

**Management Message*****The Value of a Quality Assurance Program***

by **Jim Dillahunt**  
Regional Vice President, West Region

A couple of years ago, I was meeting with executives from Southern California Edison (SCE). We talked about how the outside construction industry had been slow to adopt formal Quality Programs when compared with the manufacturing and traditional industrial building sectors of the construction business.

Not long after that, Henkels & McCoy introduced its Quality Program to ensure the work we performed for Edison met their standards. Some of our own management team questioned the value of the inspection, checklist, and documentation process. After all, they reasoned: "We already do good work for SCE and we have

good crews."

In the first few months of the new project, Henkels & McCoy changed out a lot of poles and, with the follow-up inspection, found that many of the poles replaced did not meet specification.

Of course, some of the infractions were significant and required immediate correction. However, most of the infractions were minor, such as missing visibility strips, forgotten "High Voltage" signs, or Joint Pole Association paperwork filled out incorrectly. As we continued with our Quality Program, we named a Quality Manager, stepped up our inspection rate, and conducted standards training with our supervision and crews. We kept track of which crews were having repeat "go-backs" and provided more corrective

training. We submitted customer surveys to SCE personnel to get feedback on how we were doing with our program; we listened to their concerns and learned how our construction work affected them in their business. Within a short time, Henkels & McCoy became the first of the five primary sourcing contractors to meet SCE's Acceptable Quality Level. We have maintained this level of quality for months, decreasing costly go-backs and improving productivity. Today, our go-back rate for deteriorated poles is less than eight percent.



*Continued on back page*

***Applied Project Management: Award-Winning Initiative***

Henkels & McCoy's Project Management Initiative is designed to assist the company in proactively meeting the challenges of constantly evolving customer needs. The ability to identify and systematically apply the most effective processes and procedures in a customized way energizes our customer focus. For a project team in Henkels & McCoy's East Region, it also meant earning the company's Project Management Award for fiscal year 2005. The award, to be presented annually by the executive team, signifies outstanding utilization of Henkels & McCoy's Project Management Methodology.

The win-win feeling that comes from seeing this vision successfully implemented is not only exciting, it's contagious. Such was the case when a large utility customer's commercially leased building was ravaged by fire and Henkels & McCoy was chosen through a competitive bid process to rebuild the two-floor structure, ensuring the building would comply with modern building codes and handicap accessibility requirements. The challenge: plan, deploy, and execute while meeting an extremely ambitious schedule.

As the prime contractor, Henkels &

McCoy was selected by the architect based upon both the company's expertise within the General Construction group and a competitive pricing structure. The project lasted approximately six months, from May 2005 to November 2005, and involved a complete restoration of the interior of the building, including a new roof, plumbing, electric, HVAC, windows, fire detection and sprinkler systems, and interior accoutrements. In addition, Henkels & McCoy retrofitted the building to provide previously unavailable elevator service. Minimal exterior work was necessary as the fire left the building walls intact and structurally sound.

The Henkels & McCoy project team was led by Connie Weaver (Project Manager), John Bean (Project Controller), and John Sherwood (Construction Manager). The field personnel consisted of as many as eight Henkels & McCoy employees,



***Henkels & McCoy Project Manager Connie Weaver and Construction Manager John Sherwood review plans at East Region headquarters.***

primarily a crew from the Linden, New Jersey office, who performed much of the initial demolition of the building. When required, subcontractors were utilized to complete various aspects of the job. Region and corporate management also lent their support and expertise to the project.

Denis Palermo, Regional Vice President, commented on the structure of the

*Continued on page 2*

# Award-Winning Initiative

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Henkels & McCoy team and support staff: "As part of Henkels & McCoy's Project Management Methodology, a monthly status meeting was held in the East Region's conference room and included not only the key staff involved in the project's day-to-day events, but also included myself, Gordon Dennis (Manager, General Construction), Greg Class (Director, Specialty Line of Business), and Jim Burns (Director, East Region Project Management Office). Corporate was frequently represented by Jon Schoff, Chief Operating Officer; Dan Pigott, Vice President of Project Management; and Jeff Clymer, Director of Project Management. Paul Micarsos in the Infrastructure Engineering Group also deserves special recognition for assistance in developing and updating the project schedule."

According to Connie Weaver, using the Project Management Methodologies enabled her to track the project with utmost efficiency. Beginning with the initial planning stage, which included such tasks as risk identification, cost estimates, work breakdown, and work scheduling, Connie had proven tools that provided the customer and project team with actionable information. This seamless, timely documentation and flow of information ensured maximum focus and the ability to proactively respond, not merely react, when flexibility was needed.

