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Sean Seecharan, a reactor-entry technician for Catalyst Services. peers through his protective helmet during confined-space training at Catalyst Services' Alberta, Canada, location. Zachry Group acquired Catalyst Services, a division of Clean Harbors, on Aug. 31. Catalyst Services is an international leader in change-out services for refining and petrochemical customers. With 500 employees in the U.S., Canada and the Republic of Trinidad, Catalyst Services now operates as part of Zachry's Services Group under JVIC Specialty Services. Photo/Nick Grancharoff

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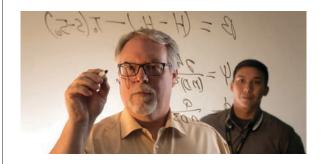
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This newsletter is printed on paper that contains recycled fiber and vegetable-based ink.



A few years ago, I was on the phone with a newspaper reporter. She was working on a rankings list that included a number of companies, and she needed some additional information about Zachry Group. The reporter was looking for quick facts, while I wanted to make sure she understood the context of the information. In media relations, this kind of conversation can be challenging. Suggestions from corporate media relations people often go unheeded. Still, I calmly attempted to help shape the story in a direction that was factual and favorable to Zachry Group's brand and reputation. To my surprise, the reporter was very receptive to my suggestions and feedback.

Before we hung up, she shared an interesting story. Many years earlier, she said, when she was a teenager, she lost her wallet while walking home from school. After retracing her steps, she gave up hope of finding the wallet. Later that day, she told me, her wallet was returned with everything in it. She paused before telling me who returned it: "A man who worked at Zachry," she said. That small kindness was something she never forgot.

In 2014, as we were embarking on a massive build-up of employees in Brazoria County to support multiple projects there, I attended a groundbreaking event for one of our large projects. One of my goals was to meet the state representative whose legislative district includes Brazoria County. Part of the work of External Affairs is to establish open lines of communication with elected officials in areas where our employees live and work.

At the event, I approached the state representative, introduced myself and told him I worked for Zachry Group. He shook my hand enthusiastically, as if we had already met, which surprised me. I soon understood why. The representative spoke at the event, and during his remarks he said that major projects like the one we were about to begin meant more than just growth and economic development; they also meant benefiting from the new people who become part of the community—as an example, he shared that two Zachry employees were serving as volunteer coaches and positive role models for his son's soccer team. Those two employees made my job that day much easier.

It's amazing to consider how each individual employee can make such a lasting impression. These two stories are examples of Zachry employees going above and beyond, demonstrating without prompt or reward our values of Trust, Integrity and Service. There are many



"I've learned that people don't care much about what you know, until they know how much you care."

- A.J. Rodriguez, Vice President, External Affairs

similar stories. It's who we are; we show our best selves—to customers, to business associates, partners, to community officials and leaders, and to everyday people.

In External Affairs, service is 99.9 percent of what we do. Our focus areas are 1) community and civic engagement, 2) public policy and government relations, 3) media and public affairs, and 4) corporate philanthropy. Our team is responsible for facilitating our interaction with elected officials, fielding media calls and crisis communications, administering the annual United Way campaign across the enterprise, and working with our Care Teams at sites across the country.

Team members connect on a daily basis with many people; relationships are at the core of our activities. As far as we are concerned, every member of the Zachry organization is part of the External Affairs team. Our engagement in communities through our employee volunteer activities, our generosity during the United Way campaign, and our overall philanthropic endeavors, reinforce the positive reputation that often precedes us.

During my career, I've learned that people don't care much about what you know, until they know how much you care. At Zachry, we care, and people see that. Our attention to a higher level of service, while remaining true to our steadfast character, has been a differentiator that will continue to serve not just those of us working here today, but tomorrow's employees, who will continue to benefit from our efforts and good works well into the future.

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A.J. Rodriguez

We want to hear from you. Please send your feedback or story

Please send your feedback or story ideas to forcereport@zachrygroup.com.

FIND US ON FACEBOOK @ WWW.FACEBOOK.COM/ZACHRYGROUP

@ WWW.PINTEREST.COM/ZACHRYGROUP

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Bright lights illuminate the Port Everglades Clean Energy Center at night in Fort Lauderdale, Florida. Photos/Nick Grancharoff

PROJECT ACCOLADES

PORT EVERGLADES CLEAN ENERGY CENTER NAMED A BEST PROJECT BY ENR SOUTHEAST



The recently completed Port Everglades Clean Energy Center in Fort Lauderdale, Florida, was named a 2016 Best Project by *ENR Southeast*,

Engineering News-Record's regional publication covering Florida, Georgia and the Carolinas. The project, a winner in ENR's Energy/Industrial category, was Zachry's third combined-cycle EPC project for Florida Power & Light (FPL), following the construction of the Cape Canaveral and Riviera Beach clean energy centers, completed in 2013 and 2014.

The Port Everglades plant was built on the site of an oil-burning, 1960s-era plant that had been partially demolished. The new energy center produces up to 1,250 megawatts of power using its three gas-fired turbines and one steam turbine. The new plant uses about 35 percent less fuel per megawatt-hour while reducing air emissions approximately 90 percent and cutting carbon dioxide emissions by half. FPL touts that the reduction in air emissions is similar to taking 46,000 cars off the highway each year, and the plant's improved efficiency is

projected to save its customers more than \$400 million during its 30-year lifespan.

Zachry's construction and engineering teams leveraged lessons learned from the design and construction of the Cape Canaveral and Riviera Beach plants, enabling the Port Everglades construction team to twice accelerate the schedule to help FPL meet anticipated power demands. The Port Everglades project is profiled in the November issue of *ENR Southeast*, and it also will be celebrated at the annual Best Projects Awards Luncheon this November in Orlando, Florida.

INDUSTRY RECOGNITION

ENR NAMES ZACHRY GROUP NO. 1 TEXAS CONTRACTOR



Zachry is proud to be tops in Texas, as ranked in *Engineering News-Record's (ENR) Top Texas* & Louisiana Contractors list. Zachry is the

No. 1 Contractor in Texas and holds the No. 2 spot—up from No. 5 last year—out of 100 contractors in Texas and Louisiana. *The Top Contractors* list, published annually, ranks general contractors, both publicly and privately held, based on construction contracting-specific

revenue. Zachry also performed well in other Texas and Louisiana business sectors in which it was rated, including the following:

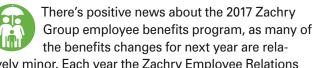
- · No. 1—Design-Build
- No. 1—Power
- No. 1—Renovation
- No. 2—Negotiated Work
- · No. 2—Petroleum

"Regional contractors are poised for healthy growth in the years to come, with many firms projecting consistent construction demand following a steady performance in 2015 and the first half of 2016," according to *ENR*.

