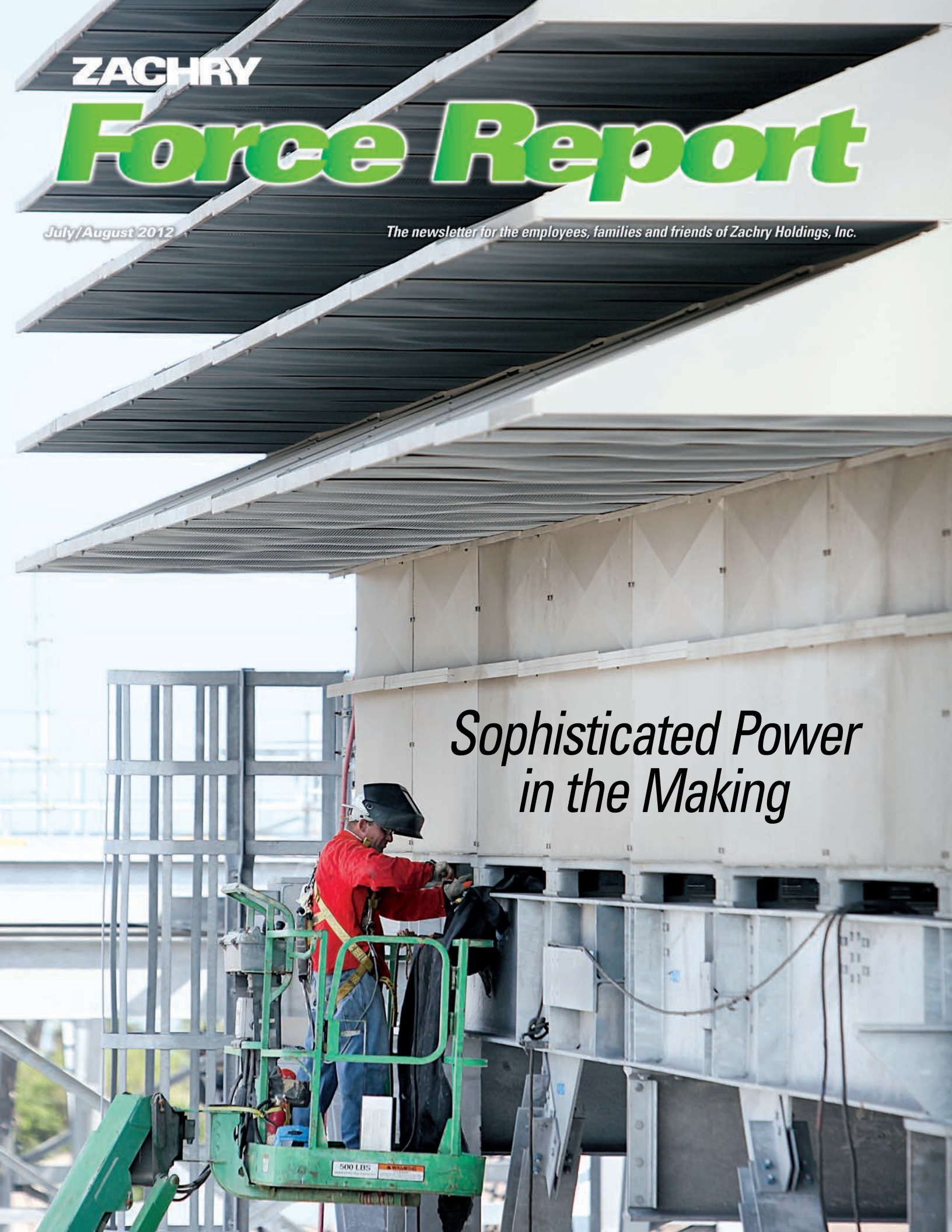


ZACHRY *Force Report*

July/August 2012

The newsletter for the employees, families and friends of Zachry Holdings, Inc.

*Sophisticated Power
in the Making*



On the Cover:

Structural Welder Nicholas Lewis welds the filter module feet to the structural steel on a Siemens Combustion Turbine Filterhouse at the Cape Canaveral job site. Photo/Alissa Hollimon

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We want to hear from you



The process for submitting information for any story idea is simple. Send your *Zachry Force Report* story ideas, including contact information for those involved, to Zachry Force Report Editor Brian Dwyer at dwyerw@zhi.com or 210-588-5813.

Story ideas and photos also can be submitted to members of the *Zachry Force Report* editorial board, listed on page 24.

An archive of all issues of the *Zachry Force Report* is posted online at ZHI.com and group intranet sites. If you would prefer to exclusively access the publication electronically and opt out of receiving the printed edition, simply send a note to dwyerw@zhi.com.

Dear Readers,

Improved technologies continue to transform the natural gas market in the United States, expanding the number of domestic projects and reorienting the economy. As a result, Zachry is actively pursuing gas-related project opportunities in the petrochemical, industrial, power generation and gas export sectors. A significant factor in our ability to secure additional work will be the trust that we have built with customers over time through consistently strong performance.

This trust develops from the way that Zachry integrates engineering, procurement and construction (EPC) services. Our approach contributes to the safety, reliability and quality of projects while helping to keep them on schedule and on budget. We are able to coordinate the efforts of engineers, managers and craft workers, so that they can work collaboratively to create seamless project delivery. Our EPC integrated processes reflect a service philosophy and principle-based culture that compel us to do what is necessary to meet the needs of customers and other stakeholders.

In the EPC Execution Group, we focus on consistent implementation of our integrated processes to carry out the fundamental tasks of planning, execution and project controls. Integrated planning optimizes solutions and enhances communication between project teams and all stakeholders. Reliable execution processes enable us to achieve sustainable operational excellence. Integrated controls processes produce accurate, comprehensive and timely project metrics that foster sound decision making. Upholding demanding standards demonstrates our commitment to safeguard the confidence that customers place in us.

We also remain mindful that past performance can lay the groundwork for future success. A recent contract award reflects the sense of assurance that customers can derive from working with Zachry for a prolonged period and witnessing steady reliance upon our proven methods. Zachry, in a joint venture with CB&I, received the FEED (front-end engineering and design) contract for the engineering and design of the Freeport Liquefaction Project near Freeport, Texas. The facilities that result from this project will be located near the existing Freeport Liquefied Natural Gas (LNG) Regasification Terminal, which Zachry built in 2008 as part of another joint venture.