Given the critical roles of multiple Henkels & McCoy offices and the subcontracting presence, outstanding communication was absolutely essential to meet objectives. Planning for the challenges associated with meeting the building code

standards of several state and local agencies was especially notable in this regard.

"While many of the procedures of the Project Management Methodology were already in use throughout the organization, the formalization of project management brought all of these tasks together in a cohesive process. As a result, the project was much easier to complete," remarked Connie. "The project would have been successful under the former scenario as well; however, this (up-front commitment of time and planning) made the process less arduous."

"Based upon the hard work and smart thinking of our project manager and field staff, assisted by the positive input and support of the region and corporate management teams, this opportunity was a success from the date the project started through completion," added Denis. "In addition to being a profitable experience, we all can agree that there's little pain and anxiety when a job is well managed."

## Practice Makes PERFECT

# Honing Leadership Skills

To date, more than ninety Henkels & McCoy employees have participated in interactive, scenario-based business simulations designed to accelerate skill building and application in project leadership in a risk-free, feedback-rich environment. Leading Project Leaders™ places senior managers in the role of project manager to provide them with tailored feedback specific to their position and to highlight the integral role they play in shaping an effective project environment.

The focus of this senior-level program is on the specific business and strategic

issues that dominate the projects and includes facilitated discussions, group exercises, assessment, tailored feedback, action planning tools, a computer simulation, and an in-depth analysis of company-specific issues. Leading Project Leaders™ addresses issues such as project management as a business process, developing the project portfolio, creating the environment for project success, projects and uncertainty, and projects and strategic priorities.

A separate simulation, Project Leadership Live™, employs a problem-solving approach to learning that places project managers in realistic, problem-based scenarios centered on the interpersonal, team, and organizational dynamics of project management. In this three-day workshop, through group discussions and exercises, case studies, action planning tools, and computer simulations, project managers practice and apply the critical behaviors and skills needed to build and motivate high-performance teams, deliver customer and shareholder value, and support organizational strategy.

Project Leadership Live™ spotlights



*Simulation team members Mike Seutter, Paul Viggiano, Joe Ebersbach, and Mike Weigand analyze decision options to arrive at a group consensus during their Project Leadership Live™ training. Leading Project Leaders and Project Leadership Live are trademarks of SMG Strategic Management Group, Inc.*

core concepts such as the effective work environment, change management, team motivation and development, virtual teams, risk management, conflict management, and stakeholder management.

Kathy Mills, Director, People Services Department: "Our goal is to accelerate learning to support our evolving project efforts. By utilizing simulations in our blended training solution, employees are able to integrate business and decision-making skills with the skills and theory of our online program and with the application and process of our methodology training."



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Want to let us know how we're doing?  
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## Power, Communications Converge in BPL

Innovation and change continue in the communications industry at a rapid rate. New applications and new technology impact all areas of our business and our customers' businesses. One new technology that bears watching is Broadband Over Powerline (BPL). This uses the actual power lines, either outside or within a residence or building, to carry high-speed, high-bandwidth communications signals. The typical installation includes optical fiber or wireless for backhaul and a connection to power cable at a number of locations to induce the signal onto the power line and to bypass any distribution transformers. These are things that Henkels & McCoy does on a daily basis.

The use of electric wires for communications purposes is not new. Powerline Carrier (PLC) technology has been around for decades, but it had limited applications due to lack of speed and capacity. What is new about BPL is the ability to deliver speeds and bandwidth associated with broadband applications to the user.

A number of manufacturers have entered the U.S. market in the last few years to provide equipment both for inside the house (HomePlug®)\* and over the power distribution network. There have been a number of early trials and commercial implementations to deliver high-speed data and, potentially, voice and video services to customers. One of the drivers is the highly publicized "digital divide." Service providers, including municipal utilities, public utility districts, and Rural Utilities Service (RUS) power companies in underserved communications areas, have been among the early adopters either in the form of trials or studies. There has also been interest on the part of some of the investor-owned utilities. The largest commercial rollout to date has been at Cinergy in Ohio, where an initial 50,000-home program is underway.

One of the applications of BPL that has caught the attention of the electric utilities is the ability to use BPL to create a "smart grid." This gives the power company the ability to manage the distribution network better. It can support Automatic Meter Reading (AMR), time-of-day billing, outage management, load management, Supervisory Control And Data Acquisition (SCADA), and a host of security and communications functions. With the emphasis on system reliability in the new energy legislation and by the various state utility commissions, the "smart grid" can provide a powerful tool to the electric company. In a recent presentation, a utility representative in California stated that the ability to control usage of electric dryers in California during peak times on hot days could eliminate the need for two additional power plants.