The online journal also stated that the top 100 firms in its *Texas & Louisiana Top Contractors* ranking "reported combined 2015 revenue of nearly \$35.6 billion across the two states, with roughly \$30 billion of that in Texas and \$5.6 billion in Louisiana. The total was almost \$1.5 billion more than the \$34.16 billion reported in 2014." ■

2017 BENEFITS

ZACHRY U.S. EMPLOYEE BENEFITS PROGRAM FEATURES MINIMAL CHANGES FOR 2017



tively minor. Each year the Zachry Employee Relations team looks closely at the package of employee benefits to ensure that Zachry's benefits are competitive in the marketplace and help employees take care of themselves and their immediate family members. Here are a few of the 2017 highlights:

- New dental insurance carrier: MetLife Dental
 Employees will continue to have Standard and
 Enhanced plan options. The new plans include benefit enhancements such as coverage for implants and no waiting period for orthodontia.
- New vision insurance provider: MetLife Vision The new vision plan options will include lower-cost exams and higher benefits for frames and contacts. Also, the provider network for both plans includes Sam's Club, Wal-Mart, Costco, Texas State Optical and many Pearle Vision locations. The Group Vision plan will include a significant new benefit for field employees: prescription safety glasses.
- New prescription provider: CVS Caremark
 Employees enrolled in the Health Savings Plan or the
 Value Plan for 2017 will have prescription coverage



Zachry's dedicated Benefits Team, part of Employee Relations, is ready to respond to your questions about the company's benefits program. Pictured from left are Benefits Specialist Guadalupe Soto, Benefits Specialist Richard Salas, Benefits Manager Megan Hansen, Benefits Specialist Elba Rusinque and Benefits Specialist Melissa Garcia.

through CVS Caremark, which will provide short- and long-term prescription drug savings for participants. Also, participants will receive in-network discounts at CVS Minute Clinics and may refill prescriptions through a smartphone app. Note: Because there is a new prescription plan provider, all Health Savings Plan and Value Plan participants will receive new insurance cards from BlueCross BlueShield in December.

Questions about your Zachry benefits? Call the Benefits Department at 800-929-0481 or email benefitsdept@zachrygroup.com. For more information about the Zachry benefits program, visit benefits.zhi.com. ■

FITNESS BENEFIT

FITNESS CENTER DISCOUNTS AVAILABLE FOR BLUECROSS BLUESHIELD PLAN PARTICIPANTS

This benefit is already in place, so check it out right away. If you're enrolled in the Health Savings Plan or Value Plan, you're automatically a participant in BlueCross BlueShield's Fitness Program, which enables you to join a participating local gym or fitness center for only \$25 per month. The program is available to enrolled employees and their covered dependents over age 18; the nationwide program includes more than 8,000 participating fitness centers.

To learn more, go to www.bcbstx.com and log on. Under Quick Links, choose Fitness Program.

SPECIALTY SERVICES

TOWERS

TOWER SERVICES TEAMS PROVIDE CRITICAL-PATH TURNAROUND WORK FOR CHEMICAL AND REFINING INDUSTRIAL CUSTOMERS



They look like other-worldly cities

from a science-fiction novel, vast landscapes peppered with tall, tubular towers and dome-shaped tops. The towers in

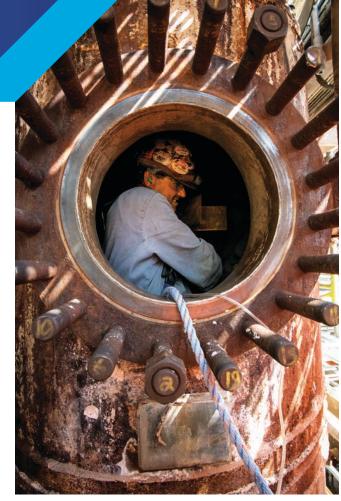
chemical and refining industrial plants distill raw, crude oil—the first step in the complex production of liquids and gases that are then sold to manufacturers and used to produce a host of consumer goods.

One of these hundreds of facilities dotting the Texas and Louisiana Gulf Coast is LyondellBasell's Corpus Christi, Texas, ethylene and propylene plant, where for more than a year JVIC's Tower Services mechanics worked on a significant turnaround. "It's the 'Daddy of 'em all,'" said Tower Services Operations Manager Jim Ray Armstrong of the biggest tower project that JVIC has ever undertaken, and which the team completed this past September.

The massive job included debottlenecking 36 vessels; nearly half were entire tower and drum revamps or modifications. The repaired and reconfigured towers will increase ethylene production by 50 percent. Ethylene is essential to generating plastics that are used in housewares, automotive parts, food packaging and personal care products.

"To put this project in perspective, a typical turnaround includes one or two major vessel revamps or reconfigurations and usually lasts between four and six weeks, from planning to execution," Armstrong said. In contrast, the LyondellBasell project—from planning to completion—was just over a year.

While most projects aren't the size of the LyondellBasell Corpus Christi debottleneck, each turnaround is central



Tower Technician Pedro Chavez bolts a tray inside a hydrolyzer tower before final closure at the BASF plant in Beaumont, Texas. Photos/Nick Grancharoff

to a plant's production. JVIC's seasoned and dedicated tower crews understand this and take seriously the customer's sense of priority with every turnaround, while delivering exceptional quality and maintaining a safe working environment.

THE TOWER MARKET

"If it has to do with a tower, we do it," said Tower Services Director **Bob Hodgson**. Hodgson has worked in the tower field for 47 years—the last 10 leading JVIC's Tower Services. JVIC's tower work represented a smaller part of the portfolio when Hodgson arrived in 2006. The tower business has grown to the point today that it is no longer considered an incidental specialty service, but rather a value-added line of business.

Today Hodgson meets with customers to generate new business and maintain existing customer relationships, and Armstrong manages day-to-day operations.

Many of the JVIC Tower Services employees have worked side by side for a long time. "We have a tight-knit team with a lot of history together," said Hodgson. "Our group has been many years in the making."



"We all love what we do," said Armstrong, "and I think in large part, it's because of the great group we have in place. It's all about developing good people and keeping good people who have a lot of experience working together. That's the secret to running like a well-oiled machine."

TOWER MECHANICS

Like any other area of a plant, towers require regular inspection and maintenance, and are often part of a comprehensive turnaround that includes a number of

specialty services such as catalyst services, bolt torquing, pipefitting, heat exchange extraction, fabrication and specialty welding. JVIC Tower Services mechanics understand and manage all of the "tower internals" inside the immense structures. They know all the ins and outs of working in the confined spaces of towers—from inspection, maintenance and repair, to complete reconfiguration.

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"A lot of what we do is installing more modern equipment, upgrading so that the towers are more efficient," Hodgson said. "Tower work is critical-path work for refineries and chemical plants, and it's all about how much oil you can get with the least amount of pressure drop, getting it separated as quickly and as efficiently as possible. When we come in, our job is to get the work done in days—and sometimes in hours."

