



# THE SUNDT EXPERIENCE

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SPRING 2009

## PHOENIX'S FIRST LIGHT RAIL SYSTEM COMPLETE

### Sundt Built Majority of 20-mile Project

Phoenix-area residents now have an efficient and environmentally friendly way to travel around town, thanks to the completion of the area's first ever light rail system. METRO Light Rail's 20-mile system connects Phoenix to several neighboring municipalities and will extend even further in 2012 when a future phase



*Sundt has been awarded six separate contracts to work on light rail projects.*

opens with three additional miles of track. The system opened to the public last December and is used by thousands of riders every day.

Sundt and a joint venture partner built a large part of the new system under six individual contracts, which together totaled more than \$233 million. Crews

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## SUNDT CEO TO HEAD NATIONAL CONSTRUCTION INDUSTRY ASSOCIATION



**Pruitt Presidency  
To Focus on  
Changes that Will  
Improve Quality  
and Productivity**

The Associated General Contractors of America (AGC) has elected Sundt Chairman and CEO J. Doug Pruitt to be its national president for 2009. Pruitt took over the reins of the country's largest construction trade organization March 4th at the AGC's annual conference in San Diego.

The theme of Pruitt's term in office will be "dare to challenge, dare to change." He sees the construction industry facing a serious productivity problem that must be corrected if America is to remain strong.

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*Sundt/Stacy and Witbeck Joint Venture built the light rail that runs through the Arizona State University campus.*



## PHOENIX'S FIRST LIGHT RAIL SYSTEM COMPLETE

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began work in 2005 and since then have installed 10 miles of track, widened roadways and constructed the system's Operations and Maintenance Center, including an additional four miles of track, and two park-and-ride facilities. Sundt also worked as a subcontractor to install the project's 15 traction electrification substations and six Signals and Communications buildings.

"Building a light rail system through a major metropolitan area took a lot of planning and coordination," said Sundt Area Manager Bill Zeiss. "We felt it was important to engage the community and involve them in every step of the project. We worked particularly hard to keep area residents and businesses along the route informed of construction activities so they would be impacted as little as possible. We also gave tours to schools and civic groups, and even donated some of the demolished materials to local parks to use as hardscape."

One of the ways that METRO and Sundt engaged the public was by forming Citizens Advisory Boards, or CABs, at the beginning of the project to facilitate good communication. "We met with CAB members regularly to hear their concerns," Zeiss continued. "Throughout the project they graded us on our responsiveness. We scored highly and earned 100% of our incentive at the end of the project."

"The Sundt/Stacy and Witbeck Joint Venture team has been extremely responsive to issues," said Richard Simonetta, Chief Executive Officer of METRO. "The quality of their work is outstanding and they have been a tremendous partner and team player."

Sundt's performance on the METRO Light Rail project has earned it a seventh contract to provide preconstruction services for an additional three miles of track, known as the Northwest Extension. "We're still negotiating the terms of the new contract, but what's exciting for everyone is that this time the owner chose to use the Construction Manager at Risk delivery method rather than the traditional hard bid approach used previously. They've shifted to qualifications-based selection to take advantage of the benefits

offered by this more innovative and flexible delivery method and because of their confidence in Sundt from our performance on previous projects,” said Zeiss.

METRO isn't just a winner with local commuters. It has also won several industry awards. Line Section Four won an American Public Works Association (APWA) – Arizona Project of the Year Award in 2008. Line Section Five was awarded Southwest Contractor's Best of 2008, McGraw-Hill Construction's "Best of the Best" in 2008, an APWA Project of the Year Award for 2009, and a 2008 AGC Build America Merit Award. The Operations and Maintenance Facility was honored with Southwest Contractor's Best Project Management of 2007, an APWA – Arizona Project of the Year Award in 2008, and a 2008 AGC – Arizona Build Arizona Award.