Whether to bridge the "digital divide" or to provide "smart grid" applications, BPL represents an opportunity for Henkels & McCoy. We have already been involved in several projects and look forward to providing our skills and experience to assist our customers. In order to stay at the forefront, we recently joined the United Power Line Council (UPLC), an industry group providing a forum for the promotion of the technology in the marketplace.

\* HomePlug® is a registered trademark of HomePlug Power Alliance.

## Outstanding Safety Performance Awards

by Steve Kauffman  
Corporate Safety/Environmental Coordinator



At this year's annual Shareholder's Dinner, held the night before the Management Meeting, in addition to honoring our recent retirees and recognizing employees for their years of service, various safety performance awards were announced. In conjunction with the President's Award being presented to the Region with the most improved safety, additional awards were developed to recognize our outstanding safety performers within Regional Areas and/or at the Supervisory levels, termed "Most Improved Safety Award," as well as separate "Line of Business Awards."

The fiscal year 2005 recipient of the President's Award was West Region. West Region had a 38 percent reduction in their OSHA Recordable Rate, going from a 9.05 to a 5.62 with man-hours increased by 460,971. When asked what were contributing factors to their success, West Region Safety Manager Bob Spellman replied, "The success from the West Region has come through the collective efforts of every employee recognizing the value of safety in our business. Operations managers better understand their role and responsibilities and, to that extent, accepted a greater degree of ownership for performance by their people. Accountability is being required of everyone and the inference is that this doctrine is being integrated into all levels of the organization. Indeed, managers at all levels have embraced new safety initiatives, such as Job Briefings Procedures and Training, with the attitude that they will help our people do a better, safer, and more productive job. It is critical to our continued success that our commitment to safety becomes instinctive in our day-to-day efforts to manage and deploy people to meet customer demands."

The "Most Improved Safety Award" was presented to the Pipeline Division Group, which had a 46 percent reduction in their OSHA Recordable Rate, going from a 6.27 to a 3.41 while simultaneously increasing their exposure hours by 284,593. The "Gas Line of Business Award" was presented to Richmond Operations Group for completing 176,352 man-hours without a single OSHA Recordable incident. The "Power Line of Business Award" was presented to Arizona Power Operations for 52,587 man-hours, with just one OSHA Recordable incident, finishing the year with a 3.80 OSHA Recordable Rate. The "Telecom Line of Business Award" was presented to Wellborn Operations for 65,082 man-hours, one OSHA Recordable incident, and ending the year with a 3.07 OSHA Recordable Rate. The "Teledata Line of Business Award" was presented to Washington Capital Region: 113,902 man-hours, one OSHA Recordable, winding up the year with a 1.76 OSHA Recordable Rate.

Congratulations to all of our safety performance award winners. Continue making the safety of our employees, the public, and our customers a nonnegotiable value that separates H&M from our competitors, and echoes our trademark "Performance has built our business."

## Meet Central Region's Kammie Lane

Kammie Lane knows a thing or two about a full workload. As Area Supervisor over the state of Illinois, Kammie oversees projects for Henkels & McCoy throughout the entire state relative to scheduling, crews, subcontractors, billing, equipment, and safety. Last month marked Kammie's eighth year with H&M, but she brings a solid two decades of experience to the field.

Reflecting on her decision to enter the construction industry, Kammie points to her love of the outdoors and naturally ambitious streak: "I was always a little tomboyish I guess, and always just thought that a woman could do whatever a man could do," she admits with a laugh. "So I got my Commercial Drivers License (CDL) and started driving trucks—and, basically, just went from there." Kammie considers this ascent from groundman on the crews to head supervisor to be her foremost professional achievement. Among some of her more memorable project experiences, Kammie participated in a cross-country fiber installation for American Electric Power, which spanned from roughly St. Louis to Chicago and introduced her to the method of blowing fiber.

These days, Kammie is busy serving several customers, including contract work for Frontier Communications. She describes her supervisory style as "very hands-on, probably because I used to do the work, so it's hard for me not to want to be out there and help." Constant feedback, however, is

an essential component to this dynamic. "I also like to hear from my guys," she adds, "because I'm not going to always have the right idea; they might have a better one."

As for what Kammie finds particularly rewarding about this line of work, she feels that she's "always learning new things. I've met a lot of great people over the years and it's never dull or boring; there's always something new." Keeping ahead of the curve with respect to technology and training is something that Kammie takes care to follow. Although she did not rely on computers to a great extent in the past, she's found new confidence in that regard from the experience she's since gained at Henkels & McCoy. In addition to refining her computer skills, Kammie has recently begun the Project Management course as part of H&M's corporate-wide initiative.

