



Black Construction Corporation Excellence Newsletter

December 31, 2014

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Safety Mission Statement

"To establish, through open communication and a spirit of cooperation from all Black Construction Corporation employees, an environment that promotes and practices safety awareness and achieves a company-wide accident and injury free working environment."

Message from the General Manager

Warm Holiday Greetings to the Black Family,

As we bring 2014 to a close let us give thanks for the many blessings that we share as a company and family. It has certainly been an auspicious year in many respects beginning with our record

setting volume for the Black Group. There has also been a number of local and national recognitions from various organizations beginning with the Eagle Award from the National General Contractors Association for work performed on the Kosrae Jail received this past March. Also notable were LEED Silver certifications issued by the USGBC on both the Personal Finance Center for CAM 5 Properties and the US Air Force Red Horse Headquarters facility at Northwest Field. Our final recognition found Black Construction being awarded the Excellence in Construction for 2014 for its performance on the North Ramp Parking Apron facilities culminating a year of phenomenal results. This was the 4th EIC recognition awarded to BCC over the past 6 years. Congrats to the entire organization for job's well done!

On a slightly negative spin 2014 has also seen a very aggressive bidding market. Over the past 12 months approximately \$350 million in new military construction projects were awarded to a number of competitors. Although disappointing we must "keep the faith" and continue to keep focus on the ones yet to be announced. With the recent announcement of the marine realignment moving forward and imminent signing of the amended Record of Decision we can expect to see more work for Guam with continued competition in the foreseeable future. Kudos to the entire estimating department for their continued faith and perseverance. Keep up the good work.

On the flip side, we were fortunate to be awarded some new work for 2015 beginning with the Diego Garcia IDIQ program. There are a number of exciting task orders that the Black-MACE Joint Venture secured for next year which exceed a total of \$34 million at the moment. Some are traditional Design Bid Builds while others are DB's. We are certainly fortunate and blessed to have this work for the next 4 years. We hope it will last that long given the Navy has awarded 36% of the stated \$95million dollar 5 year program in only the first year. Another addition to our backlog was the letter of intent to award the Puerto Rico Dump closure in Saipan. This project is just under \$24 million and almost identical to the Ordot project currently under construction.



Some of the notable projects that were completed and closed in 2014 were the North Ramp Parking Apron EIC awardee, the Uniform Tango Wharf Improvements, GPA Smart Grid program, Barrigada and Rte. 16 Sewer Pump Stations, and one project that offered significant challenges to our supervision, craft manpower, warehousing, purchasing, dispatch and engineering departments was the Lotte Duty Free Shoppers. A project that tested our capabilities individually and combined as a company. With unrealistic milestone dates for various phases of completion Black rose to the occasion in providing a safe, qualitative product much to the satisfaction of the client and all other parties involved. From our original contract value the BCC project and estimating teams provided essential guidance and confidence to the client increasing the original value by over 45%. Great job to Team Lotte.

It is imperative that I recognize the efforts of our Lockwood Housing, Ordot Landfill and Port project Teams for their hard work and unwavering confidence in moving these jobs forward given the lack of manpower on all three projects. This temporary dilemma is slowly being resolved with the recent arrival of 38 H2b craft workers from the Philippines. We anticipate that the addition of these individuals into the work force will definitely assist us in mitigating time delays due to the serious lack of capable workers. I'd also like to welcome the recent L1 engineering transfers from Black Micro and E.E. Black to Black Guam. A hearty welcome to all of you and your families.

In closing, the Black group will carry into 2015 a decent backlog that will require drive, determination and good old hard work from each and every employee of Black to successfully achieve our financial goals and targets while ensuring we meet the contract schedules. Each and every one of us has a responsibility to the company and to ourselves to continue the legacy we have all worked so hard to develop. So may the good lord continue to bless all of us and keep us mindful and diligent of our daily responsibilities and duties as we close 2014 and welcome in another year as Black Construction.

Happy New Year to All!

LKK

OSHA Issues New Requirements for Reporting Injuries & Fatalities

OSHA has issued a final rule that requires employers to notify the agency when an employee is killed on the job or suffers a work-related hospitalization, amputation or loss of an eye. Effective January 1, 2015, the rule also updates the list of employers partially exempt from OSHA recordkeeping requirements.



