



Fru-Con

News

December 2009

Focus on Leadership

Fall Leadership Gathering Cultivates Teamwork

Nearly 50 leaders within Fru-Con Holding, Fru-Con Construction and Centennial Contractors Enterprises gathered on September 30 at River Farm in Alexandria, Virginia, the northernmost of First U.S. President George Washington's five farms.

The historic setting of the Fall Leadership Gathering hosts specimens of Kentucky coffee trees, descendants of trees grown by Washington. It is also home to an immense Osage orange tree, the largest in Virginia and the second largest in the country. As the oldest tree on the farm, it is believed to have been a gift from Thomas Jefferson to the Washington family and grown from a seedling gathered on the Lewis and Clark expedition of 1804-06.

The Fru-Con and Centennial teams were addressed by Bilfinger Berger AG Executive Board Member **Professor Hans Helmut Schetter**. Professor Schetter reported on the varied worldwide projects of Bilfinger Berger and areas targeted for growth. In addressing current financial and economic challenges, he quoted Bilfinger Berger Executive Board Chairman **Herbert Bodner**: "No company can avoid economic fluctuation ... but they can be crisis-proof."

Professor Schetter told Fru-Con leaders that opportunities are rich in both the services and



Professor Hans Helmut Schetter updates the Fru-Con team on Bilfinger Berger's worldwide activities.

construction sectors for projects related to climate change and the demands for energy. Life cycle optimization, geothermal and wind energy, process industry enhancements and power plant efficiency improvements create future demand. He also highlighted some of the company's recent acquisitions in the service sector.

"It is always a pleasure for our team to hear from Professor Schetter and learn more about how our contributions and innovations are important to the organization's continued success," notes Fru-Con President and CEO **Clem Mitchell**. "As we look to our future growth, there is much to cultivate, both within our firm and in partnership with our clients who are working to shape solutions we can help them achieve."



Fru-Con President & CEO Clem Mitchell welcomes Professor Schetter and the Fru-Con leadership team to the Fall Leadership Gathering at River Farm in Alexandria, Virginia.



(From left) Fru-Con Chief Financial Officer Ralf Fuchs, Commercial Manager Beth Thomas, Superintendent David Geesaman, and Vice President of Operations Mike Fischer.

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Fru-Con Team Achieves Remarkable Zero Lost-Time Injuries in 2009

By Charlie Weeks, Vice President-Human Resources & Safety

Fru-Con team members have continued to attain outstanding safety records in 2009. Fru-Con has had zero lost-time injuries this year. This is nothing short of outstanding!

Teams at our **New Design** and **Flat Branch** projects remain recordable injury-free. Under the leadership of **Joe Duffy, Brad Smith** and team, the New Design project has logged more than 250,000 hours without a recordable injury. The Flat Branch team has exceeded

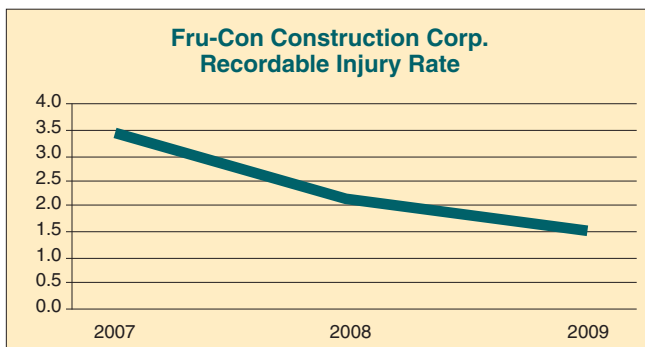
50,000 hours without a recordable injury. In the past three months, we have experienced only one minor injury – a cut finger.

The **Arlington 7A** team has significantly improved its performance with only three first-aid injuries in the past three months.