"I feel that Henkels & McCoy is a good place to set your roots and call home," she says. "They care about their people." Kammie sees H&M's emphasis on continual employee development as one of the company's distinguishing characteristics, which allows it to evolve with the times: "Henkels challenges you to be more, and do more, and I think that we're headed in the right direction in Illinois."



### H&M Timeline: 1960

The 1960s are a decade of incredible growth for Henkels & McCoy. Among the more notable projects are the installation of a complete telecommunications system at Dulles International Airport in Washington, DC, installation of power lines in Wisconsin, and building microwave towers in Ohio... Henkels & McCoy is also involved in laying pipe in New Jersey and Maryland, performing line work in places as far apart as North Dakota and South Carolina, digging manholes in Kentucky, and liming in Indiana... Overseas, Henkels & McCoy repairs the electrical system at Lajes Field in the Azores, and helps to expand the telephone system in Puerto Rico... Henkels & McCoy constructs a crossing over the Hudson River for Con Ed. This wire crossing is the longest and heaviest crossing yet attempted in the East, demanding technical expertise and ingenuity to link Orange and Rockland utilities with Con Edison. The line must be installed without interrupting ocean-going traffic and without allowing the wires to touch the water. Photo: West Tower of Hudson River Crossing. The tower-to-tower span is 4,275 feet across the Hudson. A three-man crew (circled) is dwarfed by the mammoth scale of this structure.



For more on the 1960s and to discover more than eighty years of company history, visit our Timeline: <http://www.henkels.com/corporate/timeline/Timelinehome.asp>

## LETTERS

Imagine for a moment you are making the final preparations for the upcoming Super Bowl Party at your house and the lights go out. This was indeed the case in Washington in February of this year when a storm hit the area. Puget Sound Energy called upon Henkels & McCoy to offer assistance at this critical time. After the storm (and the Super Bowl), Paul Henkels, Jr., Division Manager of Henkels & McCoy's Portland, Oregon office, received the following letter from Michael G. Hobbs, Director of Operations for Puget Sound Energy:

*On behalf of Puget Sound Energy and its electrical customers, I want to express our sincere appreciation for the timely response and storm restoration effort that Henkels & McCoy, Inc. employees exhibited during the recent Pre-Super Bowl storm that affected a wide area of our service territory.*

*The success in restoring damaged infrastructure, system outages, and customer faith could not have been attained in the time span it was accomplished without the dedication and effort that your personnel exhibited. They are true professionals and rose to the occasion during one of the most important televised sporting event weekends. Thank you for a job well done.*

The following letter was sent to James Dillahunt, Henkels & McCoy West Region Vice President, by Jeffrey E. Butler, Senior Vice President, Transmission and Distribution of Pacific Gas & Electric Company in San Francisco, California:

*Dear Jim:*

*I'd like to express my heartfelt thanks on behalf of all of us here at Pacific Gas & Electric Company for the timely assistance on storm recovery efforts recently provided by your crews.*

*PG&E has a strong commitment to our customers and we do understand how even a temporary outage can be a hardship. With the assistance of your crews working tirelessly in adverse conditions, we were able to restore power as quickly and safely as possible.*

*Once again, we thank you for providing such a tremendous help to PG&E and our customers on such short notice and when it was so badly needed.*

Seven years into PENREN, we reflect on the building's infrastructure upgrade progress

## Pentagon Program Update

Described as the world's largest low-rise office building, the Pentagon saw completion in 1943, in just sixteen months. The building houses the Secretary of Defense and the Joint Chiefs of Staff, more than 23,000 civilian and military workers, plus a support staff of about 3,000. Simply put, the Pentagon is the nerve center of American military power. Even with periodic upgrades, when the Pentagon Renovation program (PENREN) began in 1998, the then fifty-five-year-old complex needed a total overhaul. By 2011, the entire building will have been reconstructed. This massive undertaking naturally involves a complete communications infrastructure upgrade as well.

In 1997, General Dynamics (GD) Network Systems (formerly GTE Government Systems) decided to assemble a team to complete the information technology (IT) portion of the renovation. Henkels & McCoy played a major role on the team, working closely with GD on strategy, infrastructure design, and cost estimation. The team's efforts were rewarded in 1998 with a contract and exercise of the first of five options: Wedge 1. H&M was awarded the Wedge 1 contract in January 1999. The full program is the largest single-site structured cabling project in the world and installation will span twelve years, installing voice, data, and video networking cable to more than 25,000 military and civilian users and 135,000

network connections.

Work in Wedge 1 began in summer 1999 and progressed well into 2001. Wedge 1 was nearly complete on the morning of September 11, 2001. Just two weeks prior to the terrorist attack, H&M had nearly 100 people in the area of the hijacked aircraft's point of impact. This was a tragic day for America, and H&M was fortunate not to have a single injury; however, ninety percent of our completed work was destroyed.

