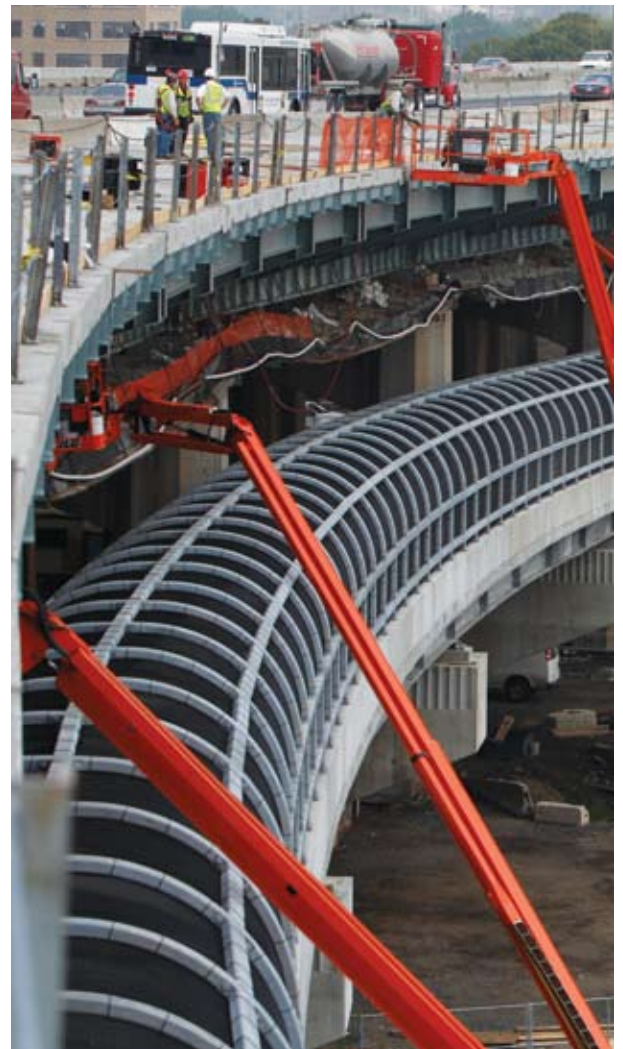




General Contractors Association of New York
2008 Annual Report



- 1 Letters from the President and Managing Director
- 2 The Year in Review
- 4 Moving Ahead
- 5 New Members



President's Letter



I am pleased to present the inaugural issue of the GCA's Annual Report. Looking back on 2008, we could never have predicted the wide range of challenges that we faced throughout this year.

There were several significant issues that arose. First, the creation of the pilot program for contracts that contain damages for delay provisions is a huge step in the resolution of this long-standing problem. The credit for this success goes to Denise Richardson, Felice Farber and our former Managing Director Chris Ward. I know that the staff will continue to work for improvements in this program. Another program that will help our members in the future was the establishment of a GCA Summer Internship Program. This program will continue to grow, and these interns will be the leaders of our firms in the future.

After an exhaustive search and through the help of a very active and dedicated search committee, I would like to reiterate that I have no doubt that Denise Richardson will prove that she is more than the right person for this association. Her intelligence, knowledge and absolute passion for our members and the work they do will result in leadership that will serve to enhance our members in 2009 and beyond.

Despite this transition in managing directors, the GCA staff members provided responsive assistance to members' concerns and will continue to emphasize member services in the coming year. As President of the GCA these past two years, I state confidently that the GCA is in a strong position to lead us through these uncertain times. We have established fiscal control and accountability, and we continue to work closely with the agencies to address our issues. Most significant, the GCA has assumed a leadership position in lobbying for infrastructure funding.

None of the GCA's accomplishments could have occurred without the ongoing support and input of the membership. Your dedication and involvement in the GCA has helped make the GCA a construction industry leader and a strong and vital organization. On behalf of my fellow GCA officers, I thank all of you for your support.

Sincerely,

James Moriarty, Jr.
President

Message from the Managing Director



Welcome to the GCA's annual report, in which we recount our progress during 2008 and highlight our 2009 agenda.

As we look back on this year, we owe much appreciation to our President James Moriarty, Jr., President of T. Moriarty & Son. Jim's steady and conscientious leadership guided the GCA through our transition of managing directors, and I am personally grateful for the time that Jim has dedicated to the GCA—time that took him away from his own business and his family.

We now welcome our incoming President John Donohoe, Chairman of Moretrench American Corporation and our new Treasurer Carl Cosenzo, Executive Vice President of Schiavone Construction. Their knowledge of the New Jersey market, and their leadership positions with the New Jersey AGC and UTCA will help us achieve our long-standing goal of a closer relationship with our New Jersey counterparts.