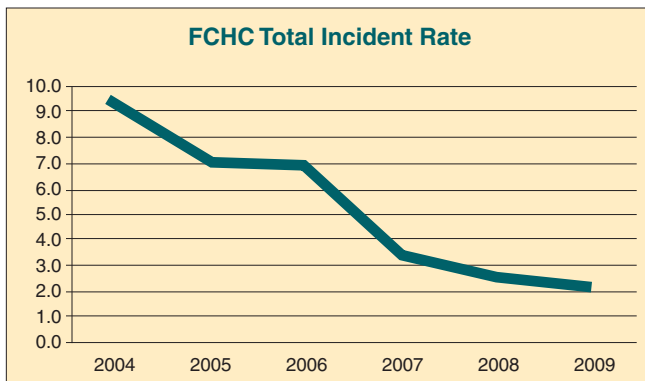
Safety excellence is a team effort that starts with our executive management and streams throughout the company. Two years ago, following the reorganization of Fru-Con, we had an opportunity that many mature companies do not have – to positively affect our corporate culture. Our success at these efforts is most visible in our safety results. Consider what has happened to our Recordable Injury Rate since 2007 (chart at left).

Our reduction in injuries over the past five years is clearly visible in two graphs (below). These vast improvements do **not** happen by accident.

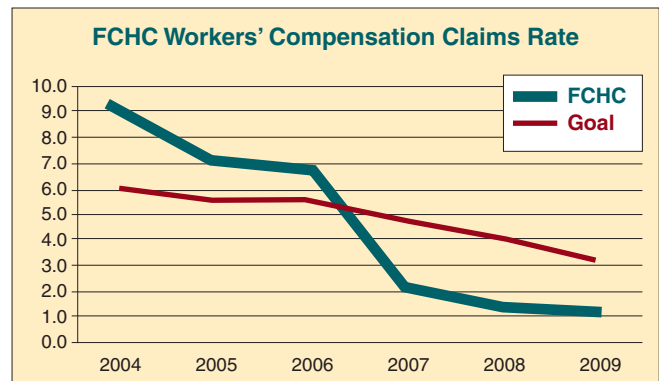
Let's keep our safety efforts in the forefront of how we do our work every day. We want every person at Fru-Con to go home at the end of the day in exactly the same condition as he or she arrived – only tired from putting in a good day's effort! Thank you for all you do to safeguard your own health and to care for your co-workers' safety as well.



Fru-Con Holding Company's total recordable injury rate, which tracks the number of injuries requiring medical attention and work restrictions for each 100 employees, has shown a positive and consistent descent since 2007.



With five years of concerted effort, Fru-Con has reduced its total incident rate (injuries requiring medical attention and work restrictions per 100 persons) to about one-quarter of the original incident rate.



The Fru-Con Workers' Compensation claims rate, which equals the number of medical-only injuries per 100 employees, has steadily improved in the same five-year span, surpassing goals through total team dedication.

Human Resources & Risk Management Transitions & Promotions

Charlie Weeks, vice president of human resources and safety, has announced his retirement effective Dec. 31, 2009. He joined the Fru-Con family in 1995 and Fru-Con has been fortunate to benefit from his many contributions. He will continue on a limited consulting basis for Fru-Con through October 2012.

Denise Lucas has been working closely with Charlie Weeks to ensure a smooth transition. A nine-year member of the Fru-Con team, she has been human resources and payroll manager.

In late summer, Vice President of Risk Management **John Schembri** retired after 35 years in the construction industry, the vast majority with Fru-Con. He made many significant contributions to risk management efforts over the years.

Eric Anderson has assumed additional responsibilities in his role as project controls manager, leading efforts previously served by Schembri. Schembri continues in an advisory capacity to help Anderson with the many nuances of construction and business insurance.

Sustaining Success into the Future

By Clem Mitchell, President & Chief Executive Officer

I want to express my heartfelt thanks to all our outstanding team members for another successful year. I also want to recognize the trusted clients who make our success possible through their confidence and partnerships with us. It is indeed our honor and privilege to serve their construction needs.



