extensions. When potential sources of dispute arise they must be fully documented. Documentation of the dispute and all discussions regarding the dispute must continue until the dispute is either resolved or brought through the contractual dispute resolution process. Documentation is the key to success.

9. Let Experience Guide You to Improved Procedures

Every construction dispute will teach you something new. It may be that your bid procedures are inadequate. It may be that your contract is poor. It may be that your office procedures are weak. Perhaps your failures are in the field. Whenever you encounter a problem, stop, take stock of the source of your problem, determine if there is anything you can do to prevent the problem in the future and make adjustments in your procedures and paperwork to prevent the reoccurrence of this problem in the future.

10. Trust Your Instincts

I don’t know how many times I have heard a construction client faced with a dire collection situation lament as to the debtor “I should have trusted my instincts” or “I knew this would turn out bad.” It is an all too common conclusion. You are probably reading this because you strive to bring greater success to your business. People like you usually develop good instincts about other people and situations. If your good instincts tell you to walk away from a potential business opportunity, follow your instincts. Walk away. It will probably save you from a world of hurt at a later time and there will probably be a better opportunity around the corner. People who learn to trust their good instincts tend to survive difficult economic times when others do not.

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Make Sure Your Business Can Survive a Disaster

By Stuart Nakutin

Natural disasters – such as earthquakes, wild fires, floods, hurricanes or even tsunamis – can look spectacular on television. Oftentimes, what we see on the news seems far removed from our own part of the world. The 7.2 magnitude Mexicali earthquake that was felt throughout Southern California on Easter Sunday, however, shook a lot of us back to reality.

For businesses, disasters – both natural and manmade – can happen at any time. They can take many other forms including fires, explosions, toxic chemical releases, terrorism, power outages, high winds, software viruses, civil riots, workplace violence, theft, and bomb threats. Most businesses aren't prepared for a water pipe breaking in the middle of the night and flooding the office, let alone a major disaster.

Approximately 60 percent of all businesses fail after a disaster, according to Bob Boyd, president and CEO of Agility Recovery Systems, a company that provides mobile business continuity solutions. Why do these businesses fail? Most have neglected to create a disaster recovery plan. They are temporarily powerless to continue basic business functions.

A disaster recovery plan serves as a roadmap for keeping the company running by recognizing the types of possible disasters and providing ways to help lessen their impact. It can also prevent minor disasters from escalating into major catastrophes. The firm's recovery – new offices, computers, supplies, if needed – should also be part of the plan.

A thorough disaster recovery plan addresses businesses’ needs for emergency shelter; food, water and first aid services; security; data support; an external contact list; a supply chain vendor; mobile office; satellite voice and internet; power generation; consulting services; and fuel, waste and sewage vendors.

All businesses should keep on hand basic emergency supplies, including food and water, first-aid supplies, blankets, splints, hygienic products, cell phone(s) and recharger(s), flashlights, radio(s), and extra batteries. They must meet all OSHA requirements for emergency evacuation procedures, and are well advised to have at least one CPR-certified employee.

So, where to start?

Whether a large or small firm, a startup or long-established, the tasks necessary for an effective disaster preparedness plan are the same. Every business should have a checklist that guides them through preserving records, protecting equipment, training employees, and recovering as quickly as possible. Agility and the ability to react quickly will restore business lifelines.

Following are some tips on what businesses can do to prepare for a potential disaster:

- **Plan Ahead:** Take care of basic items such as locating fire exits, fire extinguishers and first-aid kits. Discuss ways to protect people and property. Create contingencies for conducting business operations at a different location or by leasing a temporary facility, and for locating vendors to resupply the new facility – all before the disaster hits.

- **Assess Vulnerability:** Try to get as specific as possible in planning for disaster types, such as fire, flood, earthquake, etc. However, don’t get paralyzed by creating too many “what if” scenarios. Be as specific as possible to your business and location. For example, while hurricanes might be the big threat for a company branch office in Florida, its California location should put earthquakes or wild fires at the top of its disaster list. Also, don’t forget to include more everyday disasters, such as power outages, toxic spills and break-ins.

- **Plan for the Big One:** Be sure to do the simple things to prepare for the spectacular disaster. Secure equipment, cabinets and fixtures for earthquake safety; train employees on what to do in an earthquake. Keep fragile records away from places where they might flood in a storm — or when a pipe breaks. Create a building evacuation plan.

- **Preserve Records:** Make sure paper records that are critical to business operations are stored in fire-rated cabinets or a safe. The room should be clean and well ventilated. Paper records must be protected from water leakage and, if flooding is the problem, stored in a room above ground level.

- **Stay Online:** There are still businesses that don’t ever back up computer data. Do it – at least once a week. And store copies of the backed-up files offsite in several secure locations. Have an accurate inventory of computer equipment. Install a water detection system to protect computers from internal water line breaks. Identify sources for replacement and/or replacement of computers, phones and other electronic connections to the outside world, including cabling and power requirements.

- **Recovery:** Preparing for recovery is an important step. Any contingency plans for working with vendors should include written confirmation that supplies can be delivered within a specific time frame. To get any business moving again, have vendors in place to quickly supply not only computers and other office equipment, but also provide a workplace, fuel, and telecommunications connections. Investigate signing an agreement with a disaster-recovery firm that can help reconnect you to your business lifelines within 48 hours.

- **Teamwork:** Set up employee teams not only for safety and evacuation, but business recovery. Assign employees to specific tasks, including building evacuation and organizing food, water and miscellaneous supplies. It’s important that employees understand they should remain calm: Panic kills; but if they stay calm, they can help others.

Aside from consulting insurance and disaster recovery experts on planning for potential disasters, businesses also can get help from the federal government. The business web site, www.ready.gov, includes a sample emergency plan and other suggestions for how businesses can survive a disaster.
The bottom line is that every business needs a plan – and it’s never too early to start one. Emergency response planning not only can save lives and reduce the number of employee injuries, it can prevent loss of property and operating revenue.

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Calendar of Events

July 14
The Power of Teambuilding – The Project Manager as a Coach, at the AGC Concord office

July 15
SWPPP - Understanding the New General Permit, at National University

July 19
BIM Coordination at Dynalectric

July 22
Los Angeles District Hawaiian Luau at the Mai Tai Bar in Long Beach

July 29
Foreman Training at the AGC Concord office

August 12
BIM Education Program – BIM 101 at the AGC Concord office

August 19
Project Manager 3: Winning Cash Flow Strategies on Change Orders & Claims, at AGC’s West Covina office
STP Boot Camp at the AGC Concord office

August 20
Project Manager 4: Scheduling For Management, at AGC’s West Covina office

August 31-September 1
Construction Quality Management (CQM) at the AGC Concord office

September 9
SWPPP - Understanding the New General Permit at the AGC West Sacramento office

September 16-17
BIM Education Program - BIM 102 Technology at the AGC Concord office
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