

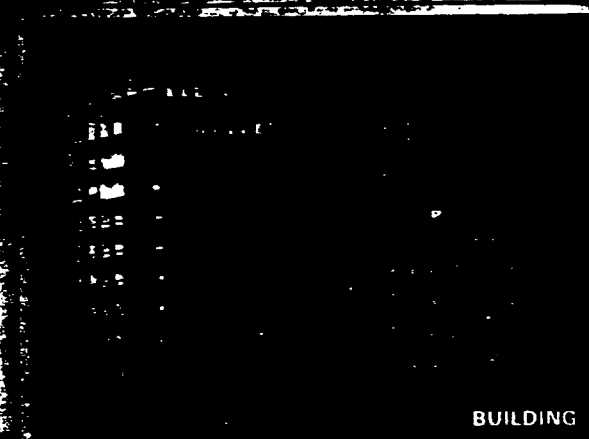
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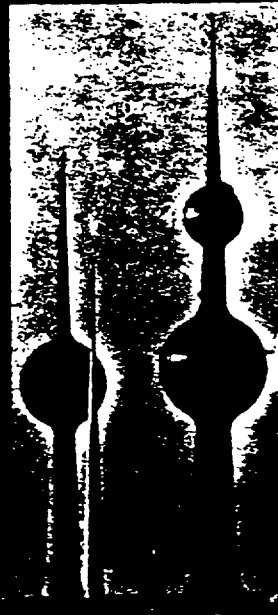
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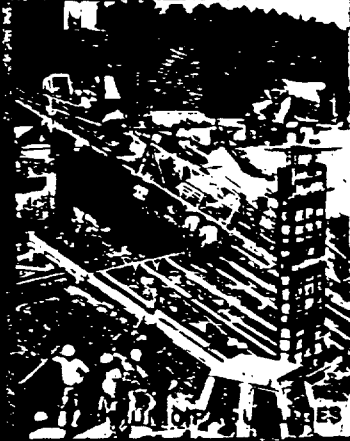
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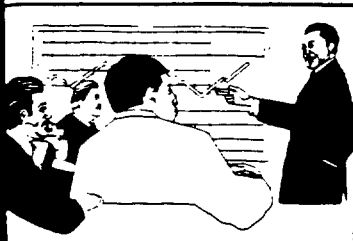
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CONSTRUCTOR

The Management Magazine of the Construction Industry

FEATURES



pg. 21

BUSINESS MANAGEMENT: The Carryover-Basis Rule — A Classic Example of Double Taxation

With this issue, CONSTRUCTOR begins a monthly feature on business management. This month, read about a tax law, which, if not repealed, could have a devastating effect on every closely-held construction company. **13**

Training — A Management Tool for Bottom-Line Results

The need for training workers in the construction industry is evident. The question is, how to manage training so it has an impact on the bottom-line. **21**

Construction Apprenticeship and Training Today

CONSTRUCTOR takes a look at the state of construction apprenticeship and training today, as well as the changes needed to insure an adequate work force in the future. **24**

Manpower and Training

In this article, AGC's Manpower & Training Committee Chairman Thomas P. Ryan highlights the association's continuing efforts to improve industry manpower and training. **28**

Construction Education

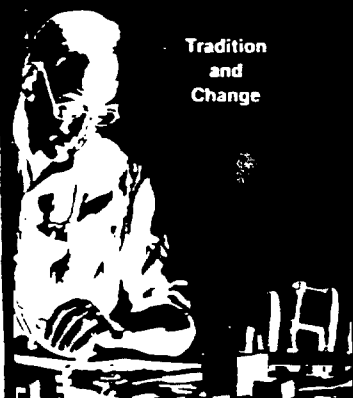
Construction, as a changing industry, is requiring more and more highly-trained managers. AGC's Construction Education Committee Chairman Ralph Korte reviews the association's strong network of educational activities. **29**

Documentation: An Important Tool for the Construction Supervisor

Accurate and complete documentation is an important, on-going part of every construction project. This feature gives the construction supervisor keys to effective documentation. **35**

Construction Apprenticeship and Training Today —

Tradition
and
Change



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NEWS

Newsletter. Industry sees problems with DOE's building standards
Chapter environment groups have growing influence AGC provides legal
assistance to chapters . . . Triplicate regulatory permitting must cease MSHA
exemption could be approved this session. Trade reorganization **17**

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This issue's theme, "Siting a Strong Construction Future through Manpower Training and Education" is represented by a field engineer checking a grade

COVER

FEBRUARY 1980
Vol. LXII
No. 2



pg. 28

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CONSTRUCTOR

The Management Magazine of the Construction Industry

FEATURES

BUSINESS MANAGEMENT: Risk Management

The costs of handling risks have increased dramatically in recent years. The risk management concept, detailed in this feature, can provide contractors with excellent profit opportunities.