Mechanics work in pressurized, steel distillation towers, which are also referred to as vessels or (fractionation) columns. Drums, often non-pressurized tanks that store feedstock or the final product, are also considered part of tower work. The towers all perform the same essential function—distilling crude oil into fractions, from the lightest gases (propane) to the heaviest liquids (asphalt). This refining, or cracking, process is at the heart of every energy and chemical plant, and is continually changing to maximize productivity. "Every process plant has its own purpose and though the basics are similar, they're all different and constantly evolving," said Armstrong.

Mechanics also work on a vast array of towers and trays. "You could publish an encyclopedia of all the different types of vessel internals," said Armstrong. A tower can range from two feet in diameter to 50 feet in diameter, and stand from 20 to 350 feet tall.

TOWER INTERNALS

Training to become a tower mechanic happens on the job, usually first as a hole-watch attendant to monitor conditions inside and outside of the tower, and to help

mechanics evacuate in an emergency. Hole-watch also provides a trainee the opportunity to learn the removal and installation sequence of internals.

Tower crews must be fit—and obviously unafraid of heights or small spaces. "Mechanics have to be able to crawl inside a manway anywhere from 16 to 22 inches in diameter," said Hodgson, "and do a lot of climbing up and down ladders several times a day."

Inside the towers, mechanics, welders and fitters remove, clean or change-out feed pipes, nozzles, diffusers, packing and trays that filter and separate oil. Because mechanics work in a confined space, they must pay attention to a number of potential hazards. One foremost concern is proper ventilation. There's always a blower, or fan, in the tower to circulate air for the workers, to help clear out smoke from welding, and naturally occurring radioactive material (NORM).

In larger towers, several teams may simultaneously work inside at various levels. "Depending on the tower's size, we may have as many as 40 employees inside at one time," said Hodgson, explaining that with a 12-foot-wide column with 100 trays, they might divide the internal tower work into four sections by installing a bulkhead between the sections, with four crews each working on 25 trays.

At the LyondellBasell plant, six crews worked in an enormous C2 splitter. When multiple crews are at work inside a tower, concerns center around ensuring that all areas of the tower are isolated by some type of bulkhead and that every crew is aware of others working inside the tower. Crews working on top of each other



must take great care not to drop anything that could injure someone working below.

Installing internal equipment requires precision. "It all starts with attachments, supports for trays or other components," said Armstrong. Nozzles provide feedstock to the towers. Tray rings are welded into place at various elevations and orientations, and then trays are added.

"Refining plant technology and equipment are constantly changing to produce higher yields," Armstrong said. Towers may have 10 to 150 trays, depending on the process they're supporting. "A conventional tray has limited components and is very easy to install; more complex trays, such as the superfractionation trays installed in a C2 splitter revamp, can have more moving parts than you can count and require precise attention to detail while installing."

Equipment must be carefully installed, and all tower internals must be level and clean. "Everything has a specific tolerance level," said Armstrong. "Some tolerances are plus or minus an eighth of an inch across a vessel. Consider that some of the parts installed weigh a few thousand pounds—the size of a small car. You have this big chunk of iron inside a hole and a design that says it can only be an eighth of an inch off. Add to that the wind factor-wind gusts can throw off measurements when you're laser-leveling a tray 300 feet in the air. As strange as it sounds, this complexity of work is what tower mechanics find appealing."

ORCHESTRATION

Executing with precision, working in confined spaces at extreme heights and learning constantly changing equipment are part and parcel of a tower mechanic's job. "Each project is different; each has its own unique challenges," said Armstrong.

For him, nothing has been more rewarding than seeing the successful completion of the LyondellBasell turnaround. Due to the sheer size of the project, it was split into four zones and staffed as four individual turnarounds, with four superintendents and four crews.

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CONSTRUCTION, TURNAROUND TEAMS COMBINE TO PROVIDE SEAMLESS SERVICES

"There are different pathways to the mountaintop," said Brad Stilwell, JVIC's turnaround project manager for the LyondellBasell Corpus Christi, Texas, debottleneck project. Stilwell and his co-manager on the project, Zachry Group's Construction Project Manager Ronny Mauch, recognized there were indeed different ways of doing things. But they also understood the objective was to reach the summit together—while learning and adjusting along the way.

The LyondellBasell debottleneck project was a mix of new construction and turnaround services—and it was a unique opportunity for Zachry Group Construction and JVIC employees to work together. Mauch served as the lead project manager, and Stilwell co-managed the entire workgroup, including tower employees.

For both, this was the first time working together in a co-project management role on a major customer site.

Stilwell: "This was the largest endeavor that JVIC has undertaken in my 10 years here. Zachry and JVIC blended together as one organization to pull this off. It took learning from all of us to

LYONDELLBASELL DEBOTTLENECK

76,000 feet of pipe.

18,000 welds.

2,700 yards of concrete.



1,200 tons of steel.



More than 500 tie points from new to existing equipment and pipe systems.

become a cohesive team. We were able to make it seamless to the customer, and it flowed well."

Mauch: "We were able to provide a complementary package to LyondellBasell by offering our combined strengths and capabilities. It was a privilege working with JVIC employees and learning their capabilities, particularly Tower Services employees. The tower group certainly excelled in working with new equipment, and their knowledge was invaluable when weighing in on any aspect of the work."

Now that the LyondellBasell project is complete, a Maintenance Services team will manage the day-to-day operations of the plant. Zachry has managed plant operations there for the past 17 years.

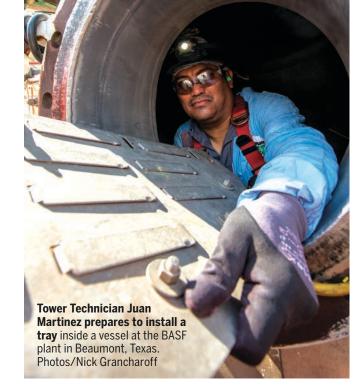
A fifth tower superintendent, Miguel Puentes, oversaw the four zone superintendents on site, from pre-planning to execution.

As expected with a project this size, there were challenges not uncommon to any major turnaround or construction project—but none that compromised safety, quality or deadlines. "We had to coordinate to ensure cranes were on hand to lift equipment to workers high in the towers," said Armstrong. "And we worked to align and coordinate priorities with another on-site contractor so work was performed in a sequential manner."

Working within the confines of the towers, proper ventilation is critical. In some cases, mechanics had to wear respirators and Tyvek coveralls inside towers. With the possibility of heat stress, employees had to be pulled out every hour for water breaks. "That meant that every time they exited one of these towers, they had to disrobe and wash up before they could get water," said Armstrong.

Given the extraordinary size of the project and the day-to-day challenges in this line of work, Armstrong said that both safety and quality on the job were outstanding.

"This took a combined effort from everyone," Puentes said, "from civil and iron work, including welding,



piping, cranes and rigging. Even with plan changes, we were able to manage and pull through, meeting and exceeding every target put in front of us."