*The Operations and Maintenance Center is the nerve center of the entire light rail system.*

## SUNDT CEO TO HEAD NATIONAL CONSTRUCTION INDUSTRY ASSOCIATION

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“While the construction industry has experienced zero productivity growth in the past 40 years, manufacturing has boosted productivity by more than a 120 percent,” he told conference attendees during his acceptance speech. “America depends on a strong, productive construction industry. If we cannot improve our productivity, if we cannot improve quality, the cost of public infrastructure will increase, requiring more and more tax dollars to produce fewer and fewer capital assets.

“I have chosen as my theme for this year, ‘dare to challenge, dare to change.’ Most of us are very uncomfortable with change, but if those of us in my generation want to leave a legacy of an advancing, progressive industry to the next generation of builders, we must ‘dare to challenge and dare to change.’”

Pruitt cited BIM as an example of how the AGC is beginning to embrace changes that will improve productivity. BIM stands for Building Information Modeling, which gives contractors the ability to resolve design issues before construction starts by using a three dimensional computer model. “We could see the potential of BIM and what it could do to transform this industry, so we dared to challenge and dared to change,” he said.

Since its introduction a few years ago, BIM has become a tool used by sophisticated contractors to improve many aspects of the construction process, from estimating and scheduling to reducing the number of costly constructability issues that must be resolved in the field.

Pruitt concluded his presentation by urging the audience to embrace change, even during these difficult economic times that challenge both contractors and the nation as a whole. “It’s a time that most tend to cut cost dramatically and choose to hunker down and wait out the storm. But it’s also a time of great opportunity. It’s a time that we should invest in the future of this industry by investing more in our people and investing more in technology accelerators that will improve productivity and quality.

“In essence, if the construction industry cannot make significant gains in both productivity and quality, this great nation of ours will become less and less competitive in a global market, and the quality of life we have enjoyed will not be passed on to our children and grandchildren.”



*J. Doug Pruitt*

‘DARE TO  
CHALLENGE,  
DARE TO  
CHANGE’

# SAFETY CULTURE SETS SUNDT APART



Brian Murphy

Brian Murphy has specialized in safety since 1969 and has become one of the construction industry's most knowledgeable safety experts. He began his career in the copper industry before joining Sundt in 1974. As Vice President and Director of Quality and Safety, Murphy has played an instrumental role in developing Sundt's unique "safety culture" and placing a new emphasis on goal-setting to help the company achieve its best safety record ever. In the following interview he explains why Sundt's safety program has been so successful and discusses the company's goals for the future.

## Can you describe Sundt's safety record over the last four to five years?

It's been stellar. We're seven times better than the national average with respect to recordable injuries, i.e. any injury that requires a doctor's care, and we're 10 or 15 times better with respect to lost-time injuries. That's among all contractors, not just those in our size category.

## Sundt's safety record has been strong for some time, but the recent improvement is really dramatic. How have you achieved those numbers?

As is often the case, it has a lot to do with the people. I feel very privileged to lead a terrific staff that includes 17 full-time safety professionals and a claims specialist.

It's also important to look at how our safety culture has developed. A benchmark year was 1998 when Doug Pruitt took over as chairman of the company. At that time we had an OSHA incident rate of 10.69, and a lost-time rate of 1.39, which we have since reduced to 1.45 and .16, respectively. That's when we developed a safety culture, which we didn't really have before. You've probably heard the expression, "What gets measured gets done." Well, that's the philosophy Doug brought to our safety program. He set goals and we developed ways to meet them. He also made people accountable for safety, which was not the case before. We had goals before, but they weren't lofty enough and there was no accountability. Now, every time we meet our safety goals, he keeps increasing them. We have a goal of 1.5 now for our OSHA incident rate, which we're on target to beat at this point, and Doug is talking about getting it down to 1. Ultimately we want to get it down to zero.

## Are there incentives for making Sundt a safer place to work?

First and foremost, people want to work in a safe environment. Also, achieving goals is tied to our bonuses across the company, at both the safety and operational levels. We've always had monetary incentives with respect to our craft employees.

