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The official publication of the Idaho Associated General Contractors

Idaho AGC
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Fall/Winter
2019-2020

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A MESSAGE FROM THE IDAHO AGC PRESIDENT ZACH HIGGINS



Welcome to the first edition of the Idaho AGC's new magazine, *Building Idaho*. As your 2019 President, I'm honored to have the opportunity to re-launch the magazine – something that had been an Idaho AGC tradition for decades but had recently lapsed. The return of the publication is emblematic of the strength of our organization and its dedication to serve as the leading voice for our industry. In today's ever-changing digital world, we have recognized a need for a broader effort in how our organization delivers its services and message. This effort to modernize our services not only honors the hard work and dedication of those who went before us but will also better serve our current and future members for years to come.

After 85 successful years, the Idaho AGC is stronger than ever. Our diverse membership – commercial builders like myself and those who perform heavy civil work, large contractors and small operations, general contractors and specialty contractors, union operations and open shop companies, Idaho natives, and those who are new to our great state – is dedicated to building a better Idaho and the Idaho AGC is equally devoted to leading the way in this important endeavor.

This past year, the Idaho AGC underwent a complete review of its strategic plan and how it communicates with members. I'm pleased to report that this comprehensive effort has already begun yielding meaningful results and I am confident that things will continue to improve in the months and years to come.

I encourage you to make the most of your membership in the Idaho AGC by participating in one of our committees, volunteering in our workforce development opportunities, attending a networking event, sending your employees to safety training and consider serving as a volunteer leader yourself. I can speak from experience that the more you invest in the Idaho AGC, the greater the return on that investment will be.

There is a simple but significant principle that lies at the heart of the organization's effectiveness: even though many of us may be direct competitors, we are stronger together than alone. As our great state continues to grow at a record pace the Idaho AGC continues to be at the tip of the spear, ensuring our industry is represented and protected at all levels. Together we have already accomplished great things and together we will build a better Idaho for future generations.

Thank you for the opportunity to serve as your president.

Zach Higgins
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A MESSAGE FROM THE IDAHO AGC CEO WAYNE HAMMON



My friend and former boss Butch once told me nothing builds character more than “riding for the brand.” Over time I came to learn that he meant loyalty is an honorable trait and that while it’s easy to be part of a team when things are easy, true strength comes from sticking to it even when tougher conditions arise. Not a day goes by that I’m not grateful that I get to be part of the Idaho AGC’s winning team and that I get to wear that red AGC emblem as my “brand.”

Over the seven-plus years I’ve been riding for the AGC, we’ve seen tremendous success. Our membership and revenues are both up; our financial situation regarding the headquarters building has stabilized and the final payment on the mortgage is finally almost in sight; more and more members are engaging in our events, trainings, and committees; our relationships with lawmakers, government leaders, and other key decision-makers across the state are strong and continue to grow; our staff is highly skilled, motivated, and loyal; our outreach in northern and eastern Idaho have strengthened our organization tremendously across the state; our workforce development efforts are showing results; our volunteer leaders are actively engaged; and generally most indicators point to continued growth.

Yet, there are storm clouds out there indicating that tougher days may be ahead. As we enter the uncertain times that almost always surround a national election, the economic tea leaves are unclear with some prognosticators warning of recession. Should they be correct, we will soon learn who has the strength to continue riding for the brand.

Despite these worries, I remain convinced that the Idaho AGC’s best days are ahead of us. Sure, we have a lot to be proud of in our storied past. But it’s the future that gets me excited.

In the coming months and years you will see a more engaged, more mobile, and more partner-focused Idaho AGC. As a result of this past year’s strategic planning effort, we are reforming how we communicate and deliver services to our members in order to meet your needs in an ever-changing environment. It’s our goal to become your strategic partner during good times and bad and to be an essential part of your business strategy for future success.

Towards this end, we welcome your comments, suggestions, and (most importantly) participation. Let’s get together and discuss how the Idaho AGC can partner with your company to ensure that the next 85 years are even more successful.

My door is always open and I look forward to riding with you.

Wayne Hammon
CEO
Idaho AGC

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A MESSAGE FROM THE GOVERNOR OF IDAHO BRAD LITTLE



Welcome to the first installment of the revitalized *Building Idaho* magazine. After a long hiatus, the magazine is back to celebrate Idaho contractors, offer the latest business trends, and analyze public policies that affect Idaho's economy.

Idaho is experiencing change with the large influx of new residents and businesses to our state.

There definitely are upsides to the growth. It presents our younger citizens with better job opportunities so they can more easily make the choice to stay close to home. The added jobs are occurring in a multitude of sectors, creating a more diverse and resilient Idaho economy.

Those of us who have been in Idaho awhile remember earlier times when we experienced no growth. We were exporting our children. I vastly prefer this situation.

However, some aspects of rapid growth can be characterized as growing pains, especially related to infrastructure such as transportation, public education, and our corrections system. Rapid population increases are putting strains on these essential government services.

I want to thank the Associated General Contractors for taking on an important task: working with Idaho cities and other interests to comprehensively study the state's transportation needs so we can work toward an action plan that will sustain our transportation system into the future. The most precious commodity anyone has is their time. The Associated General Contractors and your partners will help us identify where we need to invest in order to move Idaho's people and commodities as safely and efficiently as possible.

Since I took office as Idaho's 33rd governor in January of 2019, I have stated my overarching goal is to make Idaho a place where we all can thrive, where our children and grandchildren choose to stay and for the ones who have left to choose to return.

All my priorities are defined through that lens. At the top of my priority list is advancing our K-12 public education system – the state's most basic moral and constitutional obligation. I am also focused on partnering with businesses, community colleges, and our universities to ensure the next generation of Idaho workers has the skills to meet the needs of businesses, both existing and prospective. We are working to ensure Idahoans have access to affordable healthcare for themselves and their families, and we are promoting safe communities by making strategic investments in our corrections system so former inmates have a path to a positive future.

I appreciate you – the workers and business leaders creating true wealth across Idaho – for what you do every single day to help me reach my goal. You are taking risks, making investments and working hard in ways that create a strong Idaho.

A handwritten signature in blue ink, appearing to read 'Brad Little'. The signature is fluid and cursive, written over a light blue horizontal line.

Brad Little
Governor of Idaho

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WELCOME TO BOOMTOWN

By Zach Kyle

Here's a statement that's obvious for anybody not living under a rock: development is booming in the Treasure Valley. Testimony at city halls and at backyard barbecues usually focuses on growth in terms of swelling population – about 14,000 people are migrating to Ada and Canyon Counties each year – and on how the subsequent increasing demand has caused skyrocketing housing prices. But those same forces are some of the reasons spurring record growth in commercial development as contractors race to build new offices, apartments, schools, health-care facilities, shopping centers, and everything else to accommodate the influx.