Clem Mitchell

The sustained economic downturn has created daunting challenges for every public and private entity. Market competitiveness is fierce. We must continue to work diligently to maintain our core strengths and competitive edge while staying true to the core values that are central to our achievements. Our Fru-Con hallmarks, **Quality • Performance • Service • Integrity**, remain solid guidelines for all our decision-making.

We have much to celebrate – a productive Fall Leadership Gathering, our recent win of the \$115.7 million Patapsco Wastewater Treatment Plan project in Baltimore, Maryland, and the achievements featured in this edition of *Fru-Con News*. The role we're playing in restoring America's historic landmarks through the Job Order Contracting excellence of Fru-Con Holding subsidiary, Centennial Contractors Enterprises, is a source of pride for us all. In addition, our parent com-

pany, Bilfinger Berger, continues to win an ever-stronger position in the global market.

In the year ahead, we can anticipate that some competitors will grow more desperate as the recession touches additional market segments, driving more commercial and building contractors into our specialized niche. While no one wins when the enticement of low bids is combined with inexperienced contractors, the lure can be too attractive for many public entities to resist. This expands the opportunity we have to educate our clients about the value of our unique strengths, deep experience, knowledge and the abiding commitment to performance we bring to them. And we need to remind them of the reality that underbidding by contractors with limited experience and resources will not result in what will ultimately be the least overall cost to an agency. Every member of our team needs to be actively engaged in these efforts.

It remains my privilege to lead our exemplary team. Our sustained safety achievements fill me with pride, knowing that this is the ultimate measure of how deeply we value each other. Thank you for keeping an acute focus on safety each day.

I wish you joy and peace throughout the upcoming holidays. And as we begin a new year, I wish you and your family all the best and look forward to what we can and will accomplish together in 2010.

Project Update

Fru-Con Works Close to Home & on Fast Track for \$39.4 Million Expansion of Flat Branch Pump Station

After winning a \$39.4 million contract to expand and upgrade the **Flat Branch Pump Station** operated by the **Upper Occoquan Sewage Authority (UOSA)** in Manassas, located in northern Virginia, the team at **Fru-Con Construction** heartily concurs with Dorothy



At 10 months into the project, Fru-Con Construction is ahead of schedule on its \$39.4 million assignment at the Flat Branch Pump Station in Manassas, Virginia.

in the *Wizard of Oz*: "There's no place like home."

That's because Flat Branch is a scant 15 miles from Fru-Con headquarters in Woodbridge, Virginia. Fru-Con began work on Flat Branch in February 2009 and projects completing the assignment in early 2012.

"This is our first project with UOSA and so far, so good. We are ahead of schedule and plan to do our best to keep it that way," says **Osama Madkour**, Fru-Con senior project manager.

The UOSA is a regional authority created in 1971 to stem the deteriorating quality of water in the 11-billion-gallon **Occoquan Reservoir** in the wake of rapid population growth and a transition from rural to suburban land use in its watershed. In 1978, UOSA replaced 11 small, antiquated treatment facilities with a 470-acre regional water reclamation facility in Fairfax County that increased its processing capacity more than five-fold in ensuing decades.

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Arlington County Phase 7A

Fru-Con Completes Award-Winning \$134.7 Million Treatment Plant Upgrade

Fru-Con Construction has substantially completed the **Arlington County Water Pollution Control Plant Upgrades-Phase 7A** in Arlington, Virginia – a \$134.7 million assignment that was ranked among the region’s top projects of 2007 by *Mid-Atlantic Construction* magazine.

“Protecting the delicate Chesapeake Bay ecosystem was a key factor in upgrading and expanding the Arlington County plant,” says **Ben Johns**, Fru-Con engineering manager. “We upgraded old treatment systems and installed new chemical treatment technology to ensure the completed plant meets or exceeds environmental protection guidelines outlined in the federal Clean Water Act.”