This issue of the *Force Report* highlights our corporate value of trust and the central role that it plays in maintaining successful business relationships. The cover story



As we explore new opportunities for future growth, we need to remember that the support of customers is essential to sustaining progress and that we must continuously earn their trust through our efforts.

— Josephine Hurtado,
Vice President, EPC Execution



Photo/Alissa Hollimon

outlines how Zachry is meeting its schedule milestones on the largest EPC combined cycle project in the organization's history, the Cape Canaveral Next Generation Clean Energy Center. You may also read about how Zachry's Quality Group is instilling trust in customers by scrutinizing project work to ensure that customer specifications are met. The Engineering Group's Omaha Design Center is also featured in an article about its multi-national efforts on behalf of an international customer in the execution of a project to complete an enzyme production facility. Finally, an article about the Construction Group's training conferences for craft superintendents details the benefits of elevating their leadership skills for both Zachry and its customers.

Zachry's experience and record of accomplishment have given the organization a strong presence in a variety of sectors, including the resurgent natural gas market. As we explore new opportunities for future growth, we need to remember that the support of customers is essential to sustaining progress and that we must continuously earn their trust through our efforts.

Josephine

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and builds a better future
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Zachry across the nation

news updates



Zachry's three Facebook pages invite fans to engage with the company in a whole new way.

Stepping into social media

Zachry has expanded its reach in the world of social media by enhancing its main Facebook page, facebook.com/ZachryHoldings, and launching two additional pages. The company sees it as a way to connect more closely with employees and people outside the organization.

"Because we have so many locations, our employees may not always know what is happening in other offices or job sites," said **Lydia Adams**, corporate communications specialist. "This page helps us make those connections with employees, customers and fans across the country."

Adams is a member of Zachry's Social Media Steering Committee, an eight-member group charged with overseeing online communities associated with the company where people can interact. Those who "like" Zachry's Facebook page can post comments, view photos and reply to other comments on the page. This opens up opportunities to share information, images or videos, and contribute to stories about Zachry, its employees and the communities where they live and work.

Zachry also has a page, facebook.com/ZachryRacing, that allows fans to follow the progress of Zachry-sponsored NASCAR Camping World Truck Series driver David Starr.

From his race performances to site visits with employees, the page offers an insider's view of Starr's activities throughout the season.

"Fans can rally behind David even though they're not at the track," said **Albert Contreras**, employee connections representative. Contreras also noted an increase in the number of "likes" the racing page has received since going live on Facebook. "Facebook is social media," he said. "So much revolves around it that we just need to move to it."

Another Zachry Facebook page features news about Zachry job openings. The page, facebook.com/ZachryEmployment, provides up-to-date information about opportunities nationwide and allows job seekers to ask questions about employment.

"We are a full-service firm and sometimes it's hard to capture all of that in one place," Adams said. "Facebook is a community where we really, truly can become one Zachry." •

American Society of Mechanical Engineers recognizes Zachry's own

Senior Consulting Engineer **Luther Raatikka's** paper on wood-fired power plant options has earned top honors from the American Society of Mechanical Engineers (ASME). Raatikka is the recipient of its 2012 Prime Movers Committee Award in literature, representing Zachry on

an industry stage. The award honors "outstanding contributions" to "thermal electric station practice."

"Although I had previously conducted test burns with various alternate fuels similar to biomass in coal boilers, I was still somewhat apprehensive about writing such a paper since my hands-on experience with this type of co-firing was limited," Raatikka said. "But, this topic is very timely, as biomass co-firing can be readily applied to existing pulverized coal-fired boilers, which we anticipate may happen more in the electric power industry."

Raatikka is humble about the honor, but acknowledges, "it's kind of a prestigious thing." It also reflects well on the company. "Hopefully, this recognition can enhance Zachry's biomass resume to better position us for new opportunities," he said.

"It's an honor that Luther was chosen for this award," said **Alison Cochrane**, vice president of enterprise strategic development. "This kind of association involvement has the full support of our organization because



Senior Consulting Engineer Luther Raatikka is the recipient of the American Society of Mechanical Engineers' Prime Movers Committee Award. Photo/Site

we can showcase our talent and share our knowledge with the industry."

Jane Connelly is a software program manager for Zachry Nuclear Engineering who has been involved with ASME for some 20 years. She is a past chair of the Power Division, which sponsors this award, and appreciates the value of being actively involved in association efforts. "It's good to meet people outside of the company to gain new perspective on industry concerns," she said. •



Zachry gains one regional project...

Zachry has increased its presence at the Sweeny Plant of Chevron Phillips Chemical Company in Old Ocean, Texas. Zachry's Industrial Services Group (ISG) has provided maintenance services at the plant for almost 15 years. Recently, Zachry's Construction Group began a project to expand the Natural Gas Liquids (NGL) Fractionator Complex at the Sweeny plant.

"We feel that our long-term relationship with this customer influenced our selection," said **Jim Prescott**, Houston regional manager with Zachry's Regional Projects Group (RPG). "From our safety culture to the way we do our business, Chevron Phillips knows what to expect from us. They know what they're getting with Zachry."

Zachry was selected as the general contractor for civil, structural steel, piping, electrical, instrumentation and mechanical work, as well as equipment installation. Additionally, Zachry is responsible for managing all subcontractors.

"Our goal is to be viewed as a seamless full-service organization by Chevron Phillips. We will also plan and execute this project in such a way that it has minimal impact on maintenance and operational activities at the plant," said **Dake Stagner**, business development manager with RPG's Houston office.

According to information released by Chevron Phillips Chemical, the expansion of the NGL fractionator complex

will increase its capacity by approximately 22,000 barrels per day, or 19 percent, to accommodate demand from activity throughout the Eagle Ford shale formation and the Permian basin in Texas.

Project completion is scheduled for the first quarter of 2013.

... as it concludes another

Earlier this year, RPG completed another job that exemplifies how Zachry can bring its engineering, procurement and construction (EPC) expertise to smaller, regional projects.

RPG worked in conjunction with Zachry's Engineering Design Centers in Omaha, Neb., and Charlotte, N.C. to re-engineer and strengthen a main structure at U.S. Silica's plant in Ottawa, Ill. so that it could accommodate new equipment. The plant, which is one of North America's largest silica production facilities, processes nearly pure quartz sandstone for glass production, foundry and refractory sand, abrasives, polishes, paint and other fillers, filtration sand, cement testing sand and fracturing (frac) sand.

The structure at the center of the project was built in the 1970s.

