

# Meeting Report



Construction Industry  
Round Table



## *2008 Spring Conference*

What was clearly one of its most successful and well attended Spring Conferences, the Construction Industry Round Table (CIRT) brought together more than 60 chief executives over two days in the nation's capital. Opening the meeting at the historic National Building Museum, members were given the latest economic forecast, briefed on key policy and legislative matters and treated to a special keynote address by Newt Gingrich. The following day, members elected new officers including two historic "firsts", listened to a special presentation on the coming third industrial revolution as well as the current environment and the challenges facing government contractors. Throughout the conference, the value of membership was reinforced by the camaraderie and excellent networking opportunities. Read on for more details.

### **Members Get Clarification on Transportation Secretary's Position**

How transportation infrastructure needs will be met in the future is going to look vastly different from what we have come to view as traditional – based on the remarks made by Secretary of Transportation Mary E. Peters. In a rapid fire presentation, Peters covered a number of financing concerns, performance matters, governance issues, and political challenges that lie ahead. The Secretary made it quite clear that new approaches, new expectations, and new alliances will emerge to define the future. In particular, Secretary Peters wanted to clarify her position on gas taxes, saying that she did not see simply increasing the tax as a means to providing sufficient funds for all of the needs that have been identified. In essence, she believes it will take a combination of gas taxes, better prioritization, performance measures, alternative financial models, as well as private sector investment instruments to meet the vast needs of the nation.



### **2008 Outlook for U.S. Construction Activity**

According to the latest Construction Outlook, which was presented to the members by Robert Murray, Vice President of Economic Affairs, McGraw-Hill Construction, construction starts in institutional building and public works still have some upward potential while single family housing is down sharply and commercial building is turning. "Total construction fell in 2007, which is the first decline in current dollars since 1991," Bob reported. During the first three months of 2008, total construction on an unadjusted basis was \$1.21 trillion, down from the same period a year ago. If residential building is excluded from the year-to-date figures, new construction starts in the first three months of 2008 were also down. CIRT members wishing to receive a copy of Bob's presentation, please contact Jane at [jane@cirt.org](mailto:jane@cirt.org).

### **Conditions for Successful Public Private Partnerships: Private Sector Expectations of Governments**

Mike Marasco, a senior executive with the Plenary Group where he plays the dual role of CEO of Plenary Health, a wholly-owned operating division of Plenary Group, and Sr. Vice President of Plenary Group Canada, presented members with an excellent overview of public-private partnerships (P3): what it is, what it isn't and the comparative advantages. Mike gave a summary on the North American and the Canadian Markets providing specifics on the P3 procurement and process system design, as well as highlighting two case studies. In summary, Mike said that although P3's have proven to be an effective tool globally in building and maintaining public infrastructure, it isn't for all projects. He said that the U.S. has the advantage of being a late entrant and learning from others' successes and failures, but that there are significant challenges to government making the U.S. an attractive market including strong political support and coordination across multiple levels of government. CIRT members wishing to receive a copy of Mike's presentation, please contact Jane at [jane@cirt.org](mailto:jane@cirt.org).

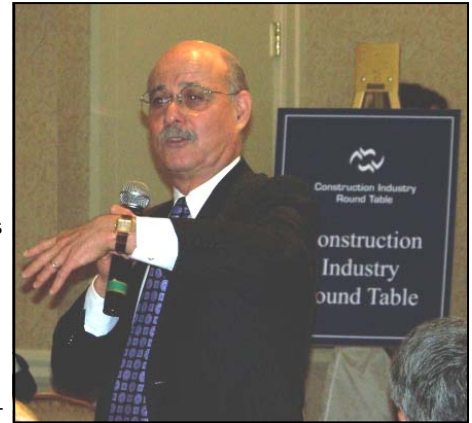


## Millions of Buildings as “Power Plants”: Resurrecting the U.S. Building Market and Ushering in a Third Industrial Revolution

Following up on his thought-provoking presentation during CIRT’s 20th Anniversary Conference in Grand Cayman, **Jeremy Rifkin**, provided members an overview of his vision with specific emphasis on what activities are occurring in the EU countries relative to the development of a new electricity supply network using SmartGrids and creating a hydrogen infrastructure which uses renewable resources such as sun and wind as a source of energy.