Boise is seeing a record number of apartments under construction, and Meridian expects a ton of new multi-family projects, though not quite as many as the city's record high set last year. Office, retail, and multi-family projects are springing up just off of I-84 on Eagle Road and 10 Mile Road off-ramps, offering attractive, central locations for businesses and their employees. Several large-scale health-care and grocery store projects are slated for construction.

In short, almost every community in





the valley can expect some kind of commercial development to alter its skyline – a trend local experts and government officials don't expect to slow down any time soon. That expert list includes Tommy Ahlquist, CEO of Ball Ventures Ahlquist.

“Two years ago, I thought a slowdown was coming,” Ahlquist says. “I don't feel that way now. I think we're more insulated than other economies around us. I don't see [a slowdown] happening any time soon.”

WHAT'S NEW IN BOISE AND BEYOND

New commercial buildings are under construction all over Boise, including high-profile projects downtown.

Those traveling along Capitol Boulevard will see a new, statement building at Boise State University: the Center for Fine Arts. ESI Construction began working on the

five-story, 97,000 square-foot building in 2017 and was scheduled to wrap up before classes start for the fall semester, according to the Idaho Statesman.

The newspaper also reports that nearly 1,100 apartment units are proposed or under construction at eight projects, as well as 380 condos at four locations. Both numbers are more than three times greater than were underway at this point in 2018.

All of those new units could alleviate skyrocketing rental prices in the area, said Carl Miller, Principal Planner at Community Planning Association of Southwest Idaho (COMPASS). But that relief will only happen if the rapid apartment construction continues.

“If it turns out this surge in apartment units is a one-or-two-year blip, it won't really move the needle for housing stock in the region,” Miller said.

Too many developments are either under construction or in planning phases in and around Boise to list here (though they can be viewed on BoiseDev.com's Project Tracker database). One Eagle project of note is Quarry Village in rapidly expanding Hidden Springs. Dowding & Stahl Families plan to develop 27 acres on a former quarry site into a mix of office and retail, including restaurants, a brewery, hotel, theater, and bowling alley.

MEANWHILE, IN MERIDIAN...

Meridian is on its way to a record year for commercial development, said Robert Simison, Mayor Tammy de Weerd's chief of staff. (He is also running to succeed de Weerd, who is retiring when her term ends.)

The number of commercial permits was actually slightly down during the first

“The state of commercial development today and in the future is more dynamic than ever. As demographic, economic, political, and technological changes disrupt the market, it is even more critical to understand what we expect of our commercial space in the future. Many retailers are creating a more interesting user-environment to attract shoppers. Others are delivering goods to consumers to reduce the barriers to shopping. Similarly, employers are trying to attract workers by providing more workplace amenities or using technology to reduce costs and time for their clients and employees.”

– Carl Miller, Principal Planner at Community Planning Association (COMPASS)

“Nobody is talking about these companies that are coming to the Treasure Valley and aren’t afraid to bring their employees with them. That’s because it’s a great place to do business, and they tell their workers, ‘come with us because you’ll love raising your family here and cost of living conducive to family life.’”

– BVA CEO Tommy Ahlquist



Total new construction building permits in Ada and Canyon Counties (includes single-family homes)

2018 – 8,299 Up from 2017 – 7,618

Recent high – 2005 11,288 Recent low – 1,648 in 201

Source: COMPASS 2018 Development Monitoring Report



seven months of 2019 compared to last year, but the fresh batch are much larger, Simison said.

“In my 12 years here, I cannot recall a year when there were so many projects taller than three stories, other than The Village,” he said. “Now, we have a handful of permits with four- to five-story buildings. That’s new and different for Meridian. The square footage is likely up 30 percent.”

Two major pieces of that growth are the aforementioned developments just off of I-84: Eagle View Landing and 10 Mile Crossing. Eagle View Landing, a 52-acre BVA project, is planned to include multi-family housing, office, retail and restaurant, anchored by an Idaho Central Credit Union, according to BoiseDev.com.

The website also reports that Ten Mile Crossing, which will enter its second phase of construction, is home for the headquarters of AmeriBen, Paylocity and Brighton Corp., and will eventually include homes, retail, and a large Saltzer Health medical complex. BVA and Brighton are co-developers of the project.

The nature of office development is changing, Ahlquist said. Demand for skilled workers is at an all-time high in the Treasure Valley. As a result, businesses must often sell themselves to workers rather than the other way around. That starts with easy-to-access locations – like 10 Mile Crossing and Eagle View Landing – but extends to posh workspaces and amenities, including on-site food options.

“Every company we deal with comes expecting amenities are part of the site,” Ahlquist said. “The expectation is for world-class space that is very efficient and centered around employee function. Companies today compete for talent. The space needs to attract and keep that talent.”

STEPPING STONE FOR DOWNTOWN MERIDIAN?

Meridian is a different kind of animal than Boise. Where the state capitol’s commercial growth started at its core and

radiated outward, Meridian has been the opposite: its downtown has remained relatively stagnant while offices and large shopping centers, including the Village at Meridian, were built on the exterior.

“Meridian is extending in nearly every direction,” Miller said. “As the city has grown and extended its services, development is starting to fill that commercial space.”

Recent projects, including those at the 10 Mile and Eagle Road access points, as well as slated projects, including The Village’s second phase, indicate that growth will continue, Miller says. However, downtown might receive a shot in the arm thanks to ground breaking on the Old Town Lofts project that will include apartments, retail, and restaurant and office space, according to the Idaho Press.

Miller said there’s optimism that adding residential units to downtown could attract new interest from businesses.

“Retail following the rooftops will provide market share for bodegas, restaurants, and other businesses,” Miller said. “There’s stuff happening downtown, and even the stuff happening on the fringe will support downtown to energize a little faster.”

A LOOMING PROBLEM

Continued growth should result in strong business for builders. However, Ahlquist, Miller, and Simison each listed the same item on their list of concerns: transportation.

More people moving to the valley means more traffic. Congestion is worsening, particularly on arterials and on I-84 for commuters heading into Boise in the morning and home in the evening. Those problems are here to stay, and they are overstressing key thoroughfares that can’t handle the traffic, Ahlquist said.

“Take State Street,” he said. “There’s no way that can become a major arterial into downtown. We should be getting serious about public transportation. Taking current bus routes and making them more usable would be a great first step.”

However, as reported by the Idaho Statesman, ridership on the Valley Regional Transit bus system remains low, and its funding is tenuous. And even Simison says Meridian is extending its own bus system to better connect with Boise’s, at some point the Valley will need an alternative for east-west commuters.

One option, Ahlquist said, could be rail. However, that would take cooperation between local and state govern-

ments, and it would require years to approve and turn into a reality.