Following the attack, H&M was asked to help build temporary office space for displaced workers. H&M and GD completed quarters for nearly 500 people over a single weekend, and continued for several weeks, providing space for *thousands* more. In October, the government announced that reconstruction of Wedge 1 would be done in time for a 9/11/02 rededication.

Through the efforts of all the program's workers and companies, reconstruction was indeed completed in time for a ceremony exactly one year after the attack.

"General Dynamics is proud to have H&M as partner on our Pentagon Team. There is no doubt H&M's contributions to both the Wedge 1 and reconstruction efforts helped General Dynamics secure the optional awards of Wedges 2 and 3," states John Philbin, GD Deputy Project Manager for Business Operations. The GD/H&M team has received fourteen consecutive

100 percent award fees on Wedge 2, which began in October 2002 (now completed). Work on Wedge 3 began in December and is expected to end in October 2007.

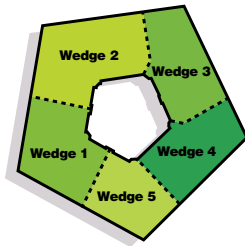
H&M is ahead of the timetable, with Wedge 3 backbone work starting forty-two days ahead of the initial integrated construction plan. Wedge 4 work is slated for November 2007 to October 2009, and Wedge 5 is scheduled for November 2009 through April 2011.

On this project, safety plays an integral part as a measurable for award fees, and our safety philosophy allows Henkels & McCoy to be a leading contributor to the GD team. Despite the hectic pace and busy schedule, H&M received an award from our insurance carrier for 161,787 hours worked without a lost time accident from 9/11/01 to 9/11/02. Fiscal year 2003 saw another award for 146,000 hours without a single OSHA Recordable Injury. In October 2004, H&M received another award, for 283,103 hours with just one lost time accident from 9/11/02 to 9/11/04.

Among some of the special difficulties are escort requirements for H&M crews in secure spaces due to the national security sensitivity of the facility. Notable milestones include the move of the Pentagon Telecommunications Center, plus the completion of Defense Secretary Donald Rumsfeld's office, as well as the Joint Chiefs' space, and the National Military Command Center.

Henkels & McCoy is honored to be part of the team tasked with preparing America's defense for tomorrow.

*To learn more about the PENREN project, visit <http://renovation.pentagon.mil/projects-IT.htm>*



The Pentagon's five wedges.

### United Way Campaign Kickoff

May 19, 2006 kicks off Henkels & McCoy's participation in the **United Way campaign**. United Way's mission is to provide the support and assistance needed for fostering safe and thriving communities in our neighboring regions. For more information on the campaign or how to pledge a donation, please contact your regional United Way chairperson.

**Headquarters:** Sherry Scandone

**East Region:** Karen Kaltenbacher, Bonnie Baer, BetteAnn Burr

**Central Region:** Denise Landis

**West Region:** Emily Schwartz

**NSS:** Susan Ross

For more information visit <http://national.unitedway.org/>

### East Region's Jim Burns to Receive Colonel Cox Award

James F. Burns, Director, Project Management Office – Henkels & McCoy East Region, has been selected to receive the Appalachian Underground Corrosion Short Course (AUCSC) Colonel George C. Cox Award. Established in the Colonel's honor at West Virginia University in 1970, the award recognizes an individual for contributions to the science of underground corrosion basic fundamentals and controls. This is the first time in Henkels & McCoy's forty-seven years of providing corrosion control services that an H&M employee has won this award.

Jim Burns began his career in the pipeline industry with Henkels & McCoy in 1978 and has held positions ranging from Corrosion Technician to Operations Supervisor, to Manager, and then Director of the Corrosion Control/Gas Design Group. Jim has been a National Association of Corrosion Engineers (NACE) International Member for twenty-five years and is a certified Corrosion Specialist and Cathodic Protection Specialist. He has served as the NACE Philadelphia Section Chairman, and AUCSC General Chairman. In addition, Jim has been an AUCSC Instructor for over two decades, and has been an Instructor for the Liberty Bell Corrosion Course for nine years.

We congratulate Jim on this significant award. A presentation is scheduled in May in Morgantown, West Virginia. Watch for more coverage of the award ceremony in our next newsletter.

# Regional Roundup

## East Region News

**Megan Oschwald** (pictured), a Project Controller in the East Region, was one of more than 33,700 participants in the P.F. Chang's Rock 'n' Roll Marathon and Half Marathon held in Phoenix, Arizona on Sunday, January 15, 2006. These marathons raised \$6 million for national charities such as the American Stroke Association (ASA), the Leukemia & Lymphoma Society, the American Diabetes Association, and several local charities.