Rifkin, who sees the construction industry as an active participant in creating the “third industrial revolution,” is president of the **Foundation on Economic Trends** and the author of 17 books on the impact of scientific and technological changes on the economy, workforce, society and the environment. He told the CIRT members that a new generation of commercial and residential buildings as power plants is going up now. “In the United States, Frito-Lay is retooling its Casa Grande Plant, running it primarily on renewable energy and recycled water,” said Rifkin. The concept is called “net-zero”. In France, Bouygues (*pronounced bweeg*), the giant French construction company is taking the process a step further, putting up a state-of-the-art commercial office complex this year in the Paris suburbs that collects enough solar energy to provide not only for all of its own needs, but even generates surplus energy as well. A representative from Bouygues joined the industry leaders’ group from France by conference call and said that having an energy active building is not just theoretical, it is real, and there will be more and more demand for this renewable energy.

Rifkin also talked about the vision and strategy for Europe’s electricity networks of the future with the establishment in 2005 of the European Technology Platform (ETP) SmartGrids, which includes representatives from industry, transmission and distribution system operators, research bodies and regulators. For more information on the ETP efforts, please visit; [www.smartgrids.eu](http://www.smartgrids.eu); and/or for a copy of Jeremy’s paper, “*Leading the Way to the Third Industrial Revolution*”, please email Jane.



Rifkin envisions renewable energy future distributed via SmartGrids.

### Government Contractors: What are we up Against and What Can we do About it?

Introducing the session was CIRT member **Bruce Grewcock**, President & CEO, Peter Kiewit Sons’, Inc., who told the industry leaders that hardly a day goes by that you do not read something about the lack of ethics in business, about how the government is moving in with more regulation, and about ever larger payments being made by companies to settle criminal prosecutions. Panelists included **William W. Thompson, Jr., Esq.**, Peckar & Abramson; **Tobin Schropp**, General Counsel, Peter Kiewit Sons, Inc.; **Michael Futch**, Vice President, General Counsel & Secretary, Granite Construction Inc.; **Randy Nye, Sr**, Vice President & General Counsel, Sundt Construction, Inc.; and **Richard J. Bednar**, Senior Counsel, Crowell & Moring, LLP.

Thompson & Schropp talked about the current environment and cited recent examples of legal problems encountered by the construction industry as well as the use of false claim allegations against the industry.

Futch, Nye and Schropp shared the actions their companies are taking to create effective compliance and ethics programs including Seven Minimum Steps companies should take emphasizing the benefits.

Bednar talked about what the industry can do collectively and said that if an industry is not perceived as governing itself, Government will step in with more compliance laws, regulations and oversight. Bednar also highlighted the formation of the Construction Industry Ethics & Compliance Initiative.

If you would like to receive a copy of the powerpoint presentation, please contact Jane at [jane@cirt.org](mailto:jane@cirt.org).



L to R: Toby Schropp; Tom Thompson & Michael Futch



Bruce Grewcock & Randy Nye listen to the other panelists.



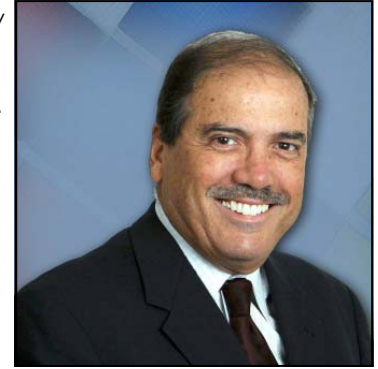
## CIRT Names Suarez as New Chairman

**J.J. Suarez**, President and Chief Executive Officer of CSA Group, the largest Hispanic-owned architectural/engineering/planning and environmental (A/E/P&E) services firm in the U.S., was elected Chairman of the Construction Industry Round Table (CIRT) for 2008-2009 at the Spring Conference. Since the mid 1990s, Dr. Suarez has served in many key capacities within CIRT including Vice Chairman in 2007-2008.