During 2008, we achieved several milestones. Starting with our support for the congestion pricing initiative, the GCA has become a leading voice in advocating for robust investment in transportation and infrastructure. In June, the GCA was the first to emphasize to Governor Paterson the role that transportation and infrastructure investment play in buffering an economic downturn, noting that during uncertain economic times, New York has always initiated ambitious projects from the Erie Canal to the Empire State Building and the 1939 World's Fair. We continued to lobby, with our partners in the New York Roadway Improvement Coalition (NYRIC) and the Empire State Transportation Alliance (ESTA), for the federal economic stimulus package as well as for a similar expenditure by New York State and for five-year capital programs at the MTA and NYSDOT. We will re-emphasize these issues in the year ahead, and we will continue to work closely with the heavy construction unions to maintain our competitive advantage.

One of my goals as Managing Director is to maintain active and open communication with all members. I welcome your input and look forward to working with all of you over this particularly important year, our centennial, and trust we will continue to make important strides in furthering the interests of our members.

Sincerely,

Denise M. Richardson
Managing Director/Secretary to the Board

The Year in Review

In 2008, GCA remained in the forefront of the industry, promoting our issues and providing visibility at key events.

Wins Change to No Damages for Delay Contract Provision

In a major win for the General Contractors Association, the city of New York has agreed to amend its boilerplate contract on a pilot basis to permit damages for delay. The three-year pilot program covers contracts let by the Parks Department, DEP, DOT and DDC. Certain clearly identified projects from each of these agencies will include a contract provision that makes delay compensable in certain circumstances. The new language excludes damages for third party delay — a critical issue that the GCA will continue to pursue.

Support for Congestion Pricing

The GCA kicked off a major advertising campaign in support of congestion pricing with full-page print ads that appeared in *The New York Times*, *Daily News*, and *New York Post* in support of the Mayor's PlaNYC 2030 proposal. Following up on the success of those ads, the GCA, together with the Empire State Transportation Alliance, developed ads that were posted on 4,000 subway cars, 4,518 buses, 870 commuter trains, and 500 mini billboards.



Out Front with Infrastructure Funding

In May, New York Governor Paterson held a meeting with the construction community to discuss design and infrastructure issues. The GCA was the first to emphasize infrastructure funding as a long-term priority, critical in maintaining the transportation network so essential to the economy and mobility of New York State.

On Blue Ribbon Panels

The GCA was a leading participant on blue ribbon panels for the MTA and the NYCDEP as they reviewed construction practices and explored ways to improve delivery of construction projects. The GCA provided numerous suggestions for streamlining the agencies' contract award, change order and project management practices.

Summit Considers Allocation of Risk

NYSDOT invited the GCA to take part in its high-level summit on managing risk in design and construction projects. The GCA provided suggestions on how to shift the risk to the party best capable of managing that risk.

Addressing Truck Issues

At the request of NYCDOT, the GCA and the Teamsters Union helped organize a summit on truck issues in New York City. The meeting brought together contractors, trucking company owners, and union members along with NYCDOT Commissioner Janette Sadik-Khan, NYSDOT Commissioner Astrid Glynn and representatives from the Port Authority, MTA Bridges and Tunnels and the Police Department to discuss ways to improve truck movement and truck access. The GCA will be working with NYCDOT in 2009 to move forward on the recommendations from the truck summit.

(L to R) Kevin Corbett, ESTA Co-Chair, Denise Richardson, Dr. James Melius, NYRIC President, at press conference urging governor and state legislature to fund infrastructure projects in New York

A Full Calendar of Activities

- In cooperation with the New York Roadway Improvement Coalition (NYRIC), the GCA held its annual state legislative reception at LaSerre in Albany on January 22, 2008. Construction industry and trade union members enjoyed the opportunity to discuss issues of importance with state legislators.
- NYRIC and the GCA hosted their joint annual legislative reception in Capitol's beautiful LBJ room on April 15, 2008. In attendance were numerous members of the New York Congressional delegation, including Senator Schumer and Representatives Maloney, Israel, Weiner, Bishop, Crowley and Lowey.



(L to R) James Moriarty, Jr., Felice Farber, Senator Charles Schumer at the legislative reception in Washington

- Some 320 people—more than ever before—joined the GCA at the Westchester Country Club on June 9, making this year's golf outing a sold-out event.
- On October 16, the GCA annual meeting and luncheon was held at the Water Club in New York City. Keynote speaker Dr. T. Peter Ruane, President of the American Road and Transportation

Association, discussed federal transportation funding issues and the dynamics of reauthorizing the federal transportation bill—SAFETEA-LU.

- The GCA celebrated its 100th Anniversary at the Waldorf Astoria Hotel on December 6, 2008.

Advancing Safety

The GCA's first annual Safety Day was held on May 21, 2008, when contractors were asked to focus on safety issues throughout that day. In other safety activities during the year, the safety committee sponsored seminars with New York City Transit's Capital Program Management Safety Director, a crane safety discussion conducted by American Safety Consultants, training regarding employers' responsibilities for compliance with USDOT regulations, and a meeting with DEP's Environmental Health and Safety managers to discuss how to assure that best safety practices are adopted on all projects. Along with the New York City Department of Building's commissioner and union and industry leaders, the GCA also participated in a crane safety roundtable discussion at McGraw-Hill. GCA is also a member in the Department of Buildings' High Risk Construction Oversight task force, which will be establishing regulations to promote safe construction work practices.