Megan successfully completed the entire marathon through a combination of walking and jogging in six hours forty-five minutes.

Megan was inspired to participate in the event and raise money for the ASA after her father suffered his second stroke. Individuals were responsible for raising their own funds at a minimum level of \$3,900 for this particular marathon. Megan was able to raise a total of \$4,500 through her efforts, which included \$960 from H&M employees and the company. Over \$1.5 million was raised for the ASA at this event.

The training for this 26.2-mile marathon began in September of 2005. Team Philadelphia met every weekend at Valley Forge Park, beginning at one mile and gradually working up to twenty miles. Individual training regimes were followed during the week. Twenty-five members of Team Philadelphia participated in the Phoenix marathon while a slightly larger contingent participated in the Disney marathon held the previous week in Orlando, Florida.

Megan's next goal is to run the Philadelphia Half Marathon (13.2 miles) in September 2006. She wanted to point out that the only fund-raising avenue for the ASA is through marathons conducted throughout the country. She hopes to raise awareness of this crippling affliction and the lifestyle changes that can be made to prevent the risk of stroke. More information can be obtained from the ASA's Web site at [www.strokeassociation.org](http://www.strokeassociation.org).

**Congratulations to William Boller** of East Region's Washington, New Jersey office on the occasion of his fortieth anniversary with Henkels & McCoy. We are pleased to recognize his contributions to the company.

## Central Region News

In the Central Region, the Louisa, Kentucky office has been very busy over the past couple of months. Currently, they are finishing two Rural Utilities Service (RUS) funded Fiber To The business or home (FTTX) projects in Kentucky that are worth more than \$3 million each. Due to their excellent performance, the customer wants to award H&M additional phases on this build. The engineering firm on the project has also offered us the opportunity to bid other projects. This work has also contributed to our success on another FTTX project just over the border in Tennessee. This work is worth over \$3 million and

began on February 20, 2006. The award of this new project also put H&M in the running for Phase II of this FTTX build without the project going out for public bid.

Another busy group in the Central Region is the Addison, Illinois office. Besides the work they currently have in Chicago, they have just been awarded a major project valued at more than \$2 million. The I-355 extension project connecting I-55 and I-80 includes relocating transmission lines as well as lighting. This project is very important to the Chicago area as it will help with the heavy traffic flow in the suburbs. H&M is proud to be involved in such a high-profile project.

The team in Jacksonville, Florida, is simultaneously working on two multi-year contracts as well as a design build project. By meeting this customer's needs, they are getting more opportunities to grow and expand every week.

## West Region News

The year 2006 has been solid for the **Pipeline Division: Shane Johnston**, West Director; **Bill Cox**, Superintendent; and Office Managers **J.D. Fentress** and **Don Kindley** are completing the **Southern Arizona Pipeline Integrity Program** for **El Paso Natural Gas**: new mainline valve installations, fabrication and installation of new launcher/receivers for conducting hydro-tests, and replacement of related and various pipe sections... Project Manager **Fred Harrah**; **Kevin Ekleberry**, Superintendent; **Jeff Adams**, Assistant Superintendent; **Don Magee**, Office Manager; and Safety Manager **Phil Robbins** are completing the second phase of the **WesPac/Buckeye-Memphis**,



*H&M Pipeline Division, replacing old 14-inch pipe with new 20-inch pipe in Pike County in Pennsylvania's Pocono Mountains for Columbia Gas Transmission. Rugged conditions warrant a double rock-shield wrap.*

**Shelby County Port Commission Jet Fuel Pipeline Project**, including several significant horizontal directional drills, one of which will be a 7,000-foot crossing of the Mississippi River. New (24" and 12") jet fuel lines will enhance **Memphis International Airport** operations, especially adding to the efficiency and capacity of the **FedEx Hub**... East Director **Darrell Stevenson**; **Bob Haynal**, Assistant Project Manager; **George Doll**, Superintendent; **Nick Walters**, Assistant Superintendent; and **Keith Wright**, Office Manager anticipate the continuation of their **Columbia/NiSource Eastern Pa.** pipeline replacement project: 38 miles of pipeline replacement and rehabilitation, to be installed in exceedingly difficult stretches of the **Pocono Mountains**. It is obligatory to have the work completed by November 2006... **Gary Harbison**, Superintendent, and **Gary Deverant**, Office Manager, completed the tie-in construction for **Sunoco Logistics' Ohio Turnpike Project** in early February... Superintendents **Richard Hill** and **George Tisdale**, and Office Manager **Alan Burgess** completed their **Williams/Transco Pipeline Integrity** project in early February. **Danny Vincent** worked on **Williams/Transco Anomaly Repairs** in **Maryland** and **West Virginia**... Area Manager **Jon Gray** is completing various compressor station piping modification projects for **El Paso**, **MichCon**, and **Great Lakes**... Pipeline Division Manager and Vice President **Bob Johnston**, and **Earl Kesner**, General Superintendent assert that the bidding season is underway in earnest. Some of the largest projects in recent years will be constructed. Both **Sempra** and **TransCanada** anticipate "big-inch" pipeline construction in **Baja California, Mexico**. **TransCanada's Keystone** project ranges from **Alberta** to **Illinois**. **Williams/Transco Northwest Pipeline** will construct an eighty-mile (36") pipeline in western **Wash-**