“Look at the rail system that already runs through Nampa, Meridian, and Boise,” he said. “You don’t need much imagination to say there’s a great light rail system that could connect our valley. Then, look at congestion on Chinden (Boulevard), on State, and elsewhere. It’s a conversation we need to have now, or we’ll get caught flat-footed.” ●



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CAREER LAUNCHER: Redefining – and Rebuilding – *the Road to Success*

By Cindy Chan

Idaho Associated General Contractors (AGC) is determined to tackle the toughest problem facing Idaho's construction industry today: identifying additional workers to keep pace with the state's rapid growth.

Idaho AGC is the state's largest, most trusted network of construction professionals. Eighty-five years ago, it was chartered as a chapter of the Associated General Contractors of America and rep-

resents commercial construction in all its forms across the entire state of Idaho.

According to Idaho AGC CEO Wayne Hammon, during the 2008 recession, a lot of construction workers left Idaho in search of employment elsewhere. Like many areas across the United States at the time, Idaho's economy became stagnant, and many building projects were delayed or cancelled. As a result, the construction industry suffered a great deal.

"Our people left [Idaho] to work in

areas not as directly impacted," Hammon says. Eventually the economy recovered and people all across Idaho wanted to build again, but there was an absence of skilled workers.

"It's simple. There are fewer construction workers in Idaho today than there used to be," Hammon says.

As a result, Idaho AGC sprung into action.

Hammon says the association operates the Idaho AGC Education Foundation as



“Our first effort was the We Build Idaho website, adding the website has become a one-stop shop for construction information in Idaho.”



well, which is a 501(c)(3) charitable organization promoting construction education and the trades across the state. The foundation has done everything from offering training courses and leadership development to helping to create the construction management department at Boise State University.

The Foundation completed a comprehensive review of workforce development options in 2014. Topics considered included what the association was doing to promote workforce development in Idaho. Idaho AGC also reached out to a wide range of partners, ranging from the U.S. Department of Labor, Idaho Department of Corrections, community colleges and other AGC chapters across the nation to see what they were doing and how they could make a difference during this worker shortage.

“We identified a couple of things the Idaho AGC could do immediately to make a difference. Our first effort was the We Build Idaho website,” Hammon says, adding the website has become a one-stop shop for construction information in Idaho. For those interested in construction jobs, facts and figures, and so on, visit webuildidaho.org.

“Next, we increase our outreach efforts.” In the past, the Foundation wasn’t attending any high school career fairs; now, they’re attending a couple every

month. The Foundation developed a marketing plan targeting students, parents, and educators explaining why a career in construction is a good choice.

From there, the Association identified two additional sources of inspiration: one was a program in Denver, Colorado called “Construction Careers Now!”. Adapting this program to Idaho’s unique needs has led to the creation of the “We Build Idaho Career Launcher” program. The other was a program in Oregon that provided externship opportunities for educators to experience construction firsthand.

During this time frame, Governor C.L. “Butch” Otter, in response to the Idaho AGC and other associations, appointed a workforce development task force to examine ways to improve Idaho’s funding and delivery of training programs to meet the state’s growing demand for skilled workers.

“Eighteen months ago, Governor Otter moved the Workforce Development Council from being an advisory board to the Department of Labor to the Office of the Governor, coordinating all of the different workforce development activities in state government and educational institutions and to ensure our efforts were industry-led,” Wendi Secrist, executive director of the Idaho Workforce Development Council, says.

The association partnered with the

Council and Governor Otter to restructure the organization. After the new Council was up and running, the Idaho AGC applied for and received a grant to organize and operate the first few sessions of the “We Build Idaho Career Launcher”.

Several other companies and organizations were instrumental in the creation of Career Launcher, such as the state’s Workforce Training Centers, including CSI (College of Southern Idaho) Workforce Development and Training, Idaho Career & Technical Education, and Petersen Brothers Construction.

Idaho Career & Technical Education’s Matthew Rehl, program quality manager for trades and industry education programs, and Dwight Johnson, state administrator, provided Idaho AGC with some guidance to keep the “talent pipeline” moving with skilled workers. Johnson says it’s important to also communicate about the program to students, faculty, and administrators in their CTE programs.

“Idaho Career & Technical Education has had a relationship with business in industry by nature of the training we do,” Rehl says. “We’ve always had a seat at the table for AGC’s Education Foundation. During that time, we’ve reached out and extended partnership to not only the AGC but AGC’s partners and members as well.”



“We have a mission to prepare Idaho’s youth and adults for high-in-demand careers and very much appreciate our partnership with AGC,” Johnson says.

Andrew DiPietro, senior project manager of Petersen Brothers Construction, helped facilitate the launch in Twin Falls and brought industry reps in for a few of the classes.

“We’ve been involved with AGC for a long time,” he says. “We were having discussions on how to help with the problem of not being able to attract talent. We wanted to target the demographic that wasn’t sure about college and wanted to get started in a career as quick as possible.”

“We wanted to see if we could take the Colorado model to multiple locations across the entire state,” Hammon says. Career Launcher has already had two successful sessions – one at the College of Southern Idaho in Twin Falls and one at the College of Western Idaho in Nampa.

So how does it work? The Career

Launcher program identifies those that are underemployed or unemployed, and offers them the chance to learn about construction and its benefits.

“We take these underemployed and unemployed individuals and give them a broad look at construction and what the opportunities are,” Hammon says. “If you like outdoors jobs, we have outdoors jobs. If you like equipment, we have equipment jobs. If you like math, we have math jobs.” Many of the people targeted weren’t aware of the sheer volume of jobs available in construction.

According to Kaycee Cron, workforce development and training coordinator at Idaho AGC, Career Launcher is a four-week-long program that takes place in the evening, when many people are coming home from work or school. Each session is three hours, four nights a week. Contractors come in to talk about their professions, then the class participates in an activity or task related to the contractor’s job. For example, if an electrician gave a

talk, the activity afterwards would be playing with a board to make electric currents. Both the Twin Falls and Nampa sessions also included a large building project; in Twin Falls, the students built a shed, whereas in Nampa, they built a doghouse.

Alexandrea Wolford, workforce training coordinator with the CSI Workforce Development and Training department, as well as many of the faculty and staff on campus, helped create a lot of the content that made up Career Launcher’s curriculum.

“We located the instructors and did a lot of promotion with Idaho AGC,” Wolford says. “We drew blueprints together so that we could build a shed. That would give the students training with an applied practice so they could truly visualize what they were being taught each session.” Wolford adds she attended a couple of sessions to make sure everything was going well throughout the program.

“On the last evening of the course, we connect the graduates of the course to industry partners for potential hire,” Cron says.

The course doesn’t give students a full and complete education on a trade, nor does it strive to do that. Career Launcher acts as a starting point for those interested in a new career by introducing them to the different options available. However, at the end of the program, attendees do get an OSHA 10-hour safety card. They were also able to practice their job interview skills and build their resumes.



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"I got to sit and talk with a lot of guys going through their resumes to get them ready for hiring," Wolford recalls. "One gentleman reached out to me and told me he was interested in finding a job but didn't expect one immediately; he was recently hired by AGC member company Idaho Materials and Construction. He got a great job with great benefits because of this program. We helped change his life."