"The structure needed to be analyzed and reinforced, which required us to think creatively," said **John Rulevich**, project manager who works out of the Engineering Design Center in Charlotte.

The project's compressed time frame of a little more than a year was also a challenging element of the project.

"We were able to work quickly, mobilizing our teams to meet the customers' needs," Rulevich said. •

Massive plant rises above Florida coast

Turnkey project applies revolutionary technology

Over the past two decades, Zachry has forged a solid reputation in gas-fired power generation. Now, the company is elevating its leadership position in this market with construction of the state-of-the-art Cape Canaveral Next Generation Clean Energy Center. The Florida Power & Light (FPL) combined cycle plant is one of the largest and most advanced turnkey Engineering, Procurement and Construction (EPC) projects in today's gas power market. When the plant is completed in mid-2013, it will be capable of producing 1,250 megawatts of electricity, or enough to power 250,000 homes and businesses. It will also be considerably more efficient than the old plant it's replacing, using 33 percent less fuel per megawatt produced.

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*Millwright Helper Josh Shalala cleans the diaphragm for a Toshiba Steam Turbine.
Photo/Alissa Hollimon*



A pipefitter helper takes measurements for the fabrication of a pipe support. Photo/Alissa Hollimon

New facilities measure up to high standards

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Having the ability to provide large-scale turnkey projects such as this is a result of the company deciding several years ago to develop in-house engineering capabilities. In this context, the term “turnkey” means being able to handle all EPC work internally instead of outsourcing an element like engineering. Since acquiring in-house engineering resources in 2005, Zachry has rebranded and grown the company’s engineering capacity and capability, successfully executing a number of EPC gas-fired projects, including Cape Canaveral.

“Beyond the engineering skills, our unique EPC integration process really makes the difference,” said **Pat Wisdom**, business development director. “Zachry’s reputation for performance on complex projects is unparalleled in this market.”

Incorporating groundbreaking technology

The Cape Canaveral project also breaks new ground in terms of new technology. Zachry is installing Siemens SGT6-8000H combustion gas turbines, which will reduce the carbon dioxide emissions rate by 50 percent. That’s the equivalent of removing 46,000 cars from the road annually for the life of the plant.

“These turbines are the first of this model to be installed in the United States,” explained **L.J. Anderson**, project executive. “What makes them unique is their size and thermal efficiency.”

Despite the challenges of the plant’s size and the unprecedented technology involved, the Cape Canaveral project has been running ahead of schedule. “We’ve done an exceptional job of not just accepting the status quo,” Anderson said. “We’ve accelerated our progress on every front, and we’ve been aggressive in trying to create the best opportunity for success.”

Project Manager **Andy Power** attributes much of the success to date to the talent of the employees working on the site and to the fact that this is a turnkey project. “We have some of the best people in the

Electricians Alvaro Lara (left) and Jose Sierra (right) pull cable in an electrical manhole. Photo/Alissa Hollimon



“
We’ve accelerated our progress
on every front, and we’ve been
aggressive in trying to create the
best opportunity for success.
— **L.J. Anderson**, Project Executive
”

industry working on this project,” Power said. “Also, our engineering and procurement professionals have done outstanding jobs. We address the issues we encounter every day as a team, which is a great benefit to the customer.”

Anderson also emphasized the benefits of handling this project as a turnkey endeavor. “We want to provide a uniquely positive experience for the customer,” he said. “Because of our progress to date, this has really strengthened our relationship with FPL.”

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An aerial view of the Cape Canaveral Next Generation Clean Energy Center looking to the east. Photo/Site



Electrician Timothy Asbury installs electrical conduit in the pipe rack. Photo/Alissa Hollimon



An employee walks the catwalk on the piperack between the heat recovery steam generator train “C” and the steam turbine. Photo/Alissa Hollimon

Turnkey project shines at Cape Canaveral

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The project, which began in March 2011, has 745 Zachry employees on site, including 663 direct craft employees and 82 indirect employees. The company’s safety record has been outstanding. The team recently celebrated a milestone of more than one million workhours without a lost-time injury.

Responsible considerations for the environment

The plant is in an environmentally sensitive area adjacent to the Indian River Lagoon, so Zachry has dedicated additional resources to managing environmental risk. Both FPL and Zachry have made special provisions for several endangered or threatened species in the area.

For example, before the plant was taken offline for the project, manatees were attracted to the warm water discharged from the plant into the lagoon. During the construction process, FPL has installed a temporary heating system to maintain the manatees’ environment and help them stay warm during the winter. Once the new facility is complete, the plant’s regular warm water outfall will continue to provide a safe haven for the endangered species. “It’s amazing to see the discharge canal full of manatees on cold days,” said Power.

Zachry also put up special fencing to prevent the area’s endangered Gopher Tortoises from entering the materials lay down area. And, the company gave up six acres of

the original lay down area when it was discovered to be a natural habitat for a threatened bird species, the Scrub Jay. Zachry was able to secure additional acreage near the plant to store equipment.

Making a positive impact on the Port St. John community

Zachry’s employees on the Cape Canaveral project quickly became involved members of the Port St. John community, giving both time and money to various local causes, including the Space Center for Mothers and Children, Catholic Charities of Brevard County and Atlantis Elementary School.

“When something changes the community as much as we’ve changed Port St. John, it’s really remarkable,” noted Power. “We leave a footprint in the communities in which we have projects, and it’s always important to leave a place better than when we got there.”

More to come from a companion project

In addition to the Cape Canaveral project, Zachry is also hard at work on the sister facility nearby, FPL’s Riviera Beach Next Generation Clean Energy Center. Riviera Beach is comparable in capacity and efficiency to Cape Canaveral and is scheduled for completion in 2014. “Even though these are separate projects, we’re viewing these as a portfolio of work,” said Anderson. “The lessons learned at the Cape Canaveral plant will make Riviera an even better experience.” •

“We leave a footprint in the communities in which we have projects, and it’s always important to leave a place better than when we got there.” — Andy Power, Project Manager

Project Team

Engineering Project

- Richard Barnett
Technical Services Lead
- Steven Becker
Project Engineering Manager
- Rhonda Cardwell
Engineered Equipment Procurement Lead
- Ronnie Dawson
Lead Civil / Structural Designer
- Dan Denton
Lead Instrument / Controls Engineer
- Barry Johnson
Lead Mechanical Engineer
- Gary Maxwell
Lead Electrical Designer
- Tim Pillsbury
Lead Civil / Structural Engineer