While this megaproject was underway, tower crews in many other locations kept up other work. "This project definitely confirmed the caliber of people that we have in our tower group," said Armstrong. "It reassured us that we're doing the right things—continuing to develop good people and keep moving forward with our business."



Tower Services Superintendent Rick Cervantes and his crew of 21 technicians worked on numerous vessels this year—blinding them for entry, opening, cleaning inspecting and installing equipmentat the BASF plant's Dicambria Unit in Beaumont, Texas, The tower work was part of a large turnaround that included JVIC pipefitters and Zachry scaffolding crews.

ZACHRYCONVERSATION

STEVE BRAUER AND LLOYD KIRCHNER SHARE THEIR PERSPECTIVES ON LIFTING QUALITY TO THE NEXT LEVEL

Earlier this year, Steve Brauer, who led the Industrial Services Group (now Maintenance Services) for many years, began a new role as executive vice president for Safety and Quality. Safety has been a foundational value at Zachry for many years, with daily enterprise-wide focus. Brauer's new position helps bring quality to the forefront, and putting quality and safety together in the same organization adds a dimension to "how" we do our work, at all levels of the company—we do quality work, safely. One of Brauer's first tasks was to name a new vice president of Quality, **Lloyd Kirchner**. In September, Kirchner announced the leadership of his new enterprise Quality team: Jerry Burk, director of quality, Projects; Doyle Cassity, director of quality, Services; Kim Posten, manager of quality, Engineering; and Sheldon Shed, manager of quality, Procurement.

As the new Quality team begins its work, Brauer and Kirchner shared their perspectives on this new enterprise focus on quality.

STEVE BRAUER, **EXECUTIVE VICE PRESIDENT. SAFETY AND QUALITY**



Part of what we are very deliberately doing is elevating quality to an enterprise view. We now have an officer, Lloyd Kirchner, whose sole responsibility is quality. This represents a kind of paradigm shift to elevate quality to a new level, recognizing the importance of delivering quality work throughout all parts of the organization.

If you want a culture of quality across the enterprise, you can't work as a quality organization in silos, so we're eliminating that. The new quality organization brings together all of the different entities that were out working on their own. Now we bring Engineering quality, Procurement quality, Services quality and Projects quality together, which gives us a lot of shared lessons learned. We can become more efficient and effective: we can use some of the same systems.

EPIPHANY

When I went over to Maintenance Services from Projects many years ago and started working inside these plants that we maintained

for various customers, I could see clearly that much of the work inside existing plants can expose people to significant hazards. A typical job included working on equipment and piping systems with dangerous highpressure gases and chemicals, so we needed to be careful and deliberate about cutting into or entering these systems. When you have pre-work meetings before doing jobs like these, about half the time is spent talking about safety. It was during one of these meetings many years ago that the quality manager at the site said to me, 'Steve, we need to talk more about quality.' I said, 'You make a good point. Talk to me more about that.' He said, 'We just talked about how you lock these systems down, make sure they're clear, make sure they're locked out, then we go in there and take the spool out, put a new spool in, put the gaskets in, bolt the flanges up and we're done. Now, if we haven't done that right—if when we're done there's a leak or we used the wrong gasket or spool material—we're going to have to do the whole thing again, expose all of those people to

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Photo/Alissa Rosebrough

the same risks. We need to talk about doing the job right—about doing a *quality* job—before we start.' That was spot on. You can't talk about safety without talking about quality. We all kind of know that, but he hit me square on.

I had this same realization from observing JVIC's focus on flanged connections. They do a lot of turnarounds, and they have a big focus on the quality of their flanged connection make-ups. When they fire a unit back up, they and their customer expect zero leaks. Leaks are dangerous; they can cause explosions, injuries, even fatalities. So there's a very good reason why the quality of their flange connections have such a high level of importance. That reinforced to me that you can't speak about safety without also speaking about quality.

A CULTURE OF QUALITY

Historically, quality assurance and quality control folks have been seen as providing a 'service' for the project. Experienced and qualified inspectors observe the work and perform tests to help ensure that we're meeting specifications and that we're compliant with contract

requirements. If you find something wrong, tell us what it is, and we'll fix it. So it historically has been more of an inspection role. Quality has not necessarily been at the table, truly influencing the work. This was true with safety not so long ago. There was a time when safety folks were safety inspectors, safety police. That's not what they are now—they're professionals at the table to provide guidance, advice and to influence, to make sure we execute the work safely. We have this capability in our Quality team, and we serve in this capacity in many places, but now we want to put greater focus on this role and recognize its importance.

With quality, we want to be more on the team, helping ensure a quality product. A lot of that means we should be helping our engineers, suppliers, supervisors and our craft folks understand the specifications, understand how to do quality work. What does quality work look like? That means helping prevent folks from installing a flange wrong or making a mistake with a weld—we're there to help them, not to catch them. It means providing the same proactive influence during the engineering and procurement

activities. It's a shift in how we look at quality.

Quality is not new to us; we have always had great people who do great work. What we want to do is develop a culture of quality, where Quality is seen as part of the team. We're at the table; we're helping, and we're seen as bringing value to the front end. We're not just seen as pointing things out that need to be redone.

With safety, we absolutely want people to raise their hands, raise their voices and say, 'I'm not going to go up on that platform if I can't tie off, because I know that I've got to be able to tie off to work safely.' We want the same thing with quality. We want people to raise their voices and say, 'I'm not sure if this is the right material for this job; I'm not sure if I have the right specs for this job.'

I want people raising their voices around quality as well because part of the journey is recognizing the importance of quality work. That means elevating the conversation, talking about quality more.

CUSTOMERS AND QUALITY

We can do the work, we can step up to any challenge, and we'll get it done. Our customers seek us out—they know we can get it done. If we honestly look at ourselves, do we always get it right the first time? No, not always. It's not a perfect world, and like everyone else, we sometimes have our challenges and our struggles.

We're highly capable with great engineering capability, great fabrication capability, great procurement capability; we can build these plants, and we can service them. The risk moving forward to the long-term sustainability of our business and our brand and reputation is showing that we can—and will—deliver quality work, safely. Every time. It's as simple as that—that's where our risk is.

This is more than saying quality and safety are important—that's true, but

it's going further by saying that they represent the two biggest risks we have around our brand and reputation. From a customer's standpoint, we are becoming more and more critical to their business, and we have to make sure we deliver in those two areas.

Since we're working on larger and more complex projects, there's a lot of the success of these projects that's tied to quality. You get to the end of these large projects, and the customer likely is expecting and planning to load and send out a ship or string of railroad cars filled with product to a destination on a certain date; that customer has made big financial commitments. If a quality problem shows up late, those kinds of issues can have a big impact.

We get frustrated at our house when we have to fix something twice.

Think of the fact that we're doing thousands of work tasks at our large construction sites in Brazoria County. If you use the wrong bolt when you're working on your car, that can cost you another hour of work. Well, consider the potential consequences on our large work sites, where we have thousands of workers each performing numerous tasks each day.