Fru-Con overcame a restricted 35-acre site to upgrade and expand the Arlington County Water Pollution Control Plant, surrounded by residential neighborhoods.

Begun in October 2006, Phase 7A is part of a 10-year, \$568 million modernization and expansion of Arlington’s 72-year-old water pollution control facility. The project boosts the plant’s processing capacity from 30 million gallons per day (GPD) to 40 million GPD. Upgrades also are reducing odor and improving nitrogen removal to vastly reduce discharges with biological nutrients into the Four Mile Run River, a tributary of Chesapeake Bay.

“With start-up, commissioning and turnover of various process systems to the owner advancing at a rapid pace, we are in the midst of demobilizing and clearing out

the job,” says Project Director **Greg Frick**.

The owner addressed the project’s immense complexity by breaking work into two phases, Milestones 1 and 2. Fru-Con team leaders essentially managed two large construction projects, each with unique challenges, while the plant remained operational. To tie in new facilities and systems with the operating plant, more than 100 scheduled shutdowns were tightly coordinated with plant staff and Fru-Con’s team, including all field craft workers.

Such massive coordination amid operational demands required clear communication and nimble crews as the project team generated 875 requests for information and about 250 requests for alteration. In addition, the team responded to 315 potential change orders from the owner, with nearly 200 work change directives.

Milestone 1 entailed building two pre-stressed concrete flow equalization tanks – one with an inside diameter of 142 feet, the other measuring 187 feet – to hold a combined 12 million gallons of wastewater. Milestone 2 focused on building an advanced Filtration and Disinfection Facility. The 300-foot-by-100-foot building footprint sits on a 3.5-foot deep concrete foundation slab that rests atop 710 steel H-piles driven to a depth of 90 to 100 feet to support the structure’s immense weight.

“Our team has driven 1,152 piles to a depth of 100 feet or more to ensure the structural stability of all the new buildings,” Johns describes.

A massive electrical distribution system blends two distribution centers with underground duct banks to deliver power to all plant facilities. After encountering underground obstacles, Fru-Con worked with the owner to reroute underground lines – a solution that helped keep the project on schedule.

At the height of production, more than 200 craft workers labored on site. The crews achieved the highest safety standards, experiencing only eight recordable injuries and one lost-time injury over the project’s three-year history.

Key Fru-Con project team members included Project Director **Greg Frick**, General Superintendent **Richard White**, Start-Up Superintendent **Mike Smith**,



The 30,000-square-foot Filtration and Disinfection Facility at the Arlington plant rests on a 3.5-foot deep concrete foundation slab supported by 710 steel H-piles.

ARLINGTON 7A PROJECT STATISTICS

Concrete:	More than 32,000 cubic yards
Steel foundations:	1,152 piles totaling about 119,000 linear feet
Reinforcing steel:	3,700 tons
Underground electrical duct bank:	6,000 linear feet
Piping:	45,000 linear feet
Flow Equalization Tank #2:	4.2 million gallon capacity, 142 feet inside diameter
Flow Equalization Tank #3:	7.4 million gallon capacity, 187 feet inside diameter

Mechanical Superintendents **Steve Kilmer** and **Ron Jenkins**, Civil Superintendent **Tim Tuel**, joined by **Bill White** (now at Fru-Con's Flat Branch project), Underground and Site Superintendent **Dale Louk** (now at Flat Branch project), Warehouse Superintendent **Josh Richmond**, Engineering Manager **Ben Johns**, Project Mechanical Engineer **Jeff Tedder**, Mechanical Field Engineer **Pranav Patel**, Civil Field Engineer **Chuck Phillipp**, Cost Engineer **Dave Weber**, Commercial Manager **Laxman Mahar**, Office Manager **Gale Jeffrey**, (now at Fru-Con's Flat Branch project), Accounts Payable Clerk **April Richards**, Quality Control Manager **Tim O'Dell**, Quality Control Inspector **Larry Blacksher**, Engineering Interns **Kevin Wilson** and **Daniel Schroyer**, and Safety Manager **Tom Sowards**.