Lorraine Reeves

- Administrative Services Lead
- Richard Thompson
Lead Mechanical Designer
- Jeff Young
Lead Electrical Engineer

Construction Project

- Steve Alonzo
Material Manager
- L. J. Anderson
Project Executive
- Decker Barnard
Controls Manager
- Cliff Beach
Procurement Manager
- Mitchell Becton
Structural Superintendent

Johnny Blanchard

- Pipe Superintendent
- Nikki Caballero
Procurement Manager
- Robert Fuller
Pipe Superintendent
- Carlos Garza
Mechanic
- Carlos Gibson
Equipment Manager
- Johnny Heflin
General Field Superintendent
- Chris Higgins
Millwright Superintendent
- Steve Hill
Quality Control Manager
- Hector Ipiña
Civil Superintendent

Greg Kauk

- Project Engineer
- Karen Latham
Controls Manager
- William Matthews
Site Safety Manager
- Ken McElwee
General Field Superintendent
- Tranky Morales
Scaffold and Paint / Insulation Superintendent
- Benny Olivares
Millwright Superintendent
- Buster Ott
Electrical Superintendent
- Andy Power
Project Manager
- Billy Rawson
General Field Superintendent

David Reppond

- Rigging Superintendent
- Rigo Rodriguez
Civil Superintendent
- Corey Rowland
Instrumentation Superintendent
- Wayne Smith
General Field Superintendent
- Brian Thorpe
Administrative Manager
- Ryan Traphagan
Employment Manager
- Rick Villarreal
Area Business Manager
- Bruce Waits
Pipe Superintendent
- Jack Wheatley
Environmental Manager

From the Far East to the Midwest

Precision design and engineering from a world away

A new enzyme production facility in the Midwestern United States represents the culmination of an international venture that showcases some of Zachry's best engineering design work. Engineers from Zachry's Omaha Design Center teamed up with engineers in China to design and construct the plant's components halfway across the world and prepare them for installation at a site in Blair, Neb.



A global engineering firm hired Zachry to assist its Chinese engineering team in designing the plant in Blair. The customer embedded senior engineers from Zachry into

its organization to ensure that the design met U.S. codes and standards. The plant, which is scheduled to be fully operational in October, will manufacture enzymes to help in the production of ethanol. Most American ethanol facilities are located in the Midwest, making Blair an ideal site for reducing the costs of transporting the product.

A Zachry team, including Electrical Engineer and Project Manager **Jay Prier**, Structural Engineer **Brad Little**, Structural Engineer **Tony Chen**, Mechanical Engineer **Susan Randall** and Architectural Designer **Robert Dedrickson**, spent six months in China working side-by-side with the Chinese engineers. Altogether, the team spent 514 days in China during 21 trips there, racking up more than 290,000 air miles. The team would fly into Beijing, then travel by taxi for two hours to Tianjin, a city of nearly 12 million people.

A successful series of firsts

The international scope of the project was a first for Zachry and added challenges to the process, such as language and cultural barriers, that Chen could help the team navigate with his language skills and professional expertise.

"This is the first project that was executed overseas, the first project in China and the first major involvement with a foreign engineering team," Prier said. "We gained experience and knowledge on how to work with a Chinese engineering firm and what means and methodologies they



A seed fermenter, fabricated in China, gets offloaded from a barge on the Missouri River and set onto a heavy-haul trailer to be transported to the site. Zachry also designed the river unloading station used here. Photos/Site



Zachry's team traveled from the Omaha Design Center in Nebraska to Tianjin, China.

typically use, and gained experience in very large green field processing facilities."

The team also had to interpret code requirements for the Chinese. "There was a lot of effort to educate engineers in China on U.S. code so they could continue engineering efforts," said Prier.



The seed fermenter arrives on the site and is rigged to be lifted into place. Once the module is removed from the heavy-haul trailer, it will be turned upright and ready to be placed on the foundation.



The first of 24 modules is set on a foundation prepared at the site. The seed fermenter makes up part of the interior structure and working floors of the building.

Designing from a distance

The need to ship the plant's large structural components to the other side of the globe added more layers of complexity to the project. In all, 24 modules, which each measure 20 feet by 20 feet at the base and stand 45 feet tall, would need to complete the trip along with more than 30 smaller skid modules.

"We had to do a finite element analysis in order to study the stresses on the module as it's rotated from vertical to horizontal and vice versa," said Little. "We basically reinforced the modules in areas to control the stresses within the structural members."

Once fabrication was complete, the modules were loaded onto ships for transport. The modules traveled over the Pacific Ocean, through the Panama Canal, into the port of New Orleans, up the Mississippi and Missouri Rivers and finally were offloaded in Blair. Mother Nature threw the project a curveball when the Missouri River flooded in the summer of 2011, shutting down shipping on the river for about three months.

Putting the pieces together

Anyone who has ever assembled furniture can relate to the challenges the engineers faced when the modules were finally ready for installation. The holes on individual furniture pieces must line up precisely to attach them easily with bolts. They can't even be a fraction off the mark.

The same was true with the modules, but on a much grander scale. Construction teams lowered the prefabricated, four-story modules, designed and assembled in China, onto 32 anchor bolts cast into foundations that had been constructed thousands of miles away in the United States. The holes had to line up perfectly to install the modules.

"If it didn't work well, there would have been some major headaches," said Little. "But due to a lot of effort up front from the entire design team in the field, it went really well."

The Omaha Design Center team continues to support the project by providing field engineering services and procurement activities for some final systems and monitoring construction activities on the site. •

Building trust with quality work



Mike Brandon, supervisor of technical services, supports Zachry's performance monitoring efforts as a Quality Group representative within the Engineering Group. Photos/Alissa Hollimon



Paul McCarthy, manager of quality technical support in the Construction Engineering Department, is a Certified Manager of Quality/Organizational Excellence and a Certified Quality Auditor.

Quality focus ensures projects meet customer specifications

When it comes to upholding the highest standards for products and services, Zachry provides customers with an extra degree of certainty. The organization assigns teams of employees to monitor the quality of work on all projects and maintenance sites. Collectively, these employees form the Quality Group, which supports Zachry's continuous improvement of processes and its structured effort to focus on excellence across the Enterprise.