Having the operational discipline to do the work properly the first time is significant. We believe that we can differentiate ourselves in the marketplace, so that's where we are headed. We know it's a journey. We've done it with safety, and we're going to do it with quality.

LLOYD KIRCHNER, VICE PRESIDENT, QUALITY



Photo/Nick Grancharoff

I would say as an industry, even 10-20

years ago, safety was very much things like, 'Use common sense; if you need safety glasses, put on safety glasses; do the right thing; use good judgment.' That level of subjectivity is not appropriate in a few functional areas like safety and quality, where there are absolute standards. It's not open to interpretation.

Yes, there needs to be a cultural shift. Quality isn't new to us—we have always had a focus on quality at Zachry, and we've long had people whose roles focus on quality. But we're making a shift—we've not had an enterprise-level focus on quality in the same way we have about safety. That is my role, to raise our level of focus on quality. We understand that safety is not just the responsibility of the safety director or the safety manager—it's the

responsibility of everyone. I think we need to put the ownership of quality in everyone's hands, so that they understand that they can't do their job with any less focus on quality than on safety.

It would be taboo for someone to go out to a job site and say, 'I'm only going to wear my safety glasses if I get caught,' or 'I'm not going to have an evacuation procedure if I'm not audited.' Today, we take safety as a requirement. We want to push the culture of quality in the same direction. Verification will always be part of what quality is, but we need to move it upstream so that we think about quality before we start our jobs.

CUSTOMER FOCUS

Megaprojects have a much higher magnitude of complexity. In the past—with smaller projects—quality inspections identified things that

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Photos/Nick Grancharoff

could be dealt with on an isolated basis. Today, quality has a cascading effect. If my work product goes to someone downstream of me in the value chain, and they can't count on my product, and then they add poor quality to it, it becomes a complex web that can't be sorted out with a simple weld procedure.

I think there's another factor; it's a reputational issue. I believe our company is well-known for a number of things. Zachry is known for its integrity, for meeting its commitments; we're known as an organization that wants to do the right thing.

If someone were to ask me what I want Zachry to be known for, I would say two things: Integrity and quality/safety—I always put quality and safety together. I wouldn't want someone to say safety without quality—they go

together. I wouldn't want to have a very attractive safety record and be known for integrity, and make a lot of mistakes. You can have organizations like that—you can be trustworthy, and you can put a great deal of emphasis on safety and still do lousy work. Now, at Zachry I don't believe we have that problem—we do outstanding work. But could we put more deliberate focus on quality? I believe we can, and I believe that focus will enhance our already strong reputation across the industries we serve.

SPECIAL EXPERIENCE

In our Vision Statement, we say that we want to 'create a special business experience' for our customers. I don't think you can have a positive business experience as a customer if you don't receive a quality product or see quality work—you just can't. We

can technically meet the requirements of a contract, and we can be honorable and have integrity, but if that path to getting there is painful for the customer—or for our own organization—we haven't delivered that special experience.

That is why I believe quality is the only way we can uphold our corporate vision of delivering a special business experience to a customer. Give me an example of a time when you did a poor job and ended up with a delighted customer. You can't. Providing a special business experience—that's an intangible, and intangibles in business are actually where customers make decisions. That's why intangibles matter. The marketplace is full of options that can deliver what we're looking for, but all of us would rather do business or give our money to companies that give

us that special experience—and quality is key.

Quality requires understanding the work, knowing the specifications and the requirements. We have amazing craft workers who have years—even decades—of experience. They know how to do the work-there's no question about that. But sometimes work done at one site needs to be done a bit differently at another site. That's why it's so important for everyone working at our job sites to read the specs and the work instructions. Engineering changes; the way we sequence work changes for productivity, for safety and for efficiency. People do need to reference the documents, specs, standards and work instructions that are there to tell them, 'Here's how you need to do the job in this particular situation.' We've got to have that mindset; it's an important part of doing quality work.

NEW DIRECTION

Quality is not going to be the policing organization. We are going to be facilitators. Quality is not owned by the Quality Department; it is owned by every single individual.

Despite the fact that we think we know how to do our jobs, we want

to foster and support a culture that says, 'I am going to understand this job before I start; I am going to understand the specs and the requirements, the tools and the equipment to do this job the right way.'

How do we begin? Like most things in business, it starts with relationships. It starts with getting together with our internal customers and having these conversations. Education is going to be critical to shifting the culture.

If we don't explain to others what we expect from them, they struggle; they go home at the end of the day frustrated. 'I don't know what my boss wanted from me.' 'I made a mistake because I wasn't sure how to do the job.' 'I don't know if I did a good job today or not.' It's the role of the Quality team to help define that, from top to bottom.





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Photos/Nick Grancharoff

- **1. Workers monitor a towering hydraulic impact hammer** as it drives one of dozens of concrete piles that will anchor a concrete foundation at the liquefaction construction site on Quintana Island.
- **2. High above the construction deck,** workers secure a newly placed steel beam, adding another piece to the steel rack that will hold miles of piping for one of the three liquefaction trains.
- **3. Massive concrete pillars hold the weight** of the concrete roof on a compressor structure for Train 1.
- **4. Slushy concrete begins to fill the tight rebar foundation cage** as workers monitor the progress.











1. The intricate steel pipe rack taking shape at the Oyster Creel site is the first of three racks that will be linked together to support three pretreatment trains. Pretreatment will involve treating natural gas to remove water, carbon dioxide, sulfur compounds and mercury before being sent via pipeline to Quintana Island for liquefaction and storage.

Concrete pours are a daily event at both construction sites. Here, workers monitor the pour for another foundation foot that will support steel pillars and piping at the Oyster Creek pretreatment site.

Photos/Nick Grancharoff

construction phase. About 1.1 million cubic yards of dirt were moved and shaped, and about 55,000 cubic yards of concrete have been poured to set the foundations for the steel beams and pipes. Those pipes will carry the raw and processed materials that will flow through underground and above-ground piping at both sites. The concrete work is ongoing at both sites; at least 100,000 more cubic yards will be added in coming months.

"All the work is proceeding well according to the timeline," said Construction Director **Steve Slocum**. "It's a massive project with multiple construction sites, so everyone is engaged and focused on getting the work done, with careful attention to safety and quality at all times."

One of the largest structures taking shape at the Quintana Island site is the circular LNG storage tank—Tank 3—where, beginning in late 2018, liquid natural gas will rest in the super-cooled environment before being pumped to the dock and loaded onto ships for export. Workers are assembling the tank's inner steel wall and the concrete outer shell concurrently. Framework for the tank's enormous cap also is coming together on the tank's floor. Once the curved steel and concrete walls are complete, preparations will begin to raise the heavy steel cap into position using air pressure.

ABOUT THE PROJECT

The Freeport LNG project involves design and construction of a natural gas liquefaction complex with three process trains on Quintana Island; it also includes design and construction of the Pretreatment and Compression Facility at Oyster Creek, and construction of a second marine dock near the liquefaction complex. When complete and fully operational in 2019, the pretreatment facility and liquefaction complex will combine to produce up to 2.14 billion cubic feet of liquefied natural gas per day.