Manhattan College Internship and Scholarship Program

With so many of our members having fond memories of their years at Manhattan College, the GCA initiated a summer internship and scholarship program for junior year civil engineering students. During the summer of 2008, five students were placed at GCA member firms including T. Moriarty & Son, Moretrench American, Yonkers Contracting, Tully Construction and Unicorn Construction. At the conclusion of their summer internships, the students were awarded a \$3,500 scholarship toward their senior year expenses. Based on the success of this first effort, in 2009 the GCA will be expanding the program to include other area engineering programs.

Labor Relations

In 2008, the GCA negotiated a New York Divers agreement, clarifying important points to further a mutually cooperative relationship in the challenging arena of marine construction. We also settled a new six-year collective bargaining agreement with Local 46, Metallic Lathers, to provide economic stability in distinctly unstable economic times, and we maintained a close working relationship with the members and the unions to assure compliance with the collective bargaining agreements.

The GCA also served as employer trustees on the various funds managed by the Operating Engineers, Laborers, Tunnel Workers, Drillers and Blasters and Teamsters.



Centennial Book Published

To Build New York: 100 Years of Infrastructure tells the story of the past century of construction in New York City and the outstanding contribution made by the GCA members to the city's development and history.

Safety Benefits All

When the state legislature passed a bill mandating that all workers on a job site complete an OSHA 10-hour safety class by July, the GCA swung into action, scheduling free classes to help members meet the new requirements.

Providing Training

The GCA also scheduled MTA track training for members. This full-day classroom practical instruction, which teaches track safety for contractors working on transit authority jobs, is a requirement that must be fulfilled before a contractor or its employees are allowed to work on subway tracks.



Pictured (from left to right) are: Tom Iovino, Denise Richardson, James Moriarty, Jr., Chris Ward at the 100th Anniversary Dinner.

Moving Ahead: The Year To Come



Infrastructure Funding and the Economic Stimulus Package

In 2009, priority number one will be to focus our legislative efforts on funding for capital programs. Throughout the year, the GCA will be advocating for a stimulus plan and infrastructure investment at the federal, state and city government levels, a fully funded MTA and NYSDOT five-year capital plan, and restoration of full funding of the city's capital budget.

SAFETEA-LU Reauthorization

On September 30, 2009, the six-year federal transportation funding bill, SAFETEA-LU, will expire. Gas tax revenues are insufficient to fund a new transportation bill at the existing levels and, without new sources of revenue, federal funding will decline by 25 percent. As efforts to craft a new transportation bill proceed, the GCA will be working hard in Washington to assure that New York gets its fair share of federal transportation dollars.

Toward Clean Water

The GCA is a member of the Clean Water Construction Coalition, a national organization of construction associations whose purpose is to promote federal legislation that improves water and wastewater infrastructure. During 2009, GCA will renew its efforts to reauthorize a state revolving loan fund and to lobby for direct federal funding so that critical clean water projects will be a reality for New York.

Agency Partnerships

Using the economic stimulus schedule as a catalyst for action, the GCA will be working closely with the agencies to streamline procurement and project management practices to gain greater efficiencies, capitalize on opportunities for cost savings and address continued inequities in the agencies' contract provisions. In particular, the GCA will lobby for legislation to permit NYSDOT to use design-build as a project delivery method; work at the city level to include change order-related liability insurance premiums as a direct cost on additional work; and monitor DEP's proposed modifications in their change order process to ensure that they are working as intended.

Centennial Year Events

In conjunction with the New York Public Library and the Transit Museum, the GCA will be sponsoring a series of exhibits about the city's infrastructure. "The Future Beneath Us" will explore the construction of the Third Water Tunnel and Croton Filtration Plant, the Second Avenue Subway, East Side Access, and the ARC tunnel, and will include a historical overview of the history of the city's infrastructure and its construction. The events will include interactive exhibits, informational forums and technical seminars to be held from February through May 2009.

In Memoriam Robert Koch, Sr.

Robert Koch, Sr., of Alpine, New Jersey, whose family's construction company put up the steel for the World Trade Center, died at the age of 89. In 1955, Mr. Koch became president of Carteret-based Karl Koch Erecting Co., founded by his father. Under Mr. Koch's leadership, Karl Koch Erecting Co. was transformed from a small steel erector of apartment buildings into a general contractor whose specialty is bridges. Mr. Koch was instrumental in the construction of Giants Stadium and the renovation of Yankee Stadium, "and worked on every major bridge in the New York metropolitan area," said Mr. Koch's son Robert Jr., president of general contractor Skanska Koch, which was formed after Karl Koch's acquisition by Skanska.

New Members

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Grace Industries LLC
Jett Industries Inc.
McCloskey Contracting Co. Inc.
Pristine Management Corp.
RMSK Contracting Corp.
Transit Construction Corp.
W.D.F., Inc.

ASSOCIATE MEMBERS

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Exposure Assessment Strategies, Inc.
Haks Engineers, Architects & Land Surveyors, P.C.
Lewis & McKenna, Attorneys at Law
Montgomery Environmental Inc.
National Insurance Brokerage of NY, Inc.

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