11

Energy Self-Sufficiency — Hawaii's Example

Hawaii's now on the fast-track to becoming our country's first energy self-sufficient state. This article takes a look at Hawaii's innovative programs in alternate energy areas.

20

Computers for Construction

Thinking about computerizing your business? This feature addresses the "computerization" concerns of contractors and provides tips on computer installations.

25

The Capital Cost Recovery Act of 1979

Present tax incentives designed to enable businesses to replace plant equipment and machinery have fallen short of their intended objectives. The passage of this Act may remedy this situation.

32

1980 CONSTRUCTOR Exposition

At the AGC CONSTRUCTOR Exposition contractors can see a wide range of products and services for the construction industry. Here's the Exposition schedule and advance information on exhibitors.

36

NEWS

Newsletter *AGC's 1980 CONVENTION* The speakers, management forums, occupational divisions and committee meetings, other events. Safety essay contest a good opportunity for contractors. Interviews with Rep. Bill Frenzel and Sen. John Chaffee.

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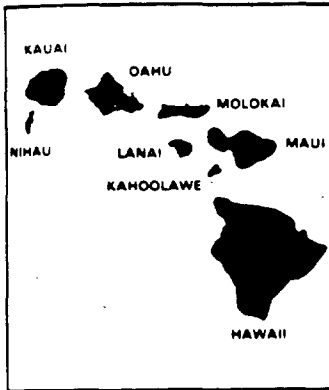
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COVER

The inviting scenery of Hawaii provides a dramatic setting for AGC's 61st Annual Convention/CONSTRUCTOR Exposition.

Photo Credit: Background photography, Hawaiian Airlines

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CONSTRUCTOR

The Management Magazine of the Construction Industry

FEATURES

BUSINESS MANAGEMENT: The Contractor As Real Estate Developer

As the inflation rate spirals, real estate remains one of the few hedges against it. This feature provides expert advice on the risks and benefits of entering the business of real estate development.

11

Maine Contractor Takes on Challenge of AGC Presidency

Ival R. Cianchette, chairman and CEO of Cianbro Corporation, Pittsfield, Maine, and AGC's 61st president, sees an urgent need for a "return to reason" on the part of government. In an interview with CONSTRUCTOR, he urges all AGC members to become more active in combating excessive government regulation.

22

AGC Policy

The methods and procedures a contractor uses to obtain business may later affect his capacity to keep costs down and projects on schedule. Because of the importance of these areas, CONSTRUCTOR summarizes AGC policy on procurement of construction, contract provisions and procedures, and bidding procedures.

27

AGC Regional Issues

To find out what issues concern AGC members in various regions of the country, CONSTRUCTOR recently interviewed seven AGC chapter managers, six of whom are members of AGC's Managers' Council Liaison Committee. Their views are detailed in this article.

34

NEWS

Newsletter Results of AGC's Cost of Government Regulations Survey Training programs now exempt from ERISA reporting requirements Indiana chapter helps solve state highway funding problem Career film promotion flyer available CGAC participation on the rise EPA pledges commitment to strong construction grants programs Inter-national construction concerns.

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Government regulations and the business community

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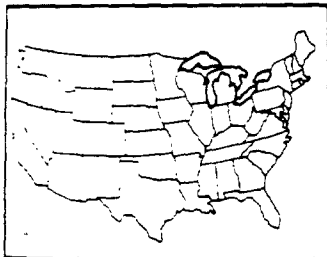
Examples of Cianbro Corporation's heavy-industrial, marine, highway and bridge, and municipal-utilities work, offset the portrait of Ival R. Cianchette, AGC's president for 1980.