Zachry Group is part of a joint venture with CB&I to perform EPC services for the first two liquefaction and purification trains; Japanese engineering firm Chiyoda will join the Zachry/CB&I joint venture to develop the third train.



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ENGINEERS AT WORK

TALENTED, NIMBLE TEAM PROVIDES WIDE RANGE OF ENGINEERING SERVICES, BUILDING RELATIONSHIPS AND FUELING NEW BUSINESS



the award-winning energy park. A positive relationship with the builder of the Holland plant, the Barton Malow Company, helped Zachry earn the design engineering job.

The Holland Energy Park project is one of many engineering services jobs for Zachry. The team of engineers from multiple Zachry design centers worked closely with Barton Malow, project architects and the Holland Board of Public Works. Several unique aspects of the project—including integration of the new plant with the city's downtown snow-melt system, and incorporation of cutting-edge environmental features into the design—showcase Zachry's engineering and design expertise and creativity.

"Holland is an example of some of the unique and challenging work that our engineers do when we're engaged in engineering services for customers," said **Glenn Kloos**, the Engineering Group's senior vice president of Operations.

As literally thousands of Zachry employees in Brazoria County work together to complete two of the largest EPC jobs in the company's history, engineers and designers quietly and persistently pursue hundreds of engineering projects each year. From a portfolio perspective, engineering services work represents a small slice of the Zachry revenue pie, but the work itself—and the ongoing pursuit of it—keeps Zachry connected to countless prospective industries and customers, while also fueling a nimble, highly efficient and uniquely talented engineering team.

"As an Engineering Group, we are very well positioned to assist with projects both large and small," said Chief Engineer **Jeff Cloyed**. "We have a team with diversified skills that can jump in and assist Zachry, or another large construction contractor, with EPC work, as well as a wide variety of smaller engineering jobs."

BENEFITS OF ENGINEERING SERVICES WORK



MARKET DIVERSITY: The wide scope of engineering services work helps build a highly experienced engineering team with a broad range of skills.



RELATIONSHIPS: Acquiring new engineering work places a focus on building and maintaining strong relationships with customers.



EFFICIENCY: Competing for business in the engineering services marketplace requires efficient operations.



NEW WORK: Every engineering services job is part of an ongoing relationship that could lead to additional work for other parts of Zachry Group.

FOCUS ON ENGINEERING SERVICES

In many Zachry design centers, engineering services work represents the lion's share of the workload, so it's not just fill-in work that pads the portfolio. "If I were to total it up over the years, I'd say it's the vast majority of our work," said **Mike Carlson**, director of the Omaha Design Center. "Some years it's 100 percent of our work."

That doesn't mean it's all small jobs. Much of that work represents significant engineering and design work for large capital projects for companies like BNSF Railway, Tyson Foods and many more.

"It's a lot of work, both in terms of the number of hours that our team is engaged, and also in the number of individual tasks that are requested by our customers," Carlson said. "At any given time, our team is working on somewhere between 100 and 200 different customer orders."

Engineering services work benefits Zachry a number of ways, according to Kloos, Cloyed and Carlson.



This group of employees from the Amarillo Design Center recently completed an engineering services job at a chemical plant in the Texas Panhandle. The work involved designing an elevated building foundation for a new structure and structural remediation of an existing dock at the plant. Pictured from left are Brian Swartwood, project manager; Nathan Kalina, civil/structural engineer; Justin Simon, mechanical designer; Mark Auston, civil/structural designer; and Eric Ruiz, mechanical designer. Photo/Nick Grancharoff

MARKET DIVERSITY

"It adds a good deal of diversity, in terms of markets and skills, to our group, which is valuable to Zachry and its customers."

- Glenn Kloos

The needs—and expectations—of engineering customers can be broad, with each job requiring some level of creativity and ingenuity. Even when jobs seem similar, two different customers can have different expectations for how they want the work to be done. It's work that

requires a broad range of skills, experience and expertise, which makes the Zachry design centers ideal places for engineers, designers and project managers who want to gain experience in a number of areas and industries.

"The engineering services work has been a source of education, training and knowledge for our team," Carlson said. "All of these projects have unique characteristics and complexities that add some variety and spice for our staff. It's fun work—there's always a different challenge.

"It's a great selling point when we look out to hire," Carlson said. "Folks here don't get bored with what they're doing; it's not cut-and-paste stuff—it's unique and challenging, stuff you get to go home and tell your kids about."

Kids love trains, for example. Carlson noted that the experience gained from engineering work for BNSF Railway played a key role in helping Zachry win an EPC project in Old Ocean, Texas, to design and build a large storage-in-transit (SIT) railroad yard. "It definitely was an advantage for Zachry to be able to tell the customer that we have an engineering group in the company with experience designing rail facilities."

Kloos talked about the difference between servicefocused and EPC-focused work, and he emphasized the importance of having an engineering team that can handle both.

"Zachry Group is a project-focused company in many ways—a significant part of our business is focused on executing EPC projects," said Kloos, "but we have a huge service-focused business, as well. Within the

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Engineering Group, we recognize the value of having that balance and diversity in terms of our business portfolio, as well as our experience and skills. It's an asset. It's a differentiator, and it's critical to the longterm success of the company."

RELATIONSHIPS

"Marketing and working on relationships is vital—there's no substitute for being present."

- Jeff Cloyed

Because the scope of engineering services work is so broad, and because the size and length of each job can vary greatly, there's a special focus throughout the Engineering Group on building and maintaining strong relationships with customers. The engineers and designers in the offices

get out and talk to current and former customers, Cloyed said, to help ensure that Zachry is top of mind when new opportunities come up.

"The engineers and designers are often the best people to talk to a customer, because that customer already knows them through a plant modification or similar job," Cloyed said. "There's already a relationship; there's already some trust there, and that face time continues to be the best way to know when there's an opportunity for more work." This is a focus in each of the design centers, building relationships locally and regionally.

"Sometimes the best marketing is the engineer, designer or project manager who recently completed a job going out and visiting that plant and asking what's going on," Cloyed said. "If you take the time to make visits and make contacts, things come up because you have that relationship."

Carlson in Omaha said local and regional relationships have been the lifeblood of the Nebraska office. "The success we've had going out and getting the engineering work that we do comes from the people out engaging with the customer," he said. "Many of our customers really appreciate that we will do everything we can to put boots on the ground quickly."

EFFICIENCY

"Being competitive

for the engineering services work puts a focus on staying nimble, on having efficient processes."