Eddie Barron, senior vice president of Zachry Engineering, noted the Quality Group representatives within the Engineering, Construction, Industrial Services and Nuclear Groups oversee every aspect of Zachry's services. The overarching goal is to keep matters of quality control and quality assurance at the forefront of each project or site and ensure customers receive the best results according to contract specifications. Those results build confidence and assurance with customers, so they can trust they're getting a quality job.

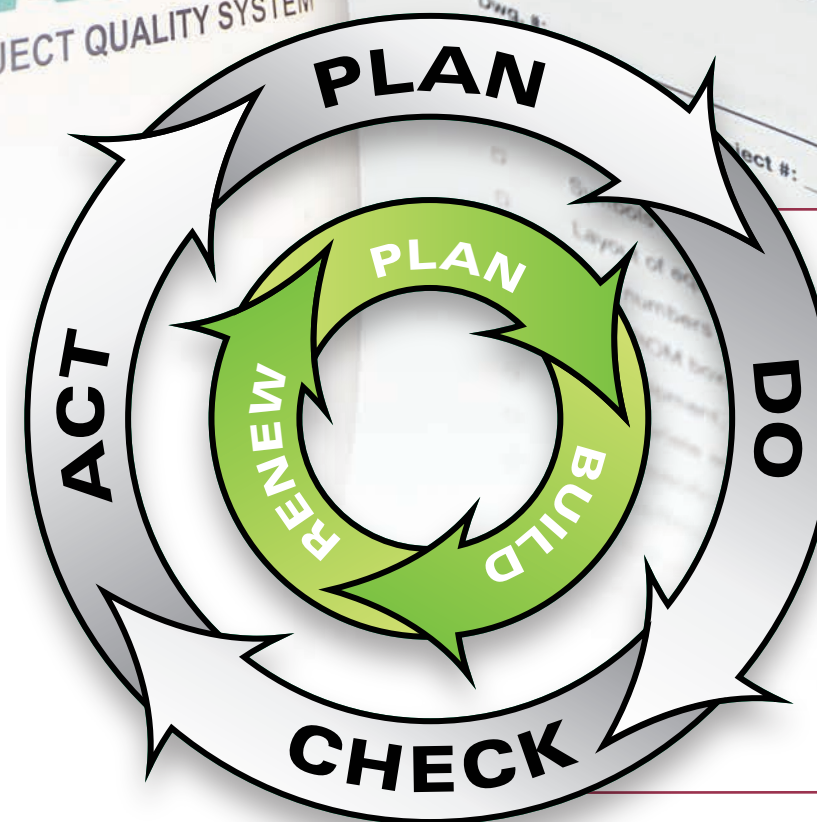
One of Barron's favorite slogans, borrowed from the company's corporate values, is: "Do it right the first time." "It has an immense impact on cost and customer perception of Zachry quality," explained Barron. "It also comes down to training everyone in standard operating procedures, code work and safety, which requires a lot of documentation."

Constant quality control is everybody's responsibility

The Quality Group can fluctuate in size depending on the scope of projects at any given time. "It very much depends on the operating units," Barron said. "They need to constantly check and ensure they're doing what the contract specifications require using the company's standard operating practices."

Quality control resources are distributed based on each customer's particular needs. The complete list of services is

ZACHRY
PROJECT QUALITY SYSTEM



"Plan, Do, Check, Act" cycle

PLAN: Establish the objectives and processes necessary to deliver results in accordance with customer requirements and the organizations policies.

DO: Implement the processes.

CHECK: Monitor and measure processes and product against policies, objectives and requirements for the product and report the results and lessons learned.

ACT: Take actions to continually improve product performance.

extensive and includes clarifying customers' specifications; assuring compliance with local, state and federal regulations; documenting every step of production; engineering specifications; verifying welding and code requirements; conducting audits and providing technical expertise on topics as specialized as corrosion. The Construction Engineering Department also provides a wide range of technical services including engineering support, environmental compliance, quality management and contractor licensing.

Of course, quality assurance goes beyond just ensuring the work meets required codes. "Most of the things we find are not necessarily wrong, it's just not the way the customer wanted it according to their specifications and contracts," said Barron.

John Bowman, director of construction engineering and a member of the Quality Group, reiterates that quality work is the responsibility of every Zachry employee. "Everyone has a part in providing service that meets or exceeds customer requirements as well as the regulatory requirements," he said. "The Quality Group is not here to police things. It's here as an extra check to say when it's time to back up, get more training or bring the right resources into the mix."

Upholding the "Plan, Do, Check, Act" cycle

Quality control starts as soon as the scope of each project or site work is defined. The company plans and organizes work

with defined processes and procedures, executes according to plan, checks against all requirements and takes actions to improve performance. "This cycle is inherent in everyone's daily activities regardless of their role in the company," explained Bowman.

This cyclical process of implementing and checking has its roots in concepts that quality control guru William Edwards Deming introduced in the 1950's. He proposed that business processes be analyzed and measured to identify sources of variations that cause products to deviate from customer requirements. He recommended a continuous feedback loop so that managers can identify and change the parts of the process that need improvements. His diagram to illustrate this continuous process, commonly known as the PDCA cycle for "Plan, Do, Check, Act," has evolved into the graphic Zachry uses, which is illustrated above.

How a nut and a socket can improve processes

Zachry's "Turn the Nut" indicators and training for bolt tightening illustrate this dynamic improvement process at work. In an effort to eliminate the guesswork when tightening high-strength structural bolts, **Jerry Burk**, group quality control manager, developed a visual reference device for craft workers that can be affixed to a nut or bolt head. This tool, dubbed the "Burk Nut Indicating Device" (BNID),

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National Craft Championships test the best of the best

*Zachry well represented
in craft skills competition*

Whether it's the Final Four or the Super Bowl; spelling tests or SATs; competition is often a force that inspires people and keeps them driven and focused.

NATIONAL CRAFT CHAMPIONSHIPS

Since 1987, Associated Builders and Contractors (ABC) has hosted the National Craft Championships (NCC) where craft workers from across the country come together to compete in an intense two-day event that turns a convention center into an active construction site. This year's event took place at the Henry B. Gonzales Convention Center in San Antonio and involved more than 130 competitors.

"The competition is about the pride of being a craft professional," said **Greg Sizemore**, senior manager, craft and supervisory development. "It's about being recognized as the best of the best."

The competition requires craft professionals to use their minds, hands and a variety of tools including drills, torches, hammers, saws, clamps, wrenches, screwdrivers, t-squares and levels. It's also a chance for competitors to showcase their skills across the industry, and Zachry is proud to be actively involved in many ways.