## What has Sundt done that's beyond the expected?

What's driven our injury rates down is setting goals combined with pre-planning our work. It's a system, where pre-planning starts before a job even begins. We look at everything: where are you going to have temporary power, where are people going to park, etc. We also develop a job hazard analysis for each project to predict what gear we'll need, who's going to

Our People  
Make the  
Difference<sup>SM</sup>



be involved, etc. The other thing we've done at the more philosophical level is help people see that safety and production go hand-in-hand. Production is what we're geared towards in this industry, so what we've done over the last nine or 10 years is help people see that safety is a production issue.

### What are some of the things you do at the jobsite level to ensure safety?

We have safety task forces that are made up of craftspeople and individuals in the field. We meet monthly and do inspections, which are done by peers, plus we get together and brainstorm so that everyone is invested in helping develop the safety program. They're not just being asked to follow it.

Employee indoctrination is another issue. When we hire new employees we meet with them and explain our expectations, a little bit about our culture, and designate them as new employees even if they are not new to the industry. They're flagged with a yellow hard hat to indicate that they're new and need time to be introduced to the team. It's an effort to improve communication, which ultimately improves safety.

### Does safety matter to clients?

Absolutely. Coincidentally, we just got a job in Phoenix because of our safety record. We won the job based on our qualifications, but our safety record and numbers are what sealed the deal. For those owners who really understand safety and can decipher the numbers, they know that a safer job costs them less, gets done faster, and has a better public image.

### What role does Sundt play in trying to bring safety improvements to the industry?

We're involved in a number of safety organizations where we exchange ideas and get involved in legislation and rule-making. We're trying to give back to the industry. It's a give and take, so we're not only giving but we're also trying to learn from other people. There really isn't any competition when it comes to safety. If it will make a job safer, I'll share just about anything.

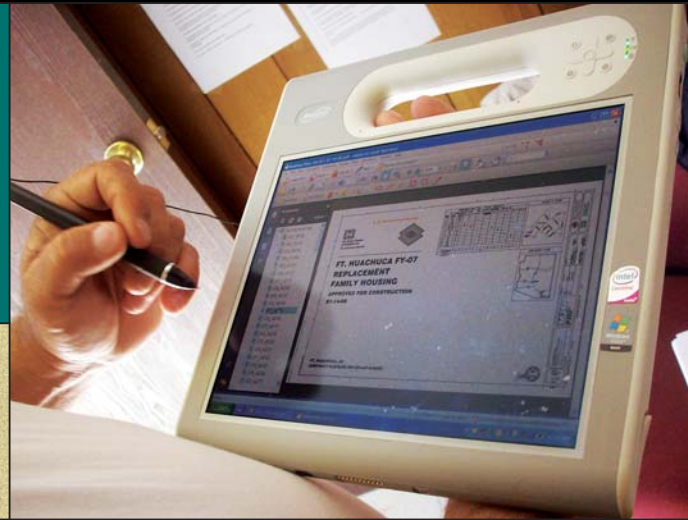
*Sundt's workers have played a major role in driving down injury rates, which is seven times better than the national average for recordable injuries.*



## INNOVATIVE 'ROCK' SYSTEM IMPROVES EFFICIENCY IN THE FIELD

*Right: The ROCK tablet allows users to bring detailed project plans into the field.*

*Below: Sundt Project Quality Manager Tim Grimes uses ROCK at Fort Huachuca, Ariz.*



Sundt is always looking for new ways to improve how it does business. Whether it's through better management techniques, safety advances or emerging technologies, it is Sundt's goal to deliver the highest quality projects to its customers. In 2008 Sundt made a major improvement in the field by introducing an innovative new computer technology called the ROCK system.

ROCK, which stands for Remote Office Construction Kit, is essentially a tablet PC designed for rugged environments that uses software to help manage and display project information. Although they look similar to ordinary laptops, ROCK tablets are equipped with touch-screen technology rather than a keyboard so users can easily move between programs and files with just the touch of a stylus. The feature makes the tablets extremely sleek and portable – each is basically just a screen with a handle – and it simplifies their use for anyone who isn't fully comfortable with computers.

Field personnel began evaluating the tablets in April of 2008 and completed the successful test program in July. The plan is to eventually implement the ROCK system on all projects by phasing out field personnel's laptops and replacing them with the tablets.