Jeff Cloyed

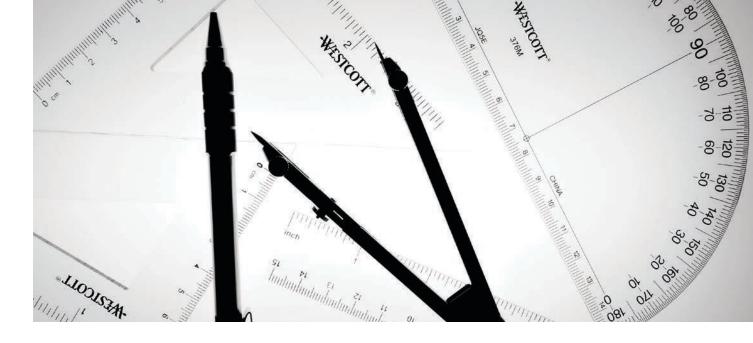
Because much of the engineering work is focused on services rather than on larger projects, the **Engineering Group must** compete with many smaller, service-focused firms, and that can be tough.

"A good deal of our engineering work helps us stay

very, very efficient and cost-competitive," Cloyed said. "This goes beyond just adjusting your rates; it goes to the way you work and how you approach things. This focus on efficiency carries over when we're involved in larger, longer-term EPC work— we want to be highly efficient in all of our work, and having a focus on service keeps us attuned to that."



Senior Engineer Greg Johnson (left) and Mechanical **Engineer Andrew Martinez** work through several complex formulas together in the San Antonio Home Office. Photos/Nick Grancharoff



NEW WORK

"We work to develop

new relationships with customers and earn their trust by providing engineering services, which we hope leads to more opportunities."

- Glenn Kloos

Each time the Engineering Group works with a customer, there's the potential for additional work for other parts of Zachry Group. That's something the Engineering Group strives for, because ultimately the result is better service and a better outcome for customers.

"There certainly have been some success stories of

projects—construction and EPC projects—that Zachry had an opportunity to bid because of that little relationship we had from some engineering work," Cloyed said.

Looking to the future, Kloos sees opportunities to get an engineering foot in the door for larger energy and chemical projects, noting that opportunities exist to do front-end engineering work for the large investorfunded projects, particularly in the energy and chemicals market.

"The model we want to bring is getting involved early, and as our engineers lead the front-end scope of a

project, we want to bring in our construction folks to lead constructability discussions, and bring in our procurement folks to talk about equipment considerations," he said. "When the customer thinks it's time to hire a construction company to build the project, we want to help them understand that there's a better way and provide them the Zachry EPC model, because we know we can drive a better success rate for their project. We can bring in all of the groups to develop the best solution, and once the design is ready, we can execute the whole thing. That's the role we want to play."

This vision gives the Engineering Group a broader goal—to provide exceptional engineering services at the front end, and then provide trusted counsel when the customer is ready for additional services from Zachry Group.

"This is the same service-focused and relationshipfocused model that has been successful for our Services Group and their customers, and we want to create similar opportunities across the enterprise," Kloos said. "We have the right talent, we have the right vision, and we have the right expertise—everything we need to help develop projects that will be successful for our customers; and not only develop them, but also execute them. That's where we want to be."



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Just Sierra
Justin Simon
Jimmy Simpson
Kevin Smith
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Christopher Steele
Shelby Tankersley
Trev Thomas
Christopher Thomas
Mark Thompson
Tommy Tucker
Christopher Turman
Eric Turnbull
Urbano Vera Cantu
Robert Vercher
Abelardo Villarreal

Paul Waites

Jeremy Walters

Shaun Watson

Jeremy White

Tonna Wilson

Bradley Windham

Marshall Williamson

Daniel Woodard Douglas Wyatt Brian Zanter

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Rodney Fisk

Russell Fude

Kevin Gann

Hector Flores

Thomas Freeman

Rigoberto Garcia

Aaron Gaubert

Bautista Godov

Alice Gonzales

Rafael Guerrero

Philip Hancock

Justin Harms

Carol Heston

Benita Ibarra

Alvaro Islas

Gary James

Peter Jensen

Hiral Kadakia

Kristin Keene

Brad Lloyd

Douglas Johnson

Jimmy Lawrence

Anthony Martinez

Bruce Mazingo

Ronny McClenny

Chris McDonald

Darren McGuire

Robert Mears

Dolores Millan

Carlos Morales

Leoncio Moreno

Aaron Morris

Simon Moulton

Monica Munoz

Jeremy Nelson

Jeannie Hunley

Darrell Gould

Mark Risley Benito Acosta Kathy Robinson John Amos Lucio Robles Daniel Bartell Chad Rockwell Michael Roth Carlo Barton John Basone John Rulevich Joshua Becnel **Rex Simmons** Herbert Bess Roberto Solis Bennis Boone Samuel Tijerina **Edward Brown** Todd Trahan Colby Treale Sandy Burckle Christopher Cantu Maria Trejo Jose Charles Javier Vazquez Desri Clark Marco Vazquez Shane Cortez **Brooks Webber** Vivian Cruz Sammy White Chelsie Cude Lacy Williams Jill Wright Candace Debo Ellen Downs Tessica Wynn Victor Falcon

15 YEARS:

Chris Nunley

Tony Parker

Vikkie Phillip

Charles Ramirez

Sabino Orozco

Jonathan Alexander Frank Armstrong Thomas Augustine Jayson Boulet Pete Burton Abel Carrillo Saul Castillo Salas Robert Clark Harold Crank Jose Diaz Douglas Dixon Armando Duenas Jasner Garcia Michael Gaskamp Antonio Gutierrez Jeronimo Haro Billy Harris Hector Hinojosa Judy Jacob Mandy Johnson Pamela Klarmann Mark Lohmever Jose Lucero Allison Manka Robin McClure Richard Melton Kirk Merrill David Moslev Michael Norwood Calixto Olvera Vidal Plaza Arnold Rabago

Angelito Rivera

Edward Roberts

Javson Roberts

Cheryl Schillings

Adam Schmidt Marti Stout Thomas Taylor Robert Tidd David Turner Veronica Velez Lisa Young

20 YEARS:

Kimberly Abbott
Michelle Aguillon
Scott Birchard
Rodney Brunck
David Campbell
Joe Carrera
Baenson "Q" Cho
Kenneth Crow
David Gaiewski
Thomas Maher
Shirley Moya
Gloria Pridemore
Jason Shew

25 YEARS:

Richard Adams
Dan Barrow
Sean Calliham
Jennifer Casaday
Felipe Chavarria
Bobby Christian
Jorge Garcia
Oscar Garcia
Eddie Hatfield
Pedro Medina
Jerrold Mikeal
Joe Perez
Michael Roberts
Richard Roberts
Hobart Walls

30 YEARS: Donnie Hudson

35 YEARS:

Dan Deckert Larry Estrada Brian King Michael O'Bar Ernest Pizzini Donald Preiss

40 YEARS:

Shameem Akhtar Harry Becker Donald Roden

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IAMZACHRY

MY NAME IS WILLIAM MONCRIEF, AND I AM ZACHRY.