"Zachry employees not only competed, but judged, managed and assisted with the set up of the competition," said Sizemore, who is chair of the NCC Committee and has served on it for more than 10 years. "The competition is a way for the industry to recognize employees and the skill

sets that they are working hard to master," he said. "It showcases to the world just how technical and difficult being a craft professional truly is."

Offering chances for "up-and-comers"

According to the guidelines, competitors must not have become certified as a journeyman in the craft category in which they are competing more than six months before the competition begins. Competitors also must have no more than six years of total experience in the craft division they enter, not including secondary school programs.

"We are honoring the new craft workers; the individuals who have chosen construction as a career," said **Bill Cherry**, manager for weld testing and training, who has served as a judge and project manager of the welding competition at the event.

Zachry's competitors included **Chad Bass**, a pipefitter on the Cape Canaveral, Fla. power plant construction project; **Ray Davis Jr.**, an insulator at the Industrial Services Group's (ISG) Coffeyville Resources Refining site in Coffeyville, Kan.; and **Harrison Rivas**, an ISG pipefitter at the Chevron Phillips site in Sweeny, Texas.

Zachry's three competitors joined fellow craft professionals for a four-hour written examination. Then, the convention center floor became a construction site where competitors demonstrated mastery in their respective crafts. They built and fabricated individual projects in 10 different categories, including welding, carpentry, plumbing, electrical, sheet metal, insulation, pipefitting, HVAC, millwright and fire/sprinkler. Participants had six hours to complete their projects.

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*Ray Davis, Jr., an
insulator with Zachry's
Industrial Services
Group, competes
during the National
Craft Championships
in San Antonio.
Photo/Teresa Sandvig,
élan Imaging*



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(1-800-562-7872)

Call for Zachry job opportunities or visit 1800JOBSUSA.com

ZACHRY

Industry-wide craft competition a chance for Zachry to shine

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“The entire experience is pretty intense,” said Sizemore. “The second day’s practical competition starts with a whistle blowing and project managers and judges overseeing the work. The day ends in much the same way with a whistle blowing, indicating tools down and the end of competition. Each competitor is judged independently against rigid criteria including safety, quality and resource management.”

Making a good showing

Combining competitors’ scores on the written exam and in the practical skill demonstration determines the winners in each category. The top three finishers in each group this year received \$750, \$500 and \$350, respectively. While Zachry’s competitors did not place in the top three in their divisions, they all represented the company well through the dedication and spirit they showed during their participation.

“Although I was not able to grab a top spot, I feel the experience was a great teacher and would love to have the chance to help in the future as we build up our team,” said Bass.

“It’s a golden opportunity for all craft workers to build their credibility,” said Cherry. “It’s a big motivator for the new generation of craft workers, the up-and-comers.”

Zachry’s training and development department and many other volunteers also played key roles in the event, assisting with the assembly of the 10 craft competition areas, which can take more than 12 hours to set up. Additionally, David Starr, the NASCAR truck series driver that Zachry sponsors, provided further support by delivering a speech to all of the competitors at the event.

“It’s a team effort, and demonstrates how the company holds the craft workers in high regard,” said Sizemore. “We are aligning with large and small contractors across



(From left to right) Insulator Ray Davis, Jr., Pipefitter Harrison Rivas and Pipefitter Chad Bass represented Zachry as competitors in the National Craft Championships. Photo/Tahnee Coulston



Although I was not able to grab a top spot, I feel the experience was a great teacher and would love to have the chance to help in the future as we build up our team.

— **Chad Bass, Pipefitter**

the country to tell these competitors that what they do matters; that their growth in the industry is important.”

Former competitor puts these skills to work

Melissa Rubly, ironworker and pipefitter, competed in the NCC for Zachry in 2010 and now works on the BP project in Texas City, Texas. “You go in there doing what you do every day, and you try your hardest,” said Rubly. “The competition taught me patience and confidence.”

Rubly is one of few women in the welding craft. She took a welding class in high school just for the distinction of completing it and began to master her craft. After graduating, she attended the 16-week Zachry School of Welding course and took a position with Zachry. She also earned a trade scholarship from the National Association of Women in Construction to continue her education. “The competition really gives newbies a chance to shine,” she said. •

Customers can trust in quality work

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gives a precise measure for tightening the bolt to the correct pretension.

“Jerry presented this idea with the help of others,” explained Barron, “but craft people who tested the device said it was too hard to use. So, Jerry didn’t stop. He’s using their feedback to improve the visualization concept with a socket banner or engraving.” Workers at several sites are using the socket banners attached to the sockets and attending the bolt training class to improve their structural bolting processes.

Nuclear Group offers dedicated quality assurance

While Quality Group representatives from the Construction, Engineering and Industrial Services Groups (ISG) have other job responsibilities, **Don Wiwczar**, director of nuclear quality programs, focuses on the Nuclear Group’s quality assurance 100 percent of the time. The Nuclear Regulatory Commission (NRC) requires that suppliers have an approved quality program that is structured and meets the rigid requirements of several portions of the Code of Federal Regulations.

As a result, nuclear customers conduct detailed audits of all of Zachry’s processes every three years. Wiwczar, who has been with Zachry for 14 years, says that nuclear regulations have always been rigorous, but he’s seen an increase in the level of information that customers require.

Despite the rigor, Wiwczar sees the requirements as needed. “They establish a foundation for us to provide consistent service in a competitive market and foster an environment focused on continuous improvement in the nuclear power industry,” he said.

The Nuclear Group undergoes extensive training on all processes and retains documentation of work that gets done. It’s a natural extension of an industry culture that’s already rooted in widespread documentation. “Training keeps us knowledgeable and consistent,



Turn of Nut (TON)

The Burk Nut Indicating Device (BNID), a precise measure for tightening a bolt to the correct position, in use in the field. Photos/Site

Detail of the BNID in action.

and keeping records allows us, if needed, to go back and identify exactly what might have caused a problem,” he said.

If challenges arise along the way, the processes within the Nuclear Group’s quality initiatives are designed to identify the issues, find the causes, fix the problems and document the corrective and preventative actions. In the end, Wiwczar said, those steps add up to just plain good business practices.

“We want our customers to be excited about the service we provide,” he said. “As with all of Zachry’s customers, their perception of quality goes beyond the words in a contract. I enjoy being part of providing a service that can help ensure our customers get that special business experience.”