"It's a great opportunity to explore a potential new career, without having to quit your current job," Hammon says, adding the Idaho Workforce Development Council is funding another Career Launcher session taking place this coming winter.

"I think what is probably the key to success for this program is the fact that it was industry that made the decision as to what they needed to do, what they wanted to do," Secrist says. "It wasn't education or government – it was industry that came to the table and said, 'This is our problem and we need to solve it.'"

Johnson agrees that Career Launcher is an excellent entrance to a great career, and one of the ways it can keep flourishing is the communication of its benefits.

"A lot of times we don't do a great job in communicating the value of careers in this industry," he says. "Having this program embedded within the state's educational system to communicate to adults and youth is a wonderful marriage."

"This program will open the eyes of educators and career seekers to the many opportunities available in the construction industry. It is critically important that we in the state of Idaho critically assess the sight lines to all career pathways in Idaho and create easily accessible routes to these opportunities," John Young, president of Young Construction Group of Idaho, Inc., says.

Hammon says Career Launcher is a big part of the work Idaho AGC is doing to help with workforce development. This is not a unique problem in Idaho; the No. 1 challenge in the construction indus-

try across the country is finding skilled workers.

"Career Launcher is an important piece of the workforce development pie," Hammon says. However, that's not all they're doing. Idaho AGC is using their influence to advocate on behalf of CTE (career technical education) schools across the state.

"Getting more shop classes in high schools, working with school districts

to promote CTE education so parents and counselors understand why taking shops classes is important going forward. Our goal is to make sure local schools are helping young people realize not everyone has to go to college and take on student debt to have a successful career," Hammon says. "We're advocating for alternative pathways to success."

For more information, visit webuildidaho.org/career-launcher. ●

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Idaho AGC Education Foundation Scholarship Recipients

These students are building a brighter future for themselves and Idaho, thanks to the Idaho AGC Education Foundation.

The Idaho AGC Education Foundation's mission is to attract and retain quality workers in the construction industry – and one way they are doing that is by providing opportunities and funds to students who show an interest and high skill level in the trades. The Education Foundation serves the industry by providing direction and support to educate and train Idaho's existing and future construction workforce by:

- Awarding scholarships to qualified Idaho college students pursuing degrees in a construction-related field;
- Improving workforce development;
- Expanding the skills of construction workers to drive future construction; and

- Attracting the next generation to the construction industry.

The foundation raises its operating funds primarily through member donations. The Idaho AGC's Annual Gala – taking place this year on December 5 – has become a significant fundraising event for the Foundation's efforts.

The December Gala hosts a "leaderboard challenge," where attendees text to donate funds throughout the evening's program. In recent years, the Gala's fundraising has seen tremendous growth. In 2013, \$4,800 was raised in donations, whereas the 2018 Gala saw an astounding \$32,907 donated by attending members. This increase in member support for the Foundation's mission has a direct correlation to the impact the Foundation can have; in 2019, the Foundation received an all-time record number of scholarship applications and was able to award more scholarships than any previous year.

The ten 2019 Education Foundation Scholarship recipients are:



HOPE STAUFFER

Hope is a construction management major who completed a project internship at ESI. She is a member of Boise State University's (BSU) Construction Management Association (CMA), and has competed in the Associated Schools of Construction renovation competition for two years where she attended as an ambassador this year. This summer, Hope is on a service project internship in Southern Texas, helping rebuild from hurricanes and floods. Her graduation date is in spring of 2021.



DEVIN CLOUD

Devin is a construction management major. He owns his own residential construction company and is in the construction management honor society Sigma Lambda Chi. Recently, Devin was elected the president of the Construction Management Association for the 2019/2020 school year. His graduation date is in spring of 2021.



SETH DIXON

Seth is a construction management major. He is bilingual, has completed an internship as a project engineer with Andersen Construction in 2019, made the dean's list for four terms, and is a member of Sigma Lambda Chi, the construction management honor society and BSU honor society. His graduation date is in spring of 2021.



NICOLINA CARUSO

Nicolina is a bilingual construction management major. She completed a project engineer internship for Level 10 Construction, is a Construction Management Association member and has attended the 2019 ASC Regions 6 and 7 Construction Management Competition. Her graduation date is in spring of 2021.



DAWSON KLINGER

Dawson is a civil engineering major who has interned at Applied GeoScience, a geotechnical engineering firm in Illinois. He has been the president of the Alpine Club at BSU since 2017. Dawson is also the route-setting manager for the recreation center at BSU. His graduation date is in spring of 2020.



CESAR ENOKI GUZMAN

Cesar is a civil engineering major. Being bilingual, Cesar is an interpreter and translator. He commutes to BSU from Hailey, Idaho where he has a wife and two children. Cesar is the leader of the Hispanics Leadership Club. His graduation date is spring of 2021.



CAMERON HALE

Cameron is a civil engineering major. He has worked for American Geotechnics for three years. He is also president of Chi Epsilon, the national engineering honor society. His graduation date is spring of 2020.



STEVEN HOLM

Steven is a construction management major. He owns his own construction and remodeling company, is a member of Sigma Lambda Chi honor society and is an officer of the BSU CMA. His graduation date is in fall of 2019.



SKYLER HUSCHKA

Skyler is a construction management major. He was the 2019 president and 2018 vice-president of the BSU CMA. Skyler also started the Iron Steed Motorcycle Club at BSU. His graduation date is in fall of 2020.



JORDAN JACKSON

Jordan is a construction management major. He completed an internship with Winspear Construction, is the treasurer for the BSU CMA, is a member of Sigma Lambda Chi, served as treasurer of Sigma Lambda Chi and was elected 2019/2020 president. His graduation date is in spring of 2020.



Idaho National Laboratory: Exciting Projects, Upgrades

By Cindy Chan

A lot has happened for Idaho National Laboratory over its 70 years of operation – and it shows no sign of slowing down.

Idaho National Laboratory (INL) is part of the U.S. Department of Energy's complex of national laboratories, performing work in energy, national security, science, and environment. INL is the nation's leading center for nuclear energy research and development. The laboratory is managed by Battelle Energy Alliance, LLC for the Department of Energy's Office of Nuclear Energy.

According to Amy Lientz, Director of the Energy Industry Supply Chain for INL, the laboratory comprises 890 square miles.

"That's just a little perspective of how vast and wide our INL site is," Lientz says. INL is the sixth largest private employer in Idaho, with approximately 4,400 employees.

Nuclear energy research is a primary focus for INL, Lientz adds. For over 70 years, INL has built 52-plus reactors. In addition to nuclear energy, INL also manages national homeland security, cyber security, water, and wastewater security testing.

"Another main mission is what we call our clean energy area of

work," Lientz explains. "That includes everything from batteries, electric and hybrid vehicles, biofuels, micro grids, energy planning, advanced manufacturing and integrated energy support."