ington. Sunoco will build a 5-line product pipeline "inter-refinery" system from Philadelphia to Eagle Point, New Jersey. The Pipeline Division will participate, professionally and positively, with a good number of these meaningful projects.

## Engineering News

The baby boomers are beginning to retire and the average age of power designers and engineers is increasing. Some electric utility companies are experiencing increased difficulty maintaining in-house design capabilities, potentially affecting project schedule and system reliability. This will be exacerbated as key design personnel retire.

To meet this challenge and an anticipated increase in demand, Henkels & McCoy has initiated a program to train personnel in transmission, distribution, and substation design. In distribution, more experienced designers mentor those newer to the field. This on-the-job, hands-on training has been very successful. Quickly learned design skills and high levels of oversight maximize job performance and quality.

A formal training program to teach transmission design to a new generation of engineers and installers represents another initiative. Weekly classes include an overview of the power industry, detailed transmission design, and instruction in the use of transmission and tower design software. Training is offered to our internal and utility customer staff. Personnel from H&M's Infrastructure Engineering Group (IEG) and East Region have attended, along with staff from Jersey Central Power & Light. Additional training efforts focus on highly detailed substation and relay design to complement our well-established structural and civil substation design capabilities.

Part of IEG Communication's mission is to design infrastructure that provides society with economical and reliable sources of communications. To be successful, we need to continually improve our technical abilities to meet the challenges of an ever-evolving communications landscape. Over the next ten months, IEG is offering a unique training opportunity. Our Registered Communication Distribution Designer (RCDD) Training Program began in January 2006 with a goal of increasing the number of RCDDs at H&M. The net effect will be to increase the technical competencies, capabilities, and diversity of our engineers, designers, and National Accounts Group.

## NSS News

A major part of the Network Systems and Solutions (NSS) business plan for fiscal year 2006 is to develop stronger relationships with existing partners. Under the leadership of Vice-President/Division Manager **Mark Lehman**, NSS seeks to replicate the current relationship it has with **ValCom**, a technology management solutions firm based in suburban Chicago.

H&M and ValCom are teaming to support a Fortune 500 company that supplies such products as compressors, motors, signs, and hand and power tools to the business-to-business market.

According to ValCom President **Chuck Birmingham**, "H&M adds an element to our offering that will allow ValCom to grow its business within North America. With our Strategic Staffing Division and Professional Service Division we feel we can also assist H&M to support their customers in other areas, which will lead to a positive Total Customer Experience."

ValCom is managing the technology end of the customer's Market Expansion Project. Together, the ValCom/H&M team supported more than sixty customer sites in 2005, year one of the teaming engagement. Using their proprietary tool, **Web-SPOC**, ValCom seamlessly incorporates H&M's services into their overall delivery model. For this customer, NSS' efforts mainly revolve around the installation of structured cabling for the build-out of new locations or the remodeling of expansion sites.

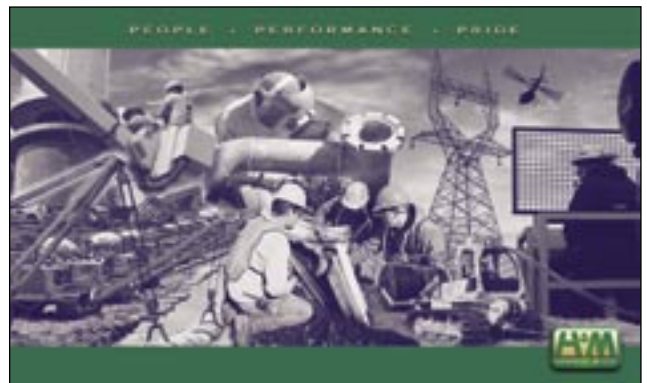
Lehman states, "Our experience with ValCom over the past year validates our emphasis on developing strategic relationships like the one we share with them. We plan to move forward merging our expertise whenever possible, to enhance our shared position as 'Value-Add' enterprises." Birmingham considers the opportunity this customer has provided the ValCom/H&M team to be the proverbial tip of the iceberg.