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CONSTRUCTOR

The Management Magazine of the Construction Industry

FEATURES

BUSINESS MANAGEMENT: Credit — Getting Your Fair Share In these inflationary times, credit is tight and costly in all industries — especially construction. In this feature, Dennis W. Bersch, CPA, gives contractors expert advice on getting and keeping good credit. 11

What Should A Contractor Expect From a Professional Surety Bonding Agent? A contractor should select his surety bond agent with the same care he would exercise in choosing his CPA, banker or lawyer. In this feature Charles H. Carman, president, National Association of Surety Bond Producers, discusses the characteristics of a good, professional surety bond agent and how to select one. 16

Limitation of Liability Limiting liability is an important way for architects or engineers to hold down premiums. In this article, Edwin R. Young, CPCU, chairman of the Construction Insurance Committee of the National Association of Surety Bond Producers, discusses limitation of liability and its impact on the construction industry. 24

Corporate and Personal Agreement of Indemnity Under Suretyship Obligations Corporate suretyship in the construction industry is the most effective weapon available against defaults or failure to perform under contractual obligation, according to Richard H. Schuerholz of Fidelity and Deposit Company of Maryland, who discusses corporate suretyship and its importance to the construction industry in this article 26

MONEY IN THE POCKET: A New Perspective Donald Brenner, director of Arthur Andersen & Co.'s construction industry program, begins a new column discussing approaches to business management for construction contractors in a rapidly changing business environment. 41

NEWS

Newsletter 1980 will see more bargaining than in last five years, CLRC reports: Saul Horowitz Award recipient selected TRIP links bad roads to gasoline waste Renovation of AGC headquarters completed Windfall Profits Tax Bill signed into law International Construction Concerns 19

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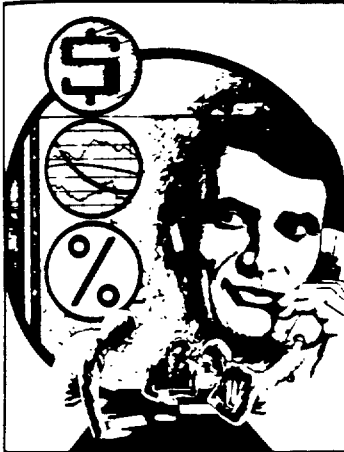
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Insurance and surety are two of the most important concerns contractors have to help them maintain a profitable business
Photo by Thiel Studio

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CONSTRUCTOR

The Management Magazine of the Construction Industry

FEATURES

CM's Conflict of Interest Question

Construction Management (CM), an idea introduced more than ten years ago has caught on in a big way, bigger perhaps than most contractors desire. In this feature Campbell L. Reed, director of AGC's building division, explains why.

16

The Architect and Contractor Must Be A Team

Charles E. Schwing, president of the American Institute of Architects (AIA), discusses issues of liability facing architects and contractors. He urges a return to cooperation and understanding to benefit architects, contractors and the public interest.

22

Separate Contracts

The "separate contracts" alternative to the AGC-supported system of using one general contractor to hold all subcontracts, to supervise, manage and coordinate the job for an owner, is currently being pushed in a number of quarters. This feature reviews the AGC-supported single contract system as well as the arguments of separate contracts advocates.

26

Documentation for Construction Supervisors

Accurate documentation is an important part of every construction project. This feature presents a detailed explanation of the documentation that should be prepared by the field supervisor.

34

NEWS

Newsletter Progress continuing on start-up of competency-based training program Corps retires two dredge vessels as industry capability increases GSA announces five percent retention policy AGC training program used in Ohio education program for small and minority contractors International construction news

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MBE programs and social progress

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A construction supervisor checks progress on a building project in Fayette County, Alabama.

PHOTO CREDIT: National Gypsum Company

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No. 6

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CONSTRUCTOR

The Management Magazine of the Construction Industry

DIRECTORY of AGC GENERAL CONTRACTOR and NATIONAL ASSOCIATE MEMBERS 1980-1981

FEATURES

Business Management: Developing Effective Managers

John P. Cleaver, president, the J.P. Cleaver Company, Inc., Boston, Mass., discusses methods of developing effective managers in the 1980's. He outlines thirteen human factors a contractor should know about each of his employees in order to manage them effectively.

11

AGC Rates Congress

A special edition of the annual "AGC Rates Congress" — National AGC's monitor of floor votes of importance to contractors.

27

AGC PAC

Through AGC's Political Action Committee [PAC] contractors work to seat a Congress that will be responsive to the needs of the construction industry. This special feature section highlights AGC PAC's goals and successes and answers contractors' questions on the role of PAC and how it works for them.