Although INL is an enormous complex, there is a strong emphasis on using small and local businesses for their construction projects, according to Stacey Francis, Small Business Program Manager.

"We have a preference for small businesses because of the contract goals we have. A lot of construction companies we have on site have been here for decades. They've grown to support us," Francis says.

Companies interested in working at INL have to complete a couple of steps beforehand. They must register on a federal database at www.sam.gov, then on vendor.inl.gov. Once applicants have made it past those two steps, they can look at the documentation detailing what it takes to work at INL.

Since INL is a large complex, construction and upgrades are constantly taking place to ensure the employees have the best resources and infrastructure in which to complete their work.

"One of the larger ones we're nearing completion on is the research collaboration building at Materials and Fuels Complex,



Below is a list of Idaho National Laboratory's projects coming up in 2019 and 2020 and their locations.

- Advanced Test Reactor – Security Building
- Advanced Test Reactor – Utility Corridor Expansion
- Advanced Test Reactor – Parking Lot Upgrades
- Specific Manufacturing Capability – Crane Replacement
- Site Wide – Obsidian Test Pad Work
(There are multiple phases on this project)
- Transient Reactor Test Facility – Crane Repair
- Materials and Fuels Complex – Sample Preparation Laboratory
- Materials and Fuels Complex – Administration Building
- Research and Education Campus – Engineering Research Office Building Office Refresher
- Research and Education Campus – IF-603 Boiler Install

which is a multi-level office building to house our personnel growth,” Division Director Eric Anderson says, adding there will also be a parking lot expansion as a result.

INL is also the place where 12 new modular reactors will be built, which will be fully operational by 2026. Because of this, the INL requires a lot of supporting infrastructure.

“That means power upgrades, construction for the road and facility, water, and wastewater,” Lientz says.

Nicholas Shippen, Project Manager for Desert Peak General Contractors, says he has worked on INL's desert facilities and in-town facilities. One of the major projects Desert Peak has done for INL is located at the advanced test reactor facility (ATR).

“We built the supporting infrastructure, then installed two permanent fuel tanks for the generators that act as backup for the reactor,” Shippen says.

The ATR is the world's premier nuclear test reactor, providing unmatched, national priority nuclear fuel and materials testing capabilities for military, federal, university and industry partners and customers, according to the INL website (inl.gov). It's the only U.S. research reactor capable of providing large-volume, high-flux neutron irradiation in a prototype environment. The reactor makes it possible to study the effects of intense neutron and gamma radiation on reactor materials and fuels.

The ATR complex includes other nuclear energy capabilities such as the advanced test reactor-critical facility, test train assembly facility, hot cell facility, radiation measurements laboratory, radiochemistry laboratory, and the safety and tritium applied research facility. To support growth at ATR, INL has recently begun construction of the 18,000-square-foot maintenance support building to be completed next year.

Shane Anderson, president of C&H Construction Co. Inc., says his company has been doing work at INL since 1978, which involves a lot of office remodels, seismic upgrades at different nuclear facilities, waste remediation and storage containers for nuclear waste.

“We've had some great success with the transition to commercial power at the ATR complex,” he says. “We installed the UPS battery backup for the ATR nuclear reactor. It's basically a safeguard system that can sustain power to the reactor and allow for safe shutdown. If

there's a power outage, these battery backups turn on and allow the facility to safely shut down the reactor.”

L&L Mechanical, a company that incorporated in 1993, has performed work on many projects at INL over the years, according to vice-president Dana Trautner. L&L Mechanical is a piping and plumbing company, providing services such as mechanical insulation, asbestos abatement, HVAC maintenance, and service and duct work.

Trautner says L&L Mechanical is just finishing work on the brand new collaboration building.

“We're also working on the SMC warehouse, among multiple other projects all over the INL complex, including Department of Defense work,” Trautner adds.

INL is continually looking to its future. According to David Inskeep, Site Labor Coordinator for INL, one of the company's future projects includes small modular reactor electric powered generation, which is a fail-safe type of reactor that can be built in smaller portions.

“They don't have the extensive cooling systems of the old reactors, so they don't have the potential for problems,” Inskeep says. “They can be built for 25 megawatts of power. You can add multiple small modules to it as your need increases. That is scheduled to come online some time in mid-2025 or 2026.”

INL is eager to work with both tried and true and new companies on projects. With Idaho being one of the fastest-growing states in the nation, building and construction must keep up, which is why INL needs companies to bid on their projects.

“We want companies that have an exceptional safety record. We want them to go home at the end of the day. Safety is really important to us,” Francis says.

Their contractors feel the same way. Trautner says he leads safety meetings every two months to make sure everyone is on the same page. Battelle Energy Alliance has partnered with all of its subcontractors to have the safest DOE site in the complex of DOE facilities across the United States.

“We've got a cool safety culture – and that's very nice to walk into when you're in construction,” he says.

For more information, visit inl.gov. ●



Boise State University Introduces New Online Construction Management Course

By Cindy Chan

Get your computers and drones ready – Boise State University is introducing its new Online Master of Business Administration with an Emphasis on Construction Management course at Boise State University.

The course is 100-percent online, designed for aspiring architects, engineers, and professionals in the construction industry. The online MBA with a construction emphasis began accepting enrollments in the fall of 2019.

For almost a decade, the College of Engineering at Boise State University has been exploring the possibility of offering a graduate degree in construction management, says Wayne Hammon, CEO of Idaho Associated General Contractors.

“For those that don’t have a formal education or experience in the construction industry, through this program they will gain a greater understanding of how construction management works. They will learn about project delivery, project cost control, and scheduling,” Casey Cline, Chair and Associate Professor at Boise State University, says.

The Online MBA in Construction Management course is designed to help architecture, engineering, and construction professionals increase their leadership skills and enhance their career opportunities by earning an MBA on their own time in as few as 12 months. The course website states students will be able to better identify and tackle the unique challenges associated with the aforementioned disciplines; devel-

op and apply strategies for managing construction projects and motivating teams; and gain the skills to effectively supervise projects from start to finish.

Students enrolled are expected to take core courses such as Business Foundations, Design Thinking and Strategic Management, Marketing Strategy, People and Organizations, and Corporate Finance, to name a few. They can also complete emphasis courses to tailor their degree, including Leadership in Architecture, Engineering and Construction; Architecture, Engineering, and Construction Project Management; and Architecture, Engineering, and Construction Company Management.

The course aims to be affordable and flexible for those working in the industry, with an annual tuition of \$36,750 and six

The U.S. Bureau of Labor Statistics projects a need for 44,800 construction managers by 2026. Very few universities offer master's level business courses combined with architecture, engineering, and construction management courses, which is why Boise State University remains ahead of the curve.

separate start dates per year. Although students can complete the program within a year, there is no rush as the course is completely customizable and students can earn their MBA at their own pace. Financial aid and/or scholarships are available for those who qualify, including qualified military, affiliate partners, individuals who have five years of professional experience working full-time in a managerial role and all current Boise State Alumni Association members who have completed at least 25 credit hours at Boise State University prior to enrolling in the MBA program.