It has been surreal. That's the word for it. I hit five years with Zachry in September, and I can hardly believe everything I've been through here. It was 2011, right after I was let go from the company that lost a maintenance contract to Zachry at a Georgia Power coal-fired plant. I was one of the people Zachry called to come back. I had been a boilermaker, but I started at Zachry as a laborer and worked my way back up to my true craft as a millwright. Looking back, it was positive for me. I kept a job, and I was able to learn and grow and develop a career. That's a key difference—it went from being a job to being a career. At Zachry, it's not just about jobs; it's about careers.

My path to Zachry had a few twists and turns. After high school, I went straight into the Marine Corps. After two years, I was medically released with an honorable discharge. I wasn't expecting that, so I had to adjust and decide what to do next. I tried a few things—law enforcement, a fence-building business—before I began working for the Georgia Power maintenance contractor.

Now that I work at Zachry, I can't imagine working anywhere else. In the past five years I've gone from being a laborer to a millwright. I've been trained in safety, including confined-space training, and I've become an equipment operator. I've worked in the plants, worked with pulverizers, baghouses, pack silos—and now I'm a recruiter.

I owe my current job to **Stacy Hickman**. She worked in the regional employment office in Georgia a couple of years ago. She saw that I had potential and knew that I had lots of craft experience. She really went to bat for me. She called me one evening after I'd had a long, dirty day at the plant. Could I swing by the employment office to talk to **Jason Hernandez**, an employment manager, about a recruiting job? I looked down at myself—I was covered from head to toe in oil and dust and all sorts of gunk—and I asked, 'Right now? Could there maybe be another time?' No, she said—Jason was there to talk to me. So I dusted off, drove over and interviewed with Jason on the spot. About six months later, I was working in that office. Just surreal.



Photo/William Moncrief

"Will has shown time and time again that he is committed to the success of the organization, through his high work ethic and the dedication he exhibits toward his staff and the projects he is responsible for."

- Israel E. Gutierrez, Power Business Group Employment Manager

So many people have helped me along the way. I haven't had any bad teachers—each one has brought something different to my game. This company and the people in it have done more for me than what I figured any company would do. I feel like I can go to anybody in the company—I've emailed **John Zachry**, and he has emailed me back; it's just the way the whole company is. Everybody is there to help everybody.

As a recruiter, I tell everyone coming in, 'You're coming to a great company.' I share my story with them, and if I can get them to understand just one thing, it's that this company is career-focused; it's not just a job—this is a career. No other company can make you feel the way Zachry can. I truly believe that, and that's why I AM ZACHRY.

DO YOU KNOW SOMEONE who deserves this recognition? We want to hear from you—tell us who you think lives Zachry's values and deserves to be featured here. Send your recommendation to forcereport@zachrygroup.com.

EEO & HARASSMENT POLICIES

ZACHRY HOLDINGS, INC., ITS SUBSIDIARIES AND AFFILIATES OBSERVE EEO & HARASSMENT POLICIES

EOUAL EMPLOYMENT OPPORTUNITY (EEO) POLICY

It is the policy of Zachry to assure that employees and applicants for employment are treated without regard to their race, religion, sex, color, national origin, or age. The company will not discriminate against individuals because of a physical or mental disability, or status as a disabled veteran or veteran of the Vietnam Era. Moreover, all employees are encouraged to refer qualified applicants to apply for employment, training, or promotion with the company regardless of race, religion, sex, color, national origin, age, physical or mental disability, or status as a veteran.

Zachry's policy of nondiscrimination applies to all workrelated actions. These actions include, but are not limited to, the following: employment, upgrading or promotion, demotion, transfer, layoff or termination, rates of pay or other forms of compensation, recruitment or recruitment advertising, selection for training, and, apprenticeship and pre-apprenticeship programs.

To promote our continuing commitment to diversity, reasonable accommodations will be made for qualified disabled persons according to existing federal, state and local law. Requests by qualified disabled persons for reasonable accommodation are encouraged by the company. All employees are requested to encourage women, persons of minority races and disabled persons to apply for employment with the company or to apply for training under available programs.

POLICY AGAINST HARASSMENT. **INCLUDING SEXUAL HARASSMENT**

Zachry is firmly committed to a work environment free from all forms of harassment to any employee or applicant for employment by anyone, including supervisors, co-workers, clients/customers, other contractors or visitors. Such harassment may violate state and federal discrimination laws, as well as the Zachry Policy Against Harassment.

This policy prohibits any conduct (verbal, physical or visual) by an employee or within the work environment that belittles or demeans an individual on the basis of race, religion, national origin, sex, age, color and disability. This policy specifically prohibits sexual harassment, as well as all other forms of harassment. Sexual harassment includes any unwelcome sexual advances, requests for sexual favors or other verbal or physical conduct of a sexual nature when:

- · Submission to such conduct is an explicit or implicit condition of employment.
- · Employment decisions are based on an employee's submission to or rejection of such conduct.
- · Such conduct unreasonably interferes with an individual's work performance or creates an intimidating, hostile or offensive work environment.

WHO TO CONTACT

 Dispute Resolution Program P.O. Box 240130, San Antonio, Texas 78224-0130 Phone: 1-877-350-0129 Email: ZDRP@zachrygroup.com

RESPONSIBILITY

All employees are responsible for complying with the company's Equal Employment Opportunity (EEO) Policy and its Policy Against Harassment and for reporting possible violations of these policies.

COMPLAINTS

Employees or applicants for employment who feel they have encountered a situation that may be in violation of these policies are encouraged to make known their concern as soon as possible. Applicants for employment are encouraged to utilize the Dispute Resolution (DR) Process by contacting a DR representative. Employees are encouraged to discuss their concern or complaint of perceived discrimination with their immediate supervisor. The supervisor's obligation is to try to resolve the concern or complaint. If it is not resolved at the supervisory level, or if the employee is uncomfortable discussing the issue with their supervisor, the employee should utilize the company's DR Process. Supervisors who fail to act on employee questions or complaints brought to them under these policies are subject to disciplinary action, up to and including discharge.

The Dispute Resolution Process is facilitated at the corporate office. Employees must comply fully with any lawful investigation under these policies. In the event of questions about, or an investigation of, alleged discrimination by any governmental agency, employees must promptly notify a DR representative. The DR representative will provide answers to inquiries under these policies and, when appropriate, will promptly and thoroughly investigate complaints. The company recognizes that employee input is essential to the success of these policies.

CONFIDENTIALITY

In handling complaints, every effort will be made to maintain confidentiality. However, certain laws require the company act on information brought to its attention, and it will sometimes be necessary to do a full investigation in order to comply with the law. Investigations are intended to be a confidential process and every effort will be made to maintain confidentiality to the extent possible.

RETALIATION

Retaliation against individuals who report violations of these policies is strictly prohibited. Employees who violate these policies or who attempt to retaliate against individuals acting under these policies will be subject to immediate disciplinary action up to and including discharge.



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