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AGC General Contractor Directory: Chapters, Branches by State; Members Alphabetically

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Newsletter A new screen for OSHA policy Where construction activity is rising and falling NEBT update Wisconsin Chapter, AGC of Milwaukee working on standard bidder's proof of responsibility form Producer's Council changes name DOL's annual construction industry report available Survey reveals twenty percent increase in theft and vandalism New staff members at the AGC National office International construction news

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Up against the wall

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This month's fold-out cover carries the photographs of AGC PAC Regional Coordinators and Chapter Representatives along with artwork symbolizing AGC PAC's political network across the Nation

Artwork: Mary Pat Doherty

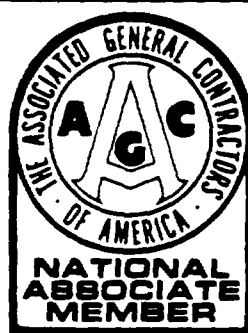
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CONSTRUCTOR

The Management Magazine of the Construction Industry

FEATURES

Conserving Energy Through Improved Highways

Due to the skyrocketing prices of petroleum products, energy conservation has become increasingly necessary. This feature explains why improving our nation's highways — through construction, reconstruction and rehabilitation — will help to conserve energy.

18

Have Highway Programs Become a Casualty of the Property Tax Revolt?

What has been the effect of Proposition 13 and other state taxation measures on highway programs in the United States? Dr. W.L. Garrison and David W. Jones of the Institute of Transportation Studies, University of California at Berkeley, analyze the status of funding mechanisms for both new construction and maintenance of America's highways.

24

Highway Contractors Pave the Way for Better Media Communications

The business community often has problems getting its "message" to the media. This article examines a communications seminar developed by The Road Information Program (TRIP), which gives highway contractors and other local business spokesmen expertise in dealing with the media.

33

Concrete Segmental Bridges

Segmental prestressed concrete construction is a growing concept for constructing long span bridges. Walter Podolny, Jr., Federal Highway Administration, and Gordon K. Ray, Portland Cement Association, examine this popular method of bridge construction.

34

NEWS

Newsletter Congressional rescue of FY '80 highway funding doesn't end suspense AGC prepared for legal action against EPA MBE policy Expanding role for AGC Manpower and Training Services Operation "Return to Reason" editorial cartoons OPIC likely to face another extension battle

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A 36-inch ladder to an unused walkway ... 569-day saga

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John B. Pike & Son, Inc., of Rochester, N.Y. (AGC), used the cast-in-place balanced cantilever method and form travelers to erect these twin bridges over the Genesee River near Rochester

Photo Credit: Portland Cement Association

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CONSTRUCTOR

The Management Magazine of the Construction Industry

FEATURES

Business Management: The Legal Effect of a Price Quote in a Competitive Bid Situation

To avoid litigation, it's wise for contractors to be aware of the legal consequences of their actions concerning price quotes in pre-bid situations. This feature will give valuable background information on this topic.

11

Service to Client is J.S. Alberici's Guiding Principle

J.S. Alberici Construction Company, Inc., St. Louis, Mo., has made its "service to client" motto the driving force behind an almost unbelievable record of completing every project on-time and within budget for 40 years.

22

Synfuels: A Market for Everyone

Synfuel — liquid and gaseous fuels produced from coal, oil, oil shale, and plant matter — may be a major solution to our current energy shortage. In this feature, CONSTRUCTOR examines this new technology which can develop into a lucrative market for contractors

27

Small-Scale Hydropower

Small-scale hydropower is becoming an attractive energy source in these days of rapidly increasing fossil fuel costs. This time-honored method of harnessing electrical energy from water is becoming popular again and could prove to be a viable market for heavy construction contractors. This feature presents a detailed explanation of this re-born technology.

32

Recycling Oil

Growing concern for the environment has led to legislation which will make traditional methods of disposing lubrication oil illegal. This feature examines a cost-effective method of recycling oil.

37

The M-X Missile System

The M-X Missile System, will prove to be of great interest to the construction industry during the next ten years. In this feature Lt. Col. Mike Terrill, M-X public affairs officer, explains how this program will offer thousands of contracting opportunities for contractors throughout the U.S.