The Arlington County facility can now process 40 million gallons of wastewater per day, a 33 percent increase in capacity.

Citizenship

Caring for Our Neighbors

An effort begun 61 years ago by six leaders of Fru-Con (then named Fruin-Colnon Construction) continues to provide hope and funding for nonprofit organizations each year. Founded in 1948 with an endowment of \$4,200, the **Fru-Con Foundation** assists organizations operated for religious, charitable, scientific, veteran rehabilitation services, literacy or educational



A donation from Fru-Con Foundation is presented to ACTS Executive Director Francis Harris (center) by Denise Lucas (left), Fru-Con human resources and payroll manager, and Fru-Con CFO Ralf Fuchs.

purposes and for the prevention of cruelty to children.

Each year, the foundation trustees use earnings on the foundation principal to provide grants to community organizations. The original endowment of \$4,200 has grown to exceed \$670,000.

In the last 10 years alone, more than \$400,000 has been awarded to organizations across the United States. Donations of \$20,000 have been made this year to:

- Army Emergency Relief, Virginia
- Salvation Army, Woodbridge, Virginia
- Tutwiler Clinic, Mississippi
- American Red Cross
- ACTS (Action in Community Through Service), Woodbridge, Virginia
- National MS Society
- St. John Catholic Church, McLean, Virginia
- St. Paul United Methodist Church, Woodbridge, Virginia
- Family Center, St. Louis, Missouri

Serving as trustees for Fru-Con's 61-year tradition of caring for our neighbors are President & CEO **Clem Mitchell**, Chief Financial Officer **Ralf Fuchs** and Vice President of Human Resources & Safety **Charlie Weeks**.

Employee Spotlight

Welcome to New Fru-Con Team Members

Fru-Con has been pleased to welcome many new staff members from May through October 2009. Congratulations to our new colleagues in our Fru-Con office and field locations.

Woodbridge Office

Noel LaPenna, administrative assistant
Victoria Le, human resources/payroll assistant
Dag Dejene, estimator

New Design

John Crowley, project engineer

Carpenters

William Gaitan Torres
Miguel Rodriguez Roque

Laborers

Steven Jenkins
Jose Treminio
Vazquez Villanueva
Michael Hernandez
Brett Rogers
Daniel Keller

Dagoberto Posada

Mario Martinez
Salomon Rivas
Terron Fontenberry

Operators

Robert Burlett
Michael Smargiassi

Pipefitters

Timmy Goodman
Jose Reyes

Financial Team Works Hand-in-Hand with Operations

A vision for strengthening the bond between all of Fru-Con operations and the firm's Accounting & Finance Department drove successful department realignment in early 2009. The shift occurred after Fru-Con relocated its headquarters from St. Louis, Missouri to Woodbridge, Virginia.

Fru-Con CFO **Ralf Fuchs** said the change made it possible to reassess all processes performed in the Accounting Department, reallocate responsibilities to match current needs and implement streamlined structures to support the entire company.

Fuchs explains, "Our goal is for the Accounting & Finance Department to be a fully integrated partner with all Fru-Con field operations. With this approach, we believe we improve communication among commercial managers in the field and corporate team members. This helps all of us work as partners for the benefit of our clients and the company."

As corporate controller and head of the accounting department, **Corey Benner** coordinates the efforts of Senior Accountant **Diana Simpler**, primarily responsible for U. S. GAAP reporting; **Deron Jones**, cash manager; and **Candice Ritchie**, accounts payable and subcontractor administration.