CSA Group, which Dr. Suarez has led as President and CEO since 1998, is currently ranked among the top 200 Design Firms by Engineering News Record (ENR) and is owned by approximately 60 of its over 700 employees. For more than 50 years, CSA's history has been replete with an extensive number of satisfied and recurring clients pursuing reliable service, consistent quality, and outstanding professional achievements. Today, CSA Group continues this service legacy by providing turn-key "full service" project delivery that includes: Project Financial Consulting, Program & Project Management, Environmental Services, Architecture & Engineering, Construction Management, as well as Operations & Maintenance to the public and private sectors throughout the Americas.

Commenting on his election, Suarez said, *"It is a great honor to have been asked to serve The Construction Industry Round Table [CIRT] in this capacity. I have been involved in CIRT for over 20 years, and can personally attest to the remarkable contributions this organization has made to our industry as well as to its member companies. I humbly accept my new role in the name of all our professionals, and will continue actively promoting CIRT in the upcoming year."*

Also named as officers of the Construction Industry Round Table were **Matthew M. Walsh** (CEO, The Walsh Group, Chicago, IL) as Vice Chairman; **Linda Figg** (President & CEO, Figg Engineering Group) as Treasurer; and **Scott S. Lynn** (President & CEO, Atkinson Construction, Broomfield, CO) as Immediate Past Chairman.



Newly-elected CIRT Chairman  
J.J. Suarez  
President & CEO  
CSA Group

## New Members and Guests

CIRT conferences provide a place where members can deal exclusively with other chief executives in a setting that is conducive to the exchange of timely information while being relaxed enough to build personal contacts. We were very pleased to have the following first-time attendees and guests join us:

- ◆ William Calhoun, Jr., Executive Vice President  
**Clark Construction Group**, Bethesda, MD  
*(Bill will be succeeding long time member, Pete Forster, as the new CIRT member.)*
- ◆ Stephen F. D'Angelo, President  
**Dick Corporation**, Pittsburgh, PA  
*(Stephen has succeeded long time member, Douglas Dick, as the new CIRT member.)*
- ◆ Raymond E. List, President & CEO  
**Enlink GeoEnergy Services, Inc.**, Los Angeles, CA
- ◆ Thomas Iovino, Founder & CEO  
**Judlau Contracting, Inc.**, College Point, NY
- ◆ Dale R. Stevens, President—guest  
**RHI, Inc.**, Elkridge, MD
- ◆ Tom K. Sorley, President & CEO  
**Rosendin Electric**, San Jose, CA
- ◆ Christopher S. Traylor, Co-President & COO  
**Traylor Bros. Inc.**, Evansville, IN  
*(Chris will be succeeding his father, Tom Traylor, as the CIRT member.)*
- ◆ Richard S. Weeks, President & CEO  
**Weeks Marine, Inc.**, Crandall, NJ
- ◆ Kathleen M. Shanahan, CEO—guest  
**WRSSCompass**, Tampa, FL

### 2008-2009 Officers & Board of Directors

#### Chairman

J.J. Suarez, CSA Group

#### Vice Chairman

Matthew M. Walsh, The Walsh Group

#### Treasurer

Linda Figg, Figg Engineering Group

#### Past Chairman

Scott S. Lynn, Atkinson Construction

Peter E. Beaupré, PCL Construction Enterprises

Joseph F. Cibor, Fugro Consultants, Inc.

Charles L. Greco, LINBECK

Thomas M. Holder, Holder Construction Co.

Richard M. Kunnath, Charles Pankow Builders

Patrick MacLeamy, HOK Group, Inc.

Craig L. Martin, Jacobs Engineering Group

R.W. McKenzie, TIC Holdings, Inc.

Kevin J. McMahon, Edwards and Kelcey, Inc.

Ronald L. Skaggs, HKS, Inc.

Douglas E. Woods, DPR Construction, Inc.

Harold Yoh, III, Day & Zimmermann, Inc.

**Construction Industry Round Table—a leading force for positive change in the design / construction industry while helping members improve the overall performance of their individual companies**



**John Zachry** (Zachry Construction) and **Hal Yoh** (Day & Zimmermann).



L to R: **Bill Pinto** (Hardin Construction); **Jeff Levy** (RailWorks Corp.); and **Charlie Bacon** (Limbach Facility Services)



CIRT Members and guests listen to **Newt Gingrich** talk about “real change”.