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Newsletter AGC attacks EPA MBE problems at national level and in regions Nello L. Teer Company merges with Koppers Company Carter Administration shows only symbolic support for export expansion AGC testifies on tax-cut legislation, U.S. export promotion Joseph K. Bratton selected as next Corps of Engineers chief

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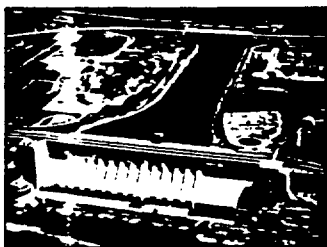
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J. S. Alberici Construction is working on 45 coffer dam cells to enclose a 1,400-foot by 800-foot area of the Mississippi River for construction of the dam section of Lock and Dam 26. Photo Credit: William Jayne

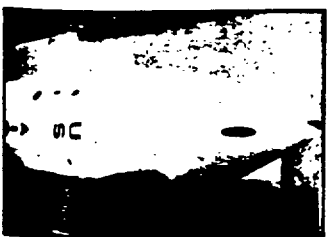
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CONSTRUCTOR

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FEATURES

Business Management: Company Survival During A Recession "Recession" has become a word that can scare any contractor who was in business in 1974-1975. To prepare for any future recession astute contractors should plan alternative strategies to moderate its impact. **7**

The New York State Alliance Program: Majority and Minority Contractors Work Together to Help Themselves An innovative minority internship program developed by the General Building Contractors of New York State, The New York Building Chapter, AGC, is in progress to help assure the long-range business success of minority and female contractors. **26**



MBE/WBE Regulations: The History of AGC's Involvement Ever since the beginning, even before the Public Works Employment Act of 1977 and Public Law 95-507, AGC has been actively involved in every stage of Minority Business Enterprise [MBE] and Women's Business Enterprise [WBE] regulatory development. This feature chronicles the association's continuing actions to guard the construction industry's proven historical strength in the open competitive bidding system. **29**

MBE/WBE Contractor Directory AGC's third national list of MBEs in construction and first list of WBEs — with approximately 17,000 entries. **45**

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This month's cover symbolizes the growth of minorities and women actively involved in the construction industry. **COVER** Artwork: Liz Haywood.

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Lt. Gen. Joseph K. Bratton: Facing the Challenge of the Eighties In this CONSTRUCTOR exclusive interview, Gen. Bratton, the new chief of the U.S. Army Corps of Engineers discusses his outlook for the Corps' future. **22**

Water System Management The northeast corridor of the U.S. is facing a serious deterioration of its water systems. Joseph P. Ashooh, director of AGC's Municipal-Utilities Division examines this problem and describes how it has the potential to develop into a major market for M-U contractors. **28**

Fine-Tuning Construction Grants Sen. John H. Chafee (R-R.I.), a member of the Senate Subcommittee on Environmental Pollution suggests ways to fine-tune the construction grants program for the eighties. **32**

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A welder secures a copper conduction strip used to facilitate the thawing of water systems installed in extremely cold areas. Background photo. by A.C. McCarthy, courtesy of United States Pipe and Foundry. Inset photo. by Diane B. Snow

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AGC National Headquarters The AGC National Headquarters building was recently enlarged and renovated to better serve AGC members. These pictures illustrate some of those changes and improvements. **24**

AGC Chapter Offices Nationwide

AGC's chapters bring services and support to members at the local level. This pictorial shows a few of the association's 113 chapter offices nationwide. (Photo at left, AGC of Seattle.) **26**

CONSTRUCTOR Publications Library A comprehensive presentation of the tremendous resources contained in AGC's numerous publications. This collection is the product of thousands of AGC members working together to improve the industry. **27**

AGC Staff Responsibilities The AGC National staff consists of more than 100 people actively involved in all aspects of the construction industry. Their work coincides with the activities and services provided by 113 AGC chapters nationwide. **52**

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The S.I.R. Award The S.I.R. Award — the coveted award of the construction industry — is AGC's way of saying thanks to those who have made outstanding contributions to the construction industry. This feature provides detailed information on the award. **57**

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Newsletter TVA begins to move away from force account AGC PAC, with 80 percent success in November elections, looks ahead to 1982 Ways to set aside OSHA records-access rule examined Schedule of remaining AGC management conferences Supreme Court will review comparable worth NIBS launches projects to improve regulatory systems, standardize building definitions, speed acceptance of products and technology MSHA proposes change in assessment of civil penalties MX Missile System requires eight busy construction years Obituary Military construction in the Indian Ocean region **17**

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AGC's numerous publications — many developed specifically for contractors by contractors — offer a wide range of up-to-date information resources.

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