The careful practices Zachry implements across the Enterprise to scrutinize quality give customers ample reasons to trust Zachry’s work. •

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Strong leadership sees the big picture and builds a better future

Zachry craft superintendents are using some new tools to enhance performance at job sites across the country, but not the kind you hold with your hands. These tools include executive-level insight and perspective on company operations that the superintendents and a few “high potential” foremen recently gained during Zachry’s second annual series of conferences for craft superintendents. The events at the Home Office in San Antonio involved employees from Arizona, Florida, Georgia, Kentucky, North Carolina and all points across Texas.

The conferences were first held in late 2010 and early 2011 as a way to keep the superintendents, and by extension, craft workers, informed about processes, procedures and overall company business. They were so well received that superintendents’ conferences were planned as annual events.

“From an operational standpoint, the only time we get to engage with superintendents is out on the job site,” Construction Operations Manager **Mark Hunter** said. “We never had the opportunity before these

“We could see how the executives are working for the benefit of the company, which includes us. Not many owners will take the time to come out and talk to employees, and that says a lot about Zachry.”
— Pipe Superintendent **Jeff Fawvor**

conferences to come together as any kind of group where we could all interact.”

Hunter said business constantly evolves by way of tools, techniques and procedures. The conferences provide opportunities to share information about that evolution over several days. “It’s a workshop, training, information exchange and a great opportunity for the group to engage one another,” Hunter said.

Sharing perspective across the spectrum

Superintendents from multiple disciplines come together to gain perspective on each other’s jobs. That knowledge

leads to better performance in the field according to **Hollis Hankins**, a field survey superintendent.

“It was great because more crafts were represented this year, including pipe, electrical, civil and structural superintendents,” said Hankins. “We learn what they do and they learn what we do and it helps us get along together on the job. If you get along, the job just goes smoother.”

Some of the covered topics are familiar, like safety and how it’s incorporated into design. They also review estimating and what happens as proposals are developed. Other subjects include productivity factors, project controls and new company initiatives. They even have a chance to try out new tools and technologies from craft vendors.

Seeing the bigger picture

The superintendents also have a chance to hear firsthand the role they play in the overall organization. Executives from the estimating, safety, employee relations, risk and legal departments all meet with the superintendents to talk about how their responsibilities relate to the work going on in the field. CEO **John Zachry** also speaks to the group about the status of the company and the role the superintendents play in the organization’s success.

“I really enjoyed it,” Pipe Superintendent **Jeff Fawvor** said. “I finally got to meet people whose names I had heard for years. We got information that benefits us in the field as well as the chance to hear how the company operates. We could see how the executives are working for the benefit of the company, which includes us. Not many owners will take the time come out and talk to employees, and that says a lot about Zachry.”

Getting executives involved is part of the culture of collaboration and transparency the company is trying to foster. It also helps reinforce how valued employees are.

“We bring these people in here for a reason,” said **Buddy Myers**, vice president of construction operations. “They’re doing a great job and what they do is meaningful work. We turn back the covers and show them things they might not otherwise get to see. We’re training them as part of our future.”



(From left to right) Superintendent Darrell Corbitt, Superintendent Scotty McCain and General Foreman John Garcia watch as a vendor demonstrates a device that grooves pipe to form victaulic connections. Photo/Doug House

Preparing the next generation

Looking to the future, project managers and craft specialists identified a few foremen to participate in this year’s conferences as well. These employees have demonstrated a desire and ability to one day become superintendents.

“We’re exposing them to the overall culture of the organization,” Hunter said. “We’re training them, sharing information with them and getting their input on how we do things. It sets us up to be able to grow a whole lot better and grow more in terms of efficiency.”

Conference attendees appreciate that, according to **James Foster**, an electrical superintendent who has 44 years at Zachry. He said the details they get from the conferences help put facts behind any rumors that can circulate around a job site.

“We’re able to get the details that we don’t normally get out in the field,” Foster said. “I have better insight into the company, and can share the knowledge I gained with the foremen, general foreman and the hourly workers. There’s a great benefit to getting together to share our experiences with each other as lessons learned.”

Because of the multiple benefits and positive feedback, work is already underway on next year’s conferences.

“This is time and money well-spent,” Myers said. “This is our front-line field leadership and we need to take the time to expose them to more and recognize them more. We’re fortunate to work for an organization that supports this and encourages this type of training and education.” •

My name is Anthony Balentine and I am Zachry.

I served in the U.S. Army before I started at Zachry in 2006 as a carpenter helper at a job site in Freeport, Texas. Today, I am the civil lead general foreman on site at the Cape Canaveral Next Generation Clean Energy Center in Florida, which means I do it all.

I supervise a team of about 30 people. At times, we've had 150 people, with six general foremen, so it can be a very big challenge. I am the kind of person who is always seeking new challenges, and I'm never comfortable staying in one place.

Earlier this year, I was invited to attend a conference for craft superintendents. For a week, I joined groups from various departments to receive training and learn about new programs, upcoming projects and how the construction industry is faring in general. As the company grows, the management wants to promote the best people from within the organization. It was a big honor to be there.

As part of the leadership training, we participated in a personality assessment designed to help people understand themselves better, so they can learn new ways to work with other people and personalities. It was a real eye-opener for me, and something I think I can use as a leader in the field.

People have always told me I'm a natural leader. It's in my personality, and it's also because I take pride in what I do. I strive to be better for myself and for the company. I believe in Zachry's corporate values, and by operating through those, I've seen personal and professional growth. My superiors and my customers respect me for that.

In my role, safety comes first. I like to remind people: If it can't be done safely, it can't be done. The other thing I believe in is autonomy. For example, I treat everything as if it were my own and build a plant as if it would be mine, because I would want only the best. That's how I approach everything, from making sure the crews have what they need to do a quality job in a timely manner to managing all the schedules and budgets.

These are the things I teach my 5-year-old son and his teammates when I coach tee ball or work with volunteers in our community. I'm also the head coach for the Zachry softball team at the site. My wife plays on the team with us. She supports me and my work at Zachry 100 percent because she knows I have a real passion for this. People say that construction workers are born, not made. For me, that's true. I don't see myself doing anything else, and that is why I AM ZACHRY. •



Photos/Alissa Hollimon

“Anthony is a Zachry leader in everything he does. He promotes safety, quality and leadership within his civil craft as well as in other craft departments. At his projects, he promotes teamwork and executes his job and roles very well to reach and accomplish project goals and milestones. Anthony is very skilled, has a lot of field experience and believes in doing the job right the first time.