Idaho native and Boise State University graduate Kjell Ooms returned home to his alma mater to take the online MBA program, graduating in 2018. He earned a Bachelor of Science degree in construction management on campus in 2011.

"It was always in the back of my mind

that a master's degree would be something cool to get," Ooms says. "One day, I finally said, 'I'm just going to do it. If I keep saying, 'I'm going to go get it someday, it will never happen.' I pulled the trigger and thought it would be a good career move for me."

Ooms says the program went really well because he chose his own pace.

"It allowed me to keep my current employment and work through the program," he says.

The program couldn't have arrived at a better time. "The construction management industry is one of the fastest-growing industries in the state and in the nation," Cline says. "I think the launch of this program was perfectly timed."

The U.S. Bureau of Labor Statistics projects a need for 44,800 construction managers by 2026. Very few universities offer master's level business courses combined

with architecture, engineering, and construction management courses, which is why Boise State University remains ahead of the curve.

"All of us the Idaho AGC are excited to welcome this new opportunity," Hammon says. "An MBA with an emphasis in construction management has been warmly received by contractors and we anticipate the program being successful. This unique offering fills a need many of us have observed in the construction community - many we are advancing up through leadership within construction firms are great at building things but need additional training when it comes to management, budgeting, and all the other things required to make a business successful."

For more information, visit degree.boisestate.edu or call 1 (855) 290-3840. ●



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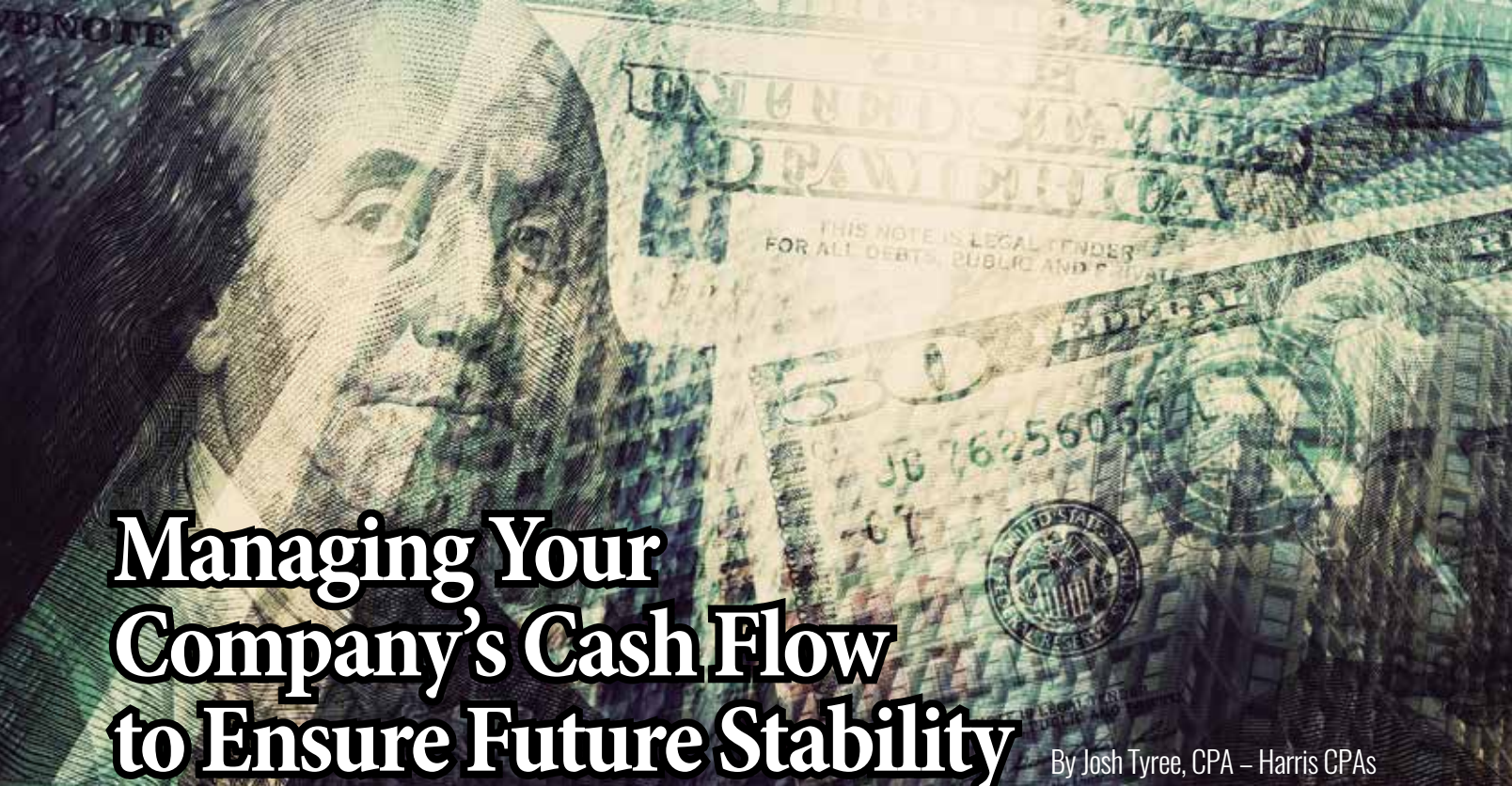
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Managing Your Company's Cash Flow to Ensure Future Stability

By Josh Tyree, CPA – Harris CPAs

Cash flow can be a very tricky issue for any company, but this is especially true in the construction industry where delays and timing issues run rampant. The truth is, cash flow is absolutely critical in the long-term success of a company, and it's tied directly to the establishment of wealth for owners.

UNDERSTANDING CASH FLOW

So why do so many business owners avoid tackling it? One of the main reasons is a misconception that profitability and job margins are the same thing as managing cash flow. The assumption is that as long as the jobs are profitable, the company will be fine. This is especially true when the economy is strong and work is abundant. The risks that are blended into managing your cash are significantly reduced during strong economic growth, which can develop extremely bad habits. These risks become even more prevalent if, or when, the economy dips or when a company grows too quickly and their cash disappears as they fund this growth. Unfortunately, all it takes is a single event or occurrence for a contractor to learn the importance of managing their cash flow. Both profitability and

cash flow are tied into performance and are vitally important to the success of a company. They can positively or negatively impact one another, so managing both in harmony is an important financial goal.

MANAGING CASH FLOW

The first step in managing your cash flow is evaluating your own company. The way cash flows will vary from company to company. Are you heavy on payroll or subcontractors? What kind of terms do you have with vendors? Do you generally work in the public sector, private sector, or in both? These are just a few of the questions that can impact how each company's cash flows through their operations. It is also highly dependent on the information available. How well are the books kept, and is there confidence in the reports and numbers you are looking at? Successfully managing and working your cash flow takes reliable information. When that is achieved, each company can evaluate their cash flow management by looking at two different aspects: process and performance.

