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CONSTRUCTION

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THE NEXT STEP:

Manson Construction Co. makes the transition from family to employee ownership.

SHIP SHAPE:

Two \$1 billion projects will help the Port of Long Beach increase its capacity.



Equipped To Lead



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New Ownership

MANSON CONSTRUCTION CO. MADE THE COMPANY'S EMPLOYEES ITS OWNERS. BY MARTA JIMÉNEZ-LUTTER

For more than 100 years, Manson Construction Co., a leader in marine construction and dredging, was a family owned company. That changed last summer, when the Seattle-headquartered firm announced its sale to an employee stock ownership plan (ESOP).

Eric Haug and Fred Paup, founder Peter Manson's great-grandsons and majority owners of the company until that point, thought the transition to an ESOP would benefit Manson on a variety of fronts. "We thought it was the best fit for our company and for its future," explains Eric Haug, who continues to be president of the company. "It will retain in essence the aspect of being privately held, while offering the best stability and future returns to our employees and business partners."

The new ownership will not change the way the company is operated, but the management team believes it will motivate employees. "We anticipate the ESOP will increase employee interest in the work we are doing and the future of the company," Haug explains. "Employees will be more vested in the outcome of the business, not only in the financial rewards, but also in how we are perceived and in maintaining our reputation within the industry." As an ESOP, Manson can continue to expand while maintaining the sense of family, community and loyalty that defines the company. The ownership change is just one of many examples of how Manson is gracefully advancing by pairing progressive strategies with long-standing traditions.

Business as Usual

The change in ownership has not altered Manson's place of leadership in its industry. "We are the largest contractor for marine ports and docks in the West Coast of the U.S. and the third-largest dredging contractor in the entire country," Haug says.

Haug credits Manson's employees with playing a significant role in the success of the business and he also notes the importance of having access to the right equipment. "We have people that are extremely good in our business, but we also have some of the best

» Manson Construction has been a leader in marine construction for more than a century.



equipment in the U.S. for this type of work," he says.

In fact, the company has the largest trailing suction hopper dredge in the United States, the Glenn Edwards. It was custom-built by Manson and named after the previous president, who worked at the company for over 50 years. The 390-foot-long vessel boasts a 13,500 cubic yard capacity hopper. Along with her enormous size and hopper capacity, this vessel

Manson Construction Co.

www.mansonconstruction.com

- **Revenue:** \$368 million
- **Headquarters:** Seattle, Wash.
- **Employees:** 800
- **Specialty:** Heavy marine construction and dredging

"We are the largest contractor for marine ports and docks in the West Coast of the U.S."

-Eric Haug, president

Manson Construction says «
last year was the safest year
in the company's history.



features three azimuth drives which, along with her bow thruster, give her 360° maneuverability. The Glenn Edwards – is currently being used for the Craney Island eastward expansion in northern Virginia. Manson is performing the dredging and landfilling for the \$21 million construction project that will extend the life of Craney Island as a dredged material placement area and also provide land for the construction of a new marine terminal. The project, which started in December of 2012, is scheduled to be completed in March of 2013.

Manson also has several major projects along the West Coast in cities such as Seattle and Long Beach, Calif. Manson is part of a Kiewit-led joint venture project to replace the SR-520 floating bridge. The \$586 million project started in August of 2011 and is scheduled to be completed by the end of 2014. The new six-lane floating bridge with wider shoulders and transit lanes in each direction will feature pedestrian and bicycle lanes.

The Middle Harbor Project at the Port of Long Beach is also a joint venture for Manson, which partnered with local company Connolly-Pacific Co. The Manson-led joint venture team has three concurrent contracts as part of a \$196 million modernization and consolidation of two old terminals into a state-of-the-art container terminal with twice the cargo capacity. Construction for the first contract took off in April 2010 and it's scheduled to be completed in 2013. "We are doing dredging, demolition of existing structures, construction of 2,500 feet of wharf and other seawall work," Haug notes.

Closer to home, Manson has partnered with Mortenson Construction to replace Seattle's crumbling seawall. Funded by a \$290 million bond

measure, the Mortenson-led joint venture project is in the pre-construction phase and it is scheduled to begin construction in 2013 with a completion date of 2016.

Keeping it Safe

The most important element in any Manson project is safety, Haug points out. Nine years ago, the company partnered with JMJ Associates – a safety consultancy with a focus on energy, mining and construction – to establish its Incident and Injury-Free® (IIF) program.

"It's safety culture at its roots, and it strives to instill a sense of personal responsibility in every worker on site and emphasizes planning ahead and being accountable for your safety and the crew's safety," Haug explains. "In the last several years, Manson – with guidance from JMJ – has been reevaluating its safety program and taking steps to strengthen and improve our Incident and Injury-Free culture."

"We have increased our focus and emphasis on work planning, including Job Safety Analyses (JSAs)," Haug continues. "Last year, we had the safest year in the history of the company."

Manson also continues to invest in its employee owners to maintain its growth and leadership role. "We have been concentrating on hiring new young engineers," Haug explains. "Over the last 10 years, we've hired over 100 engineers, many of whom were right out of college. This generation of employees is the future of our organization and their growth and development will be critical to the company's continued success. We look forward to their contributions to our growing, ever-evolving company." ♦