"ValCom has valued the partnership with H&M over the past two years and we see this relationship growing as we engage H&M in more opportunities within our current and new accounts. H&M offers ValCom a full-service delivery and is a very important partner in our national delivery model moving forward," says Birmingham.



## Corporate News

Congratulations to **Anita Graziano** from our Corporate Disbursements Department, who recently marked her 45th anniversary with Henkels & McCoy. Your contributions are greatly appreciated... **Kathy Mills** has been promoted to Director of the People Services Department, Blue Bell, Pennsylvania. Kathy brings more than twenty years' experience in personnel development and operations management to this position. In her new role, Kathy is responsible for employee relations, staffing, benefits, drug testing, compliance, and compensation. Kathy also continues to manage the Corporate Training Department. In this role, she is responsible for employee development planning and managing the formal Project Management Training program. The combination of the People Department and the Corporate Training Department creates an entity equipped to enhance and assist our most valuable resource, our people... **National Utility Contractors Association (NUCA)** is offering applications for college scholarships for children of employees of NUCA-member companies (Henkels & McCoy is a member company). Applicants must be enrolling full time in an academic institution beginning September 2006. Students already attending college are not eligible. To obtain an application and full details, call 1-800-662-6822. Deadline for application filing is May 19. Hurry... **People • Performance • Pride:** A limited number of complimentary 27 x 41-inch posters featuring a montage of H&M Lines of Business will soon be available from Corporate Sales and Marketing. These full color posters, printed at our on-site IKON reproduction center, were designed to fit in a standard frame (available for sale from an independent Internet frame vendor). To order one for your office, conference room, or lobby, and to inquire about getting a frame, contact Jim Naughton at [jnaughton@henkels.com](mailto:jnaughton@henkels.com). Full details will appear on HM Central.



Large format poster is available for a limited time from Corporate Sales and Marketing. Contact Marketing or visit HM Central for details.

# Management Message

Continued from page 1

Next, we applied the Quality Program principles to our back office functions, performing a quality review of our invoices before they were sent to the customer. Using the new Quality Assurance procedures, in a few short months we were able to reduce clerical errors and other defects in our customer invoices to less than two percent.

What we learned from this process has been transferred to other areas of our business with other clients. All customers want good work, built to their standards, and accurate, timely invoices for payment. Our Quality Program has developed into a distinct competitive advantage for Henkels & McCoy. It is one of the four components (Safety, Quality, Project Management, and Productivity) of our commitment to the future:

**PERFORMANCE** has built our business . . .

## It's Trade Show Season!

Over the 80+ years Henkels & McCoy has been in business, we have participated in numerous trade shows and that number keeps growing! With rising demands within our lines of business, we view trade shows as opportunities to personally reach out to our customers and maximize our industry knowledge. Below is the trade show schedule for Spring 2006. We look forward to seeing you there! At press time, not all addresses and booth numbers were available.

**Kentucky Telephone Association**  
Lexington, Kentucky, May 16-19

**Appalachian Underground Corrosion**  
West Virginia University,  
Morgantown, West Virginia, May 17-19

**Railway Systems Suppliers, Inc. Conference**  
Louisville, Kentucky, Booth 902, May 24-25

**Energy Association of Pennsylvania**  
Hershey, Pennsylvania, June 1-2

**GlobalComm 2006**  
Chicago, Illinois, Booth 57018, June 4-8

**Illinois Telecom Association**  
Oak Brook, Illinois, June 11-13

**Virginia-North Carolina-South Carolina Tri-State Telecommunications and Communications Improvement Conference**  
Charleston, South Carolina, June 11-14

**Pennsylvania Telephone Association (PTA)**  
Hershey, Pennsylvania, June 18-21

**Florida Telecommunications Industry Association Convention**  
Palm Coast, Florida, June 25-28



### IN THIS ISSUE

#### Applied Project Management: Award-Winning Initiative

Recipients of the first H&M Project Management Award (right) apply PM training to a real-world project with prize-winning results.



### FEATURES

- Power and Communications Converge in BPL
- Pentagon PENREN Update
- Honing Leadership Skills: H&M managers train for success in scenario-based business simulations
- Meet Central Region's Kammie Lane

### DEPARTMENTS

Management Message, Regional Roundup, Safety Update, Letters

### PLUS...

- East Region's Jim Burns to Receive Colonel Cox Award
- Timeline: The Power-full Year 1960
- Trade Show Schedule for Spring

### MORE!

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