Process represents how your company acts out a task. It includes billing, payroll, job costs/budgeting, and cash receipts, just to name a few. In your analysis, look at

each of these processes and determine their impact on your cash flow. How do they impact your ability to project future cash flow? The key to process evaluation is to look at the gap, or number, of days between cash outflow and inflow. For example, if you are running payroll weekly, invoicing monthly, and collecting on that invoice in 60 days (all industry averages), the gap is over 90 days. To increase the cash flow, look at the process and see if the delay can be reduced to 60 or even 50 days. Could invoicing be done more than once a month, or could collections on that invoice go from 60 days to 30 days? Is the payroll process delayed because it's not automated? The answer could be in all of these, or entirely unrelated. Common ideas to help improve process challenges can include:

- Change order timing
- Project manager training on cash flow
- Over-billings and under-billings (the goal in a perfect world, these would be \$0 for cash flow)
- Set a goal for day sales outstanding, as well as A/P
- Check communication between A/P and A/R functions
- Payroll automation with job costing
- Bill regularly – automate Invoicing

- Review financial stability of clients
- Review and include more detail on the payment structure in the contract
- Provide multiple payment methods

The second aspect to review is performance. This includes items like job selection, sub-contracting, impact of retention, equipment and inventory management, and funding sources. Timing is never a perfect game, but, through margins, discounts, and controlled bidding, high-performing contractors can monitor and manage their cash flow through job selection. Additionally, look not only at profitability, but at the impact of subcontracting or of internally self-performing each job, and understand that the answer could be different in each situation. It depends on the cash needs or the abilities of the company at a given time. Providing critical consideration as to where the cash would be best spent can maximize the company's return.

EQUIPMENT'S IMPACT ON CASH FLOW

Equipment is also a significant cash flow discussion. We all dislike paying taxes, and it seems to be the easiest way to defer them. This seems to overshadow the impact that equipment and inventory have on a company's cash flow. A tremendous number of contractors are charging their customers for the use of the equipment, but how many are running profitability reports on each piece of equipment? Consider treating your equipment like you would a project manager. Do you want to keep that project manager around, or to simply break even? If companies considered equipment in this way, they might possibly look at selling equipment to increase their cash reserves, or using the funds for a different piece of equipment that would generate more money. And oftentimes equipment comes with debt. From a cash management perspective, is this debt being monitored? Is there refinancing? Are there other alternatives available to lower interest rates, extend terms, and increase current cash flow to the company? These are all questions to consider.

When the economy is strong, companies who are in a position of cash strength

have the ability to effectively grow, and can do so without taking on a tremendous amount of risk. The same is true when the economy turns. A strong cash position keeps the company's risk and reliance on customers, banks, and suppliers to a minimum. It gives them more control over success and helps generate long-term wealth for everyone at the company. This proves the importance of working on and improving cash flow policies, processes, and goals. It is truly a financial win for everyone involved.

ABOUT THE AUTHOR

Josh Tyree has over 16 years of experience in public accounting. During the last 10 years at Harris, Josh has advised construction companies ranging from startups to those with revenues over \$500 million. Yet, no matter the company's income, Josh's goal is first and foremost to help his clients understand their numbers, to address issues and opportunities as they arise, and to help them make informed decisions. He can be reached at joshityree@harriscpas.com.

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How to Address Six Critical Contract Risks



Joe Meuleman.

The trend in the construction industry has been to shift more risk to the contractors without a corresponding increase in price. When negotiating contracts, contractors should be mindful of the balance between removing one-sided provisions and losing work. This article covers some potential deal-breakers commonly found in construction contracts.

INCOMPLETE OR DEFICIENT DESIGN

Contractors should be entitled to rely on a complete and constructible design in bidding the work. Owner attempts to shift design risk to the contractor should be a red flag. For example, provisions requiring the contractor to achieve the “intended results” of the design should be rejected or revised to apply only to non-material work “reasonably inferable” from the design. The scope of work should not be based on the contractor’s ability to read the design professional’s mind.

CHANGES AND CLAIMS

For changes involving increased scope, an ideal contract would require the parties to execute a change order before the work begins. That is rarely the case. To avoid disputes relating to claims or change directives, contractors should negotiate agreed upon methods to calculate additional compensation and require language providing an equitable adjustment in time to cover any delay. Contractors should insist on reasonable notice provisions for changes and claims to allow enough time to evaluate and submit information from subcontractors and suppliers. Contractors should also negotiate language reserving the right to seek additional compensation and time if the full effect of the change or impact cannot reasonably be known in time to meet the notice deadline.

LIEN AND CLAIM WAIVERS

Unlike conditional lien waivers, unconditional lien waivers are enforceable even if no payment is received. Contract provisions requiring unconditional lien waivers should be rejected unless limited to amounts previously paid by the owner. Other waiver traps include (a) lien waiver language covering all work performed through an identified date, and (b) contract language re-

quiring waiver of claims upon receipt of final payment. Contractors should revise such language to exclude amounts for pending changes and pending or unknown claims.

DELAY LIMITATIONS

Contracts often include provisions that prohibit additional compensation for project delays beyond the contractor’s control and only allow for a time extension. These “no damage for delay” provisions should be rejected or revised to exclude causes within the control of the owner or its agents. Contractors should also exclude any reference to acceleration or disruption, which should be fully compensable.

LIQUIDATED DAMAGES AND WAIVER OF CONSEQUENTIAL DAMAGES

Liquidated damages should be reasonably tied to the owner’s potential losses if delays occur. Contractors should negotiate liquidated damages provisions to cover all of the owner’s potential direct and consequential damages, such as the owner’s lost income. Liquidated damages provisions should be paired with a mutual waiver of consequential damages to prevent the owner from double recovery for delays.

TERMINATION BY THE OWNER

Termination for convenience provisions allow for termination at the owner’s whim. These provisions should at least require the owner to pay the contractor for the completed work and all costs related to the termination. Contractors should also attempt to negotiate an early termination fee to discourage misuse. Termination for default provisions should only be triggered by contractor breaches that would destroy the fundamental purpose of the contract. For any curable default, the contractor should be entitled to receive written notice and a reasonable time to cure. An owner’s wrongful termination for default generally entitles the contractor to recover amounts owed for the work completed, costs related to the termination, and lost profits on remaining work. Contractors should reject contract provisions that attempt to avoid this risk by converting wrongful terminations into terminations for convenience. ●

The Boardman to Hemingway Project is Idaho Power's "Clean-Energy Pipeline"



Mitch Colburn.

By Mitch Colburn, Resource Planning and Operations Director, Idaho Power

Clean, reliable, affordable energy has been a hallmark of Idaho Power's 103-year history. Today, we're building on that tradition with an ambitious goal: providing 100-percent clean energy by 2045. Achieving this goal will take a lot of work and ingenuity. And we'll face plenty of challenges.