"ROCK tablets that are equipped with Adobe Acrobat software give us a much better vehicle for viewing all of the documents relating to a project – what we call the record set – than a standard laptop," says Frank Bejarano, a Sundt Project Superintendent. "There are many detailed documents that are constantly evolving and changing, so it's a challenge to stay current no matter what approach you use. Before the ROCK system, we were either working within the limits of a laptop, which isn't really designed for field use, or running back to the trailer to look at hard copies of the record set and trying to integrate the information."

ROCK tablets, on the other hand, allow field personnel to easily navigate through the record set and integrate current information – importing all of the latest RFIs into a project, for example – before stepping into the field. The tablets also have built-in cameras, which allow for easy documentation of jobsite issues or questions. With just a few clicks the user can snap a photo and send the file via email to someone else for input.

By simplifying how data is managed and displayed, the ROCK system allows field personnel to focus on more important issues, says Bejarano. "This technology really is innovative because it allows us to take all of our office documents into the field and manage specifics like quality control, checklists, safety issues, etc. It increases the accuracy of our decision-making and keeps our field personnel in the field where they need to be, instead of in the trailer sifting through piles of paperwork."



**Innovative ROCK  
computer technology  
is designed for use in  
the field, replacing  
traditional laptops.**



*Above: General massing concepts of the classroom building created by RNT Architects*

## SAN DIEGO PROJECT HIGHLIGHTS BENEFITS OF DESIGN-BUILD APPROACH

Sundt is building an educational facility in San Diego that offers a textbook example of why the design-build approach is often a superior delivery method for large, complex projects. The \$45 million project, being built for the San Diego Community College District, will add a 108,000-square-foot classroom building to the existing City College Campus, which is located in the heart of downtown. The new General Purpose Classroom Building will occupy an entire city block that will be used for social sciences instruction, health services and corporate education. An adjacent 440-vehicle parking structure is also included in the project.

“A recently approved senate bill in the State of California now enables public entities to use the design-build delivery method in addition to the traditional design-bid-build approach,” said Sundt Project Director John Messick. “The private sector has been doing this for decades, so this is a huge step forward for our public clients because now they, too, can select a contractor based more on qualifications than on price. The irony is that when you use qualifications-based selection and assemble the project team early on, the final cost is often lower because there are fewer unforeseen problems and schedule delays, and more creativity and value-engineering solutions.”

The project includes a number of logistical challenges, such as working in a densely populated urban area and maintaining a demanding schedule. The team is also pursuing a LEED Gold certification from the U.S. Green Building Council, which requires adherence to a number of stringent standards.

“This is our third project for the District, and we enjoy working with them,” Messick added. “The District’s management team is very sophisticated and they are proactive in making decisions. They’re a pleasure to work for. When an owner entrusts you with repeat projects, you know you’re doing something right, too.”

Construction is anticipated to begin next spring and is expected to last 18 to 20 months.



## PRESTIGIOUS STRATEGIC PLANNING AWARD PRESENTED TO SUNDT

At the Association for Strategic Planning's annual conference in February, Sundt Construction, Inc. was presented the Richard Goodman Strategic Planning Award in the large, for-profit corporation category.

Sundt's selection was not just relative to other submissions; it was judged according to the absolute standard set by the late Dr. Richard Goodman of UCLA. It was Dr. Goodman's intention to recognize institutions that are approaching strategic planning in a way that directly improves their performance. The award recognizes Sundt's commitment to strengthening the importance and performance of strategic planning and fostering continuing excellence in strategic planning.

"This recognition is an affirmation that the strategic and tactical planning process we have at Sundt is a good one," said Sundt Chief Administrative Officer Richard Condit. "That is important because strategic planning is one of the more important business processes implemented that has led to the improved performance of the company."



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### CONTRACTOR LICENSE NUMBERS

#### Sundt Construction, Inc.

Arizona: ROC068012-A; ROC068013-B01  
California: 453175-A,B,C-8  
Nevada: 22067-AB



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