According to OSHA and the Department of Labor, the decision was influenced by BLS's 2013 National Census of Fatal Occupational Injuries. "Today, the BLS reported that 4,405 workers were killed on the job in 2013. We can and must do more to keep America's workers safe and healthy," says U.S. Labor Secretary Thomas Perez. "Workplace injuries and fatalities are absolutely preventable, and these new requirements will help OSHA focus its resources and hold employers accountable for preventing them."

Under the revised rule, employers will be required to notify OSHA of work-related fatalities within 8 hours, and work-related in-patient hospitalizations, amputations or losses of an eye within 24 hours. Previously, OSHA's regulations required an employer to report all work-related fatalities and only in-patient hospitalizations involving three or more employees. Employers were not required to report single hospitalizations, amputations or loss of an eye. The agency is developing a web portal for employers to report incidents electronically, in addition to the phone reporting options.

OSHA also updated the list of industries that are exempt from the requirements to routinely keep injury and illness records. The rule uses the North American Industry Classification System (NAICS) rather than the SIC system, to classify establishments by industry. You can learn more on www.osha.gov.

Talent is God-given; be humble. Fame is man-given; be thankful. Conceit is self-given; be careful.

Harvey Mackay

LOTTE Duty Free Project Photos





"Accountability breeds response-ability." *Stephen R. Covey*

Safety Tips

Electricity: Fact vs. Fiction

IN 2011, EXPOSURE TO ELECTRICITY resulted in 174 worker fatalities and more than 2,000 cases involving days away from work, according to the 2014 edition of the National Safety Council's "Injury Facts." Understanding electrical safety on the job is critical. But can you separate electrical safety myths from facts?

Misunderstandings about electricity can lead to injuries and deaths, and supervisors must ensure their employees know how to work safely with and around electricity. Below, NSC addresses six common misconceptions about electricity.

MYTH: Electricity will always take the path of least resistance.

TRUTH: An electrical current will take any conductive path, regardless of its resistance level.

MYTH: If an electrical tool falls into water, it will short out and trip the circuit breaker.

TRUTH: This is not necessarily true. If the body of water the tool fell into is non-conductive, then it is not part of a loop to the ground. However, a worker should never reach into water to retrieve an item. Because water acts as a conducting path for the electricity in the tool, a worker may receive a serious or even fatal shock if he or she puts one hand in the water while another part of the body is touching a grounded object.

MYTH: Electricity generally goes to ground.

TRUTH: When electricity goes to ground, it does not simply disappear. Instead, ground acts as an "electrical loop" that an electrical current uses to return to the grounded power source.

MYTH: Alternating current reverse polarity is not dangerous.

TRUTH: Electrical tools, attachment plugs and receptacles must be properly wired so that the designated polarity cannot be reversed, according to the National Electrical Code. Often, tools have switches in one of the two conductors for the tool. NEC states that the switch should be on the "hot" conductor supplying the energy.

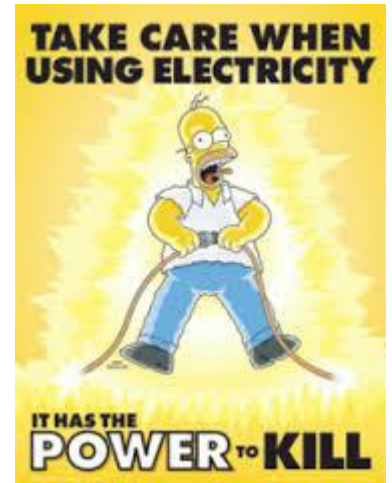
MYTH: The voltage level has to be high to cause a fatality.

TRUTH: Although voltage plays a role in determining how strong of a current flow, current is what kills. An AC voltage of only 60 volts can kill a worker.

MYTH: Double-insulated tools will always protect against electricity.

TRUTH: Always read the manufacturer's instructions, and never place your whole trust in any electrical safety device.

To help reduce incidents of electric shock among employees, ensure your workplace has an effective electrical safety policy in place and that workers are properly trained on electrical hazards.