The good news is that we've got a great start. Almost half our energy today comes from clean hydropower.

As we pursue our goal, we expect to invest in additional clean, affordable sources. Just as important, we need a stronger, more connected grid to balance energy from those sources across multiple regions so we can provide as much energy as our customers need when they need it.

That's why we plan to build the Boardman to Hemingway (B2H) transmission line. This 300-mile, 500-kilovolt clean-energy pipeline will stretch from Boardman, Oregon, to the Hemingway Substation southwest of Boise.

Since 2006, our research has shown that B2H is the most cost-effective, lowest-risk way to meet extra demand brought on by a dizzying pace of growth in southern Idaho and eastern Oregon.

B2H will allow more efficient use of energy resources and help keep prices affordable. It will allow Idaho Power to import clean

energy from the Pacific Northwest during the summer, when our customers' demand peaks. And in the winter, our neighbors to the west can access clean energy from outside their region to heat their homes and businesses.

Transmission projects like B2H are important not just to Idaho Power, but also to energy providers all over the country. With more connections between regions, companies can satisfy customers' needs by buying clean energy produced outside their service areas — even if it's hundreds of miles away — when the sun isn't shining or the wind isn't blowing in their own areas.

Transmission line projects like B2H will benefit customers of Idaho Power and dozens more energy companies like PacifiCorp and the Bonneville Power Administration, which are working with us to develop the B2H project.

We're making good progress. BLM and Forest Service permits have been secured and the project is well into the state of Oregon's permitting process. We continue to work closely with landowners, local governments and other stakeholders in Idaho and Oregon as we look for ways to minimize the project's impacts. The project is planned to be in service in 2026 or later.

For more information on B2H, including a video explaining its purpose and need, visit BoardmantoHemingway.com. ●

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Chip Seals in Adams County Keeps Roads Safe While Extending Pavement Life

Chip sealing has been a dependable means for preserving roads and highways in Idaho for many years. Idaho AGC members Knife River Corporation and Idaho Asphalt Supply, subcontractors to Hat Creek Construction & Materials, Inc., completed one such recent project in August 2019. This 21.8-mile project highlighted the pavement preservation and skid resistance benefits of chip seal treatment.

Submitted as part of a federal grant program in 2017, Council Cuprum Road and Goose Lake Road were approved and combined into one chip seal project. The project was funded through the Federal Lands Access Program, or FLAP, a cost-sharing grant program for roads that provide public access to federal lands. The project was managed in partnership with the Western Federal Lands Highway Program and Adams County.

“In Adams County, we have a lot of federal land roads with limited fund-

ing. Without this important grant funding, these roads would not have been completed,” says Kraig Spelman, Adams County road supervisor. The contract for the project was awarded to Hat Creek Construction & Materials with Knife River Corporation as subcontractor applying a chip seal on the road surface, followed by a fog seal to further seal the aggregate.

The 17.8-mile chip sealed section of Council Cuprum Road, in the Payette National Forest, services the public by providing access to many outdoor activities including horseback riding, hiking, biking, hunting, and snowmobiling.

“We had lots of road bicyclists going through the entire project, as well as summertime recreationalists who were heading up to camp or mountain bike,” Kalob Turner from Knife River explains, “but we were able to move everyone through the work zone efficiently and safely with alternating one-way traffic utilizing flaggers and a pilot car.”

Goose Lake Road (also known as Brundage Mountain Road) is a four-mile

long section just outside of McCall that services the Gordon Titus Snowmobile Parking Lot and Brundage Mountain Bike Park, Ski Resort, and Lodge. This busy road is the gateway to many outdoor activities throughout the year and provides access to Brundage Reservoir, Granite Lake, Goose Lake, Hazard Lakes, and Lava Butte. Rebuilt four years ago, Goose Lake Road was selected for a chip seal treatment as a pavement preservation strategy as well as to ensure skid resistance during the winter months.

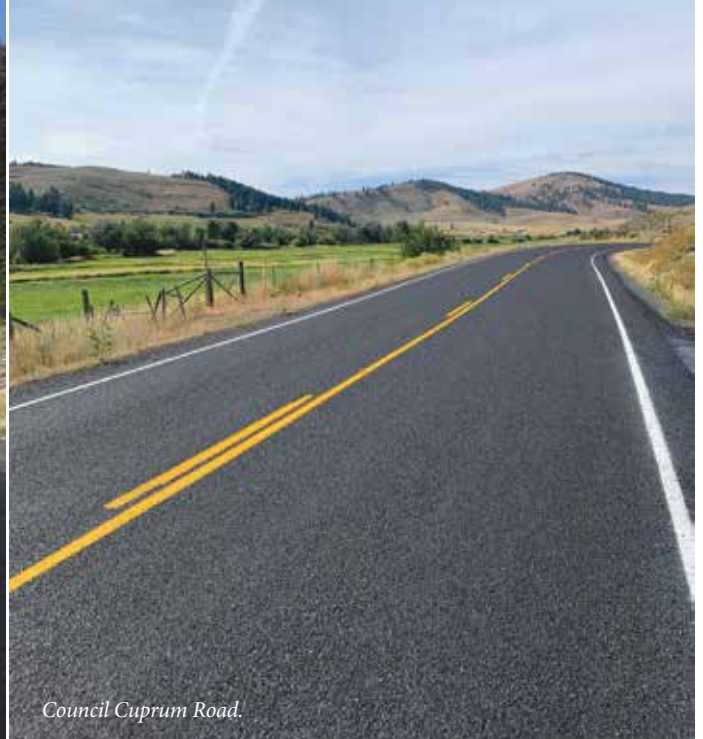
“Safety in the wintertime is very important for us and our traveling public, so the added traction in winter time is gained with this chip seal on these roads. Safety, safety, safety is our No. 1 priority,” says Spelman.

Both roads were completed in August 2019 with a 3/8-inch aggregate chip seal on a total of 324,000 square yards. The 21.8-mile project was completed efficiently, on time, under budget, and with minimal impact on the community.

“Chip seal is a fairly fast-moving op-



Goose Lake Road.



Council Cuprum Road.

eration; when it takes less time to complete the road improvements, there is less impact to the traveling public and surrounding community,” said Tony Bolman from Hat Creek Construction & Materials states, “and that is a win-win.”

A chip seal is a roadway surface treat-

ment that consists of a layer of asphaltic emulsion with a layer of embedded aggregate. Chip seals have helped Idaho agencies to provide a new skid-resistant wearing surface, eliminate raveling, seal minor cracks, and delay further deterioration of their roadways. The chip seal

emulsion used on this project was CRS-2P, which was manufactured, delivered, and spread by Idaho Asphalt Supply, and was polymer modified for improved aggregate retention and to provide for a quicker return to traffic. ●




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