In the summer of 2009, Fru-Con initiated a new position called project controls manager. **Eric Anderson**, who possesses 10 years of commercial experience within Fru-Con's field and corporate operations, has the ideal blend of knowledge to fulfill this role. His aim is to serve as a liaison between the commercial aspects of field operations and Fru-Con's financial reporting requirements. His practical experience makes him a helpful resource for Fru-Con operations team members looking for tips and best practices on cost control and other



The Fru-Con Accounting Department team includes (standing, from left) **Deron Jones**, **Ralf Fuchs**, **Corey Benner**, **Diana Simpler**, **Eric Anderson** and (seated, from left) **Victoria Le**, **Candice Ritchie** and **Denise Lucas**.

financial practices critical for project success. More recently, Eric has also assumed the role of risk manager, handling all insurance matters for Fru-Con.

Denise Lucas, our payroll manager, is in the process of taking over all human resources functions from **Charlie Weeks**, who will retire from his role as vice president of human resources and safety at the end of 2009. **Victoria Le**, our new payroll assistant, is in training to support field operations in the future on payroll matters.

"This new team is well positioned to take on the challenges of 2010 and beyond," says Fuchs. "We have the right people in the right spots to serve and support our field operations working hand-in-hand toward the same goals."

Flat Branch Pump Station – from page 3

The expansion of the 25-acre Flat Branch site is the most recent response of UOSA to the ever-increasing demands made by burgeoning suburban Washington, D.C. According to Madkour, the project will increase the capacity of the pump station from 45 million gallons per day (GPD) to 120 million GPD. Fru-Con's work also will set the stage for linking Flat Branch, via a new force main, to UOSA's Compton Road Treatment Plant.

Currently, Fru-Con is building a new submersible pump station that will take over the sewage load from the existing facility in late 2010. The existing facility, in turn, will be demolished and rebuilt.

The biggest challenge overcome to date was contending with a 48-inch concrete sewer line that intersected the footprint of the new pump station. "To build the new structure on top of the existing line without compromising it would have been problematic," Madkour says. "We

suggested an alternative – to relocate the new pump station and add a new capture structure that would enable us to divert the sewage flow when the new station is commissioned. Our idea was approved and is one reason why we are ahead of schedule today."

Other elements of the project include odor control facilities, a new maintenance building and a new electrical building supported by two new diesel-fueled emergency generators.

Key Fru-Con project team members joining project designer and engineer **CH2M Hill** at Flat Branch are Senior Project Manager **Osama Madkour**, Senior Project Engineer **Steve Kobusch**, Project Engineer **Enrique Prangner**, Project Engineer **Miguel Rivas**, Project Commercial Manager **Peggy Dunn**, Administrative Assistant **Gail Jeffrey**, Civil Superintendent **William White**, Site Superintendent **Dale Louk** and Project Safety Manager **Danny O'Neal**.

Centennial Preserves Treasured National Landmarks Using JOC

Centennial Contractors Enterprises has taken its special Job Order Contracting (JOC) approach to the demands of historic building renovation throughout the United States – with significant results.

Two recent examples are **Gadsby's Tavern Museum** and **Friendship Fire Company** in one of the country's oldest cities, Alexandria, Virginia. The JOC approach matched the city's needs on two fronts: the intense project scoping ensured potential challenges were addressed



Centennial applied Job Order Contracting (JOC) to preserve Gadsby's Tavern Museum in Alexandria, Virginia. The original tavern provided hospitality to George Washington, John Adams, Thomas Jefferson, James Madison and the Marquis de Lafayette.

before touching the landmarks and the city's long-term relationship with Centennial enhanced understanding of needs and expectations.

Originally, Gadsby's was constructed as two buildings – a tavern, completed in 1785, and the City Hotel, built in 1792. The tavern attracted the day's notables, including George Washington, John Adams, Thomas Jefferson, James Madison and the Marquis de Lafayette.