Upcoming Safety Training

January 2015 safety training schedule:

- 16-Hours On-Site Personnel Construction Safety Hazard Awareness Training, January 12-13 at the Dispatch starting at 7AM – Instructor Joseph Leasiolagi
- NFPA 70 & 70E Training, Electrical Safety in the Workplace, January 12-16 at IHP starting at 8AM – Instructor Noel Williams – National Fire Protection Association (NFPA)
- 24-Hours Confined Space Competent Person Training, January 28-30 at IHP starting at 8AM – Instructor Jack Fernandez / Jim Brandt

"Do you know what happens when you give a procrastinator a good idea? Nothing!" Donald Gardner

CANDID PHOTOS



"Anyone who ever gave you confidence, you owe them a lot."

Truman Capote

ORDOT Dump Project Photos



VPP Safety Committee

Your VPP Safety Committee continues to move forward with monthly project / shop audits to ensure safety compliance. The purpose of the Safety Committee is:

1. To promote and maintain the interest of employees in health and safety issues.
2. To educate managers, supervisors and employees through awareness and training activities that they are primarily responsible for the prevention of workplace accidents.
3. To help make health and safety activities an integral part of the organization's operating procedures, culture and programs.
4. To provide an opportunity for the free discussion of health and safety problems and possible solutions.
5. To inform and educate employees and supervisors about health and safety issues, new standards, research findings, etc.
6. To help reduce the risk of workplace injuries and illnesses.
7. To help ensure compliance with federal and state health and safety standards.

Your VPP Safety Committee members are: Randy Godoy, Melissa Perez, Dawna Chargualaf, Tara Farnum, Fred Mendiola, Gerry Delfin and Jeffrey Gunston.

Safety Performance

This year's safety performance will rank among the top 3 successful reporting years to date for BCC. Although we have recorded no Lost Time Incidents (LTI) in 2010 and 2012, this year marks the first time since 2008 where we have exceeded 1M manhours of work without a LTI. In 2008 we accumulated 1,093,609 manhours, in 2010 637,015 and in 2012 we had 666,607. Irrespective of the manhour totals, this statistic represents a positive shift in our safety program and we should all be proud of this accomplishment.

In addition to our LTI accomplishment, our **Days Away, Restricted or job Transferred (DART)** over the past three reportable years has been excellent. We have significantly reduced injury and accident rates through the implementation of a strategic safety plan and progressive Return-to-Work program. Figure 1 below illustrates our excellent DART rates compared to the government standards. 2014's DART is currently at 1.25.

DART Rates	2011	2012	2013
Black Construction Corporation	1.24	1.20	0.52

*Figure 1

Legend

Very Low Risk (Less Than 1.0)	Low Risk (1.0 to 1.99)	Moderate Risk (2.0 to 2.99)	High Risk (3.0 to 3.99)	Extremely High Risk (Greater than 4.0)
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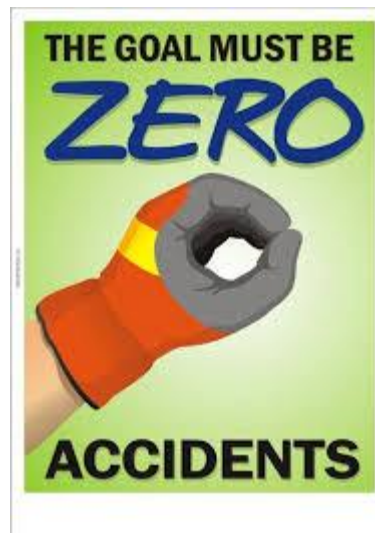
WORKER'S COMPENSATION PROGRAM

Our loss experience summary of our worker's compensation program over the last ten years as reported by our single Worker's Compensation carrier American Home Assurance (Chartis Insurance) since 1955, have expressed continued praise of our Safety and Risk Management practices.

Chartis reports that we have never had a rate increase due to high Loss Ratio. More importantly, the average Loss Ratio for the past five years has only been 17.11% compared the industry acceptable level of 65%. In essence, BCC is an excellent risk which is clearly reflected in our low Loss Ratio.



"Hold on, let me just check my e-mail"



Seven Steps for Returning Injured Employees to Work

Effective return-to-work programs can help reduce a company's worker's compensation costs, improve employee morale and compel employees to participate in an active recovery. Business and Legal Resources has compiled a list of seven steps to help make returning to work a success.