## Immigration Law Enforcement Developments

**Gregory R. Begg, Esq.**, a partner with the law firm Peckar & Abramson, P.C., provided members with the latest developments regarding the Immigration Reform and Control Act (IRCA). Gregory specifically talked about three areas:

- ◆ Safe Harbor Response to “No-Match” Letters;
- ◆ The DHS E-Verify System; and
- ◆ RICO/Civil Enforcement

If you would like a copy of Gregory’s presentation, please contact Jane at [jane@cirt.org](mailto:jane@cirt.org).



L to R: **John Rakolta** (Walbridge Aldinger); **Bill Yates** (The Yates Cos.); **Pamela Mullender** (ACE Mentor Program of America); and **Tom Gilbane** (Gilbane Building Co.)



**Henry Massman** (Massman Construction) and **Paul Franzen** (Barnard Construction).



**Patrick MacLeamy** (HOK Group, Inc.) and **Michael Peterson** (Adolfson & Peterson Construction) chat during the reception which was held at the historic & majestic National Building Museum.

## SAVE THESE CONFERENCE DATES

**November 10 - 12, 2008**

Four Seasons Biltmore Resort—Santa Barbara, CA

**April 27 - 29, 2009**

The Fairmont Hotel—Washington, DC



# ProgramExtra



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## 2008 Design Competition

### Frederick Maryland ACE Affiliate Takes Top Honors for 2008

Again this year, CIRT in partnership with the **ACE Mentor Program of America** conducted a nationwide design competition for the ACE Affiliates from across the country. Ten applications were submitted of which three were selected as national finalists to be presented to a panel of judges during the CIRT Spring Conference in Washington, DC (April 21-23, 2008). The entries hailed from: Frederick Maryland ACE Affiliate, San Francisco ACE/Palo Alto Affiliate, and the Greater Kansas City ACE Affiliate. The three finalists vied for the top prize of \$3,000 – which went to **Frederick Maryland** for their transportation project “Gateway to Tomorrow: Your One Stop **Aeroshop**” design entry. **Palo Alto** (“The Bee Hive” innovative housing solution) and **Greater Kansas City** (the “Marshall Plan: an athletic community center”) finished second and third respectfully.

While the designs offered were both innovative and creative, the true goal was to judge the ability of the students to make coherent, well thought out, clear presentations on their team’s design/construction approaches within the project’s objectives. The teams were judged on four major elements: creativity, quality of presentation, design process, and design elements/aspects.

Honorable Mention went to: ACE Hawaii; ACE San Jose, CA Affiliate; ACE Mentor, Miami Affiliate; New York City ACE Affiliate; ACE Providence, RI; ACE Nashville; and ACE Mentor Program of Maryland, Eastern Shore.

CIRT will be hosting the Third Annual Design Competition at its Spring Conference in 2009. If any CIRT members would like to contribute to the size of the award, a charitable donation can be made to “ACE Mentor Program of America” and specify it as “earmarked” for the CIRT Annual Competition. Donations can be sent to: ACE Mentor Program of America, 400 Main Street, Suite 600, Stamford, CT 06901; or if you have questions, please call Pamela Mullender at 203-323-0020.



Student Presenters:  
**Federico Pedron**  
ACE San Francisco, Palo Alto, CA Team  
**Melissa Huston**  
ACE Frederick, MD Team  
**Ambrosia Washington**  
ACE Greater Kansas City Team



#### National Awarding Winning ACE Design Team

L to R: Michelle Buchek, Rosemary Masser, Stephen Thai, Bryan Burke, Asaph Yeh, Melissa Huston, Nolian Papa, Nixy Osorio, Mark Mifsud, Christina Nguyen, and Marc DeCampo.



The distinguished panel of judges with the presenter, Melissa Huston of the winning team, the Frederick, MD ACE Affiliate. A special thank you to the judges from L to R: **Charlie Thornton** (Charles H. Thornton & Co. and Founder of the ACE Mentor Program of America); **Mark Casso** (CIRT); **David Evans** (David Evans & Associates); **J.J. Suarez** (CSA Group, Inc.) and **Jim Kenny** (Kenny Management Services).