Eager to preserve its history, the city of Alexandria approached Centennial to perform a heating, ventilation and air conditioning (HVAC) retrofit on Gadsby's central system, installed in the 1970s. The Centennial team value-engineered an ingenious solution – locating equipment in an underground vault attached to the building and in the existing attic. Centennial's design eliminated issues relating to logistics, safety and historic preservation standards and saved the city more than \$400,000. Centennial crews replaced the cooling tower, chiller, pumps and fan coil units, and upgraded the HVAC control system.

Centennial then moved to the Assembly Room at Gadsby's Tavern. After testing the ballroom's structural integrity and developing a safe plan for floor replacement, crews reinforced the substrate and installed 18th century heart of pine flooring true to the building's origins. Over-

head, the team carefully repaired and painted the plaster ceiling. Work was performed while the building remained open to public access.

The Friendship Fire Company – pre-dating Gadsby's – was established in 1774 as the first volunteer fire company in Alexandria. The surviving firehouse structure was built in 1855, remodeled in 1871 and renovated in 1992. Its first floor Engine Room houses hand-drawn fire engines, leather water buckets, axes, sections of early rubber hose and other historic firefighting equipment. An exhibit highlights the development of firefighting technology and other fire companies that have served Alexandria's citizens. The second floor Meeting Room retains its 19th century furnishings. Visitors can view parade uniforms, capes, banners and other regalia. Several images throughout the museum symbolize George Washington's association with the Friendship Fire Company.

Centennial restored the Friendship Firehouse Cupola. Complete lead paint abatement was performed to bare wood and original wood elements were restored. Team members fabricated replica moldings to replace those rotted beyond repair and completely replaced the building's roof. Equipped with the city's historical paint research and analysis, Centennial repainted the firehouse to match its original 1855 appearance.

"The details, passion and strict demands of planning, renovating and repairing these historic public buildings were perfectly suited to Centennial's approach for executing JOC. We were able to serve as an extension of the customer's team in the stewardship and protection of these national treasures" says **Mike O'Neill**, Centennial regional vice president of operations. "As a trusted advisor to the City of Alexandria, it was an honor and a great responsibility to help preserve these facilities for future generations through our work."

Working with Centennial in a JOC program on historic projects has allowed many clients to remain flexible in project scoping while expediting timelines. Clients appreciate the value-added JOC services Centennial offers, including joint scoping, dedicated staff and targeted design input.



The Centennial team expertly restored the cupola of the Friendship Fire Company firehouse, built in 1855.

Investors Affirm Bilfinger Services Growth

The first nine months of 2009 for Bilfinger Berger's worldwide operations showed steady performance against last year's exceptional results. While some sectors are down, growing contributions by the company's services units created steady volume year-to-year. The strength of investor confidence in the firm was recently affirmed with issuance of 8.8 million new no-par value bearer shares that yielded gross proceeds of €270 million to be used to partially finance the acquisition of MCE and maintain the firm's financial flexibility.

Highlights of the company's progress this year include:

- Bilfinger Berger agreed to acquire **MCE**, a provider of industrial and power services based in Linz, Austria, to further strengthen the leading position of its Industrial Services and Power Services groups in Europe. To help integrate major sections of MCE into Bilfinger Berger Industrial Services AG (BIS), **Thomas Töpfer**, who serves on Bilfinger Berger's Executive Board, has assumed leadership again as chairman of the BIS Executive Board.
- It has completed its acquisition of **Swiss Rohrbau Group**, an industrial services company focused primarily on Switzerland and extending into Germany. It specializes in the manufacture and assembly of piping systems and devices.
- The company announced plans to explore a potential initial public offering (IPO) of its construction operations in **Australia**, with proceeds used to expand the company's Services segment.
- Bilfinger Berger holds a 50 percent stake in constructing **Europe's largest offshore wind farm** with its Danish partner, Per Aarsleff. Together, they are constructing foundations for 175 wind turbines and two substations at the new London Array offshore wind farm in the outer Thames Estuary.

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