1. Develop a return-to-work policy for consistency.
2. Establish a central point of contact for the injured employee.
3. Contact the injured employee and start an interactive communication process.
4. Provide information to the treating physician about the injury and the job.
5. Research and evaluate possible accommodations, and keep in mind the needs of the employee and organization.
6. Establish a timetable for returning to work.
7. Encourage and support the employee's recovery.

Visit <http://Safety.BLR.com> for more information.

Earthquake Preparedness and Response

PREPAREDNESS

The primary dangers to workers result from: being struck by structural components or furnishings, inadequately secured stored materials, burns resulting from building fires resulting from gas leaks or electrical shorts, or exposure to chemicals released from stored or process chemicals. Many of the hazards to workers both during and following an earthquake are predictable and may be reduced through hazard identification, planning, and mitigation.

There are many things you can do to prepare your workplace before an earthquake occurs:

- Pick "safe places". A safe place could be under a sturdy table or desk or against an interior wall away from windows, bookcases or tall furniture that could fall on you. The shorter the distance to move to safety, the less likely that you will be injured. Injury statistics show that people moving as little as ten feet during an earthquake's shaking are most likely to be injured.
- Practice drop, cover, and hold-on in each safe place. Drop under a sturdy desk or table and hold on to one leg of the table or desk. Protect your eyes by keeping your head down. Practice these actions so that they become an automatic response.
- Practice these safe earthquake procedures (i.e., drop, cover, and hold-on) at least twice a year. Frequent practice will help reinforce safe behavior. When an earthquake or other disaster occurs, many people hesitate, trying to remember what they are supposed to do. Responding quickly and automatically may help protect you from injury.
- Make a plan for workers to follow in the event of an earthquake and be sure that it includes the following precautions:
 - Wait in your safe place until the shaking stops, then check to see if you are hurt. You will be better able to help others if you take care of yourself first, and then check the people around you. Move carefully and watch out for things that have fallen or broken, creating hazards. Be ready for aftershocks.
 - Be on the lookout for fires. Fire is the most common earthquake-related hazard, due to broken gas lines, damaged electrical lines or appliances, and previously contained fires or sparks being released.
 - If you must leave a building after the shaking stops, use the stairs, not the elevator, and look for falling debris. Earthquakes can cause fire alarms and fire sprinklers to go off. You will not be able to rule out whether there is a real threat of fire, and the elevators may have been compromised. Always use the stairs.
 - If you're outside in an earthquake, stay outside. Move away from buildings, trees, streetlights and overhead lines. Crouch down and cover your head. Many injuries occur within ten feet of the entrance to buildings. Bricks, roofing and other materials can fall from buildings, injuring persons nearby. Trees, streetlights and overhead lines may also fall, causing damage or injury.



- Inform workers of the plan and discuss earthquakes with workers. Everyone in your workplace should know what to do if an earthquake occurs. Discussing earthquakes ahead of time helps reduce fear and anxiety and lets everyone know how to respond.
- Get training. Take a first-aid class from an organization such as the American Red Cross, American Heart Association, or National Safety Council chapter. Get training on how to use a fire extinguisher. Keep your training current. Training will help you to keep focused and know what to do when an earthquake occurs.
- Businesses can use the Federal Emergency Management Agency How to Series for protecting people/property during emergencies. Perform a workplace survey, especially if you are in an area with a high risk of earthquakes, to identify potential hazards to workers if an earthquake occurs. Look for furniture or materials that could fall and strike workers or block means of egress, or cause a release of hazardous materials, or otherwise affect the health and safety of workers as a result of utility loss or system/structural failure. Follow mitigation techniques recommended by FEMA for equipment and furniture.

What are aftershocks?

Aftershocks are smaller earthquakes that follow the main shock and can cause further damage to weakened buildings. After-shocks can occur in the first hours, days, weeks, or even months after the quake. Be aware that some earthquakes are actually foreshocks, and a larger earthquake might occur.



Another year of success and happiness has passed. With every New Year, come greater challenges and obstacles in life. We wish you courage, hope and faith to overcome all the hurdles you face. May you have a great year and a wonderful journey ahead.

Symbols of Excellence



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