— Jorge Mendez, Craft Specialist, Construction Group

NOMINATE A PEER

Do you have a co-worker who lives the Zachry values? We want to hear from you — especially craft employees! Please send your nominations to Brian Dwyer, *Zachry Force Report* editor, at dwyerw@zhi.com or call (210) 588-5813.

I AM ZACHRY

My name is Perry Theriot and I am Zachry.

I started my career with Zachry as a fabrication shop welder. For the past seven years, I have worked at the Americas Styrenics site in St. James, La. as a certified welding inspector. Americas Styrenics produces styrene, which makes hard plastics used in everything from bowling balls to hard collar tops.

Welding is not something I thought I would ever do. When I finished high school, I went to work in the Morgan City, La. area. The oil field business was wide open and it wasn't hard to get a job as a helper. Soon, I was practicing welding during my lunch breaks. It was a challenge to me, but I caught on real quick. I took my first welding test when I was 18 years old and got certified.

Each weld is a reflection of the person who did it. There might be good welds that work, but if they don't look good, they won't pass visual inspection. I've always liked to do the best possible weld I can, no matter what it was on, and I've never had any trouble. That's what I heard from the older people I worked with. If you want to stay on a job, and have no trouble, you do it right the first time. So far, it's always worked out for me that way. If I left a place, I knew I would always be welcomed back.

As an inspector, I keep up with the other four Zachry welders on the site. When we change out piping units and do the hydro tests, painting and insulation, I inspect all the equipment. The work we do involves climbing into tanks and vessels and can be dangerous because it's in a live plant. I always stress the importance of safety and represent Zachry on the site safety committee.

Sometimes on my days off I work with students in the welding lab at Louisiana Tech University. They appreciate my help and I get continuing education hours to maintain my certification. I can never learn too much, so I'm always training. In 2009, I received the Dalton E. Hamilton Certified Welding Inspector of the Year award at a meeting that the American Welding Society president attended. That was a big honor.



I AM
ZACHRY

“When you split the name “Theriot” in two, you get “the riot,” and that’s what Perry is. He’s very personable, our customers love him and he’s a very good person. But he also does a very good job. He encourages his team to focus, stays on top of the quality control business and keeps all the code compliance paperwork in order. He even assists the customer with their inspections. When we need the extra help, he jumps in and does everything and more. He’s one of the reasons that job site is so successful for Zachry. — Mike Percle, Project Manager

I like cooking gumbo, seafood and sauce piquant. I spend other free time fishing and hunting. I've been married for 32 years and have two children and two grandsons.

When people look at me, what they see is what they get. I try to do my best, and when I go by and check other peoples' work, I expect nothing less than the best. Of course, I don't put myself above anybody else. I'm always willing to help people out and stay late to get the job done, if necessary. That is why I AM ZACHRY. •

EEO Policy

Zachry Holdings, Inc., its subsidiaries and affiliates observe EEO, harassment policies

EQUAL EMPLOYMENT OPPORTUNITY POLICY (EEO)

It is the policy of Zachry to assure that employees and applicants for employment are to be treated without regard to their race, religion, sex, color, national origin or age. The company will not discriminate against individuals because of a physical or mental disability, or status as a disabled veteran or veteran of the Vietnam Era. Zachry's policy of nondiscrimination applies to all work-related actions; including but not limited to employment, upgrading or promotion, demotion, transfer, layoff or termination; rates of pay or other forms of compensation; recruitment or recruitment advertising; selection for training; and apprenticeship and pre-apprenticeship programs.

Reasonable accommodations will be made for qualified disabled persons according to existing state and federal law. Requests by qualified disabled persons for reasonable accommodation are encouraged by the company.

All employees are requested to encourage women, persons of minority races and disabled persons to apply for employment with the company or to apply for training under available programs.

POLICY AGAINST HARASSMENT

Zachry is firmly committed to a work environment free from all forms of harassment of any employee or applicant for employment by anyone, including supervisors, co-workers, clients/customers, other contractors or visitors. Such harassment may be in violation of the harassment policy as well as state and federal discrimination laws.

This policy prohibits any conduct (verbal, physical or visual) by an employee or within the work environment that belittles or demeans an individual on the basis of race, religion, national origin, sex, age, color and disability. This policy specifically prohibits sexual harassment as well as all other forms of harassment. Sexual harassment includes any unwelcome sexual advances, requests for sexual favors or other verbal or physical conduct of a sexual nature when:

- Submission to such conduct is an explicit or implicit condition of employment;
- Employment decisions are based on an employee's submission to or rejection of such conduct; or
- Such conduct unreasonably interferes with an individual's work performance or creates an intimidating, hostile or offensive work environment.

RESPONSIBILITY

All employees are responsible for complying with the company's Equal Employment Opportunity Policy and its Policy Against Harassment and for reporting possible violations of these policies.

Who to Call:

Dispute Resolution Program
P.O. Box 240130
San Antonio, Texas 78224-0130
1-877-350-0129

COMPLAINTS

Any employee or applicant for employment who feels that they have encountered a situation that may be in violation of these policies is encouraged to make known their concern as soon as possible. Applicants for employment are encouraged to utilize the Dispute Resolution Process by contacting a Dispute Resolution Manager. Employees are encouraged to discuss their concern or complaint of alleged discrimination with their immediate supervisor. The supervisor's obligation is to try to resolve the concern or complaint. If it is not resolved at the supervisory level, or if the employee is uncomfortable discussing the issue with their supervisor, the employee should either contact the project/department manager or utilize the company's Dispute Resolution Process. Supervisors who fail to act on employee questions or complaints brought to them under these policies are subject to disciplinary action, up to and including discharge.

The Dispute Resolution Process is coordinated by the company's Corporate Responsibility Department at the Home Office. Employees must comply fully with any lawful investigation under these policies. In the event of questions about, or an investigation of, alleged discrimination by any governmental agency, the Corporate Responsibility Department must be promptly notified.

CONFIDENTIALITY

In handling complaints, every effort will be made to maintain confidentiality. However, certain laws require the company act on information brought to its attention, and it will sometimes be necessary to do a full investigation in order to comply with the law. Investigations are intended to be a confidential process and every effort will be made to maintain confidentiality to the extent possible.

RETALIATION

Retaliation against individuals who report violations of these policies is strictly prohibited. Employees who violate these policies or who attempt to retaliate against individuals acting under these policies will be subject to immediate disciplinary action up to and including discharge.



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