



Arizona's Infrastructure Experts Since 1960

////FANN CONTRACTING, INC.

At a glance



Mike & Jason Fann



Arizona's Infrastructure Experts Since 1960

"Valuing our past and caring about the future is what shapes everything we build today."

- Mike Fann, President

**General Contractor, Design Builder,
Construction Manager at Risk (CMAR)**

Established 1960

Headquartered in Prescott, AZ

Professional Licenses

A - General Engineering No. AZROC 071520

B - General Engineering No. AZROC 041313

Areas of Expertise

Road & highway construction / asphalt paving

Mass excavation

Underground utilities: dry / water and sewer lines / storm drains

Subdivision & commercial site development

Wastewater & water treatment facilities

Landfill construction & closure

Contract Range

\$50,000 to \$50 million

CMAR Projects

Multi-million dollar assignments

Bonding Capacity

Up to \$50 million per project / unlimited total capacity

Estimating / Scheduling

State-of-the-art HCSS and Primavera Suretrak

Agtek Takeoff and GPS Modeling

Employee Base

More than 300

Safety Program

Companywide / free training classes / bilingual

Equipment

Large fleet of late-model trucks and heavy equipment

Industry Awards

ADOT Construction Excellence

Recognition by Arizona Quality Initiative

ADOT Contractor of the Year

Member

The Associated General Contractors of America

National Asphalt Pavement Association

Yavapai County Contractors Association

Central Arizona Partnership

Construction Financial Management Association





/// **ABOUT FANN CONTRACTING, INC.**

The backbone to build better infrastructures

Jim Fann
1933-2006

For close to half a century, Fann has been an integral part of Arizona's infrastructure - from roadways throughout the state to public works projects, landfills, underground utilities and commercial site development.

What started as a small business in 1960, with one hardworking man and a single back hoe, has now grown into one of Arizona's leading heavy construction contractors. Since 2000 our revenues have more than doubled, and are now approaching \$100 million.

Our success springs from a sense of commitment taught by our founder, the late James L. Fann, emphasizing quality performance, partnership-building, and "giving back" to our industry and communities throughout Arizona.

It's a work ethic Jim passed along to his son, Michael, president of Fann Contracting since 1989. Mike's business model relies heavily on the principle of win-win partnerships with owners, subcontractors, suppliers, and employees. Jim's grandson, Jason, manages projects for the company with that same dedication to quality construction, team-building, and respect for the people we work with and the communities we serve.

With more than 300 employees, a large equipment fleet, and a thorough understanding of Arizona's soil and environmental conditions, we look ahead to many more years of solidly constructing our state's essential "backbone": quality infrastructures that are - like Fann Contracting - built to last.

"I feel very fortunate to have [worked with] Jim for so many years ... I was able to gain an abundance of knowledge and wisdom from one of the best teachers I have ever known."

- Gary Steinmetz,
Job Superintendent

Fann team member since '78





PRIDE IN OUR WORK AND IN OUR COMMUNITY

The backbone to help build a better Arizona, with funding for education and charitable works.

Jim Fann left high school early to attend trade school. He never received a college degree, but his hands-on approach to construction was all about education. Jim taught the art of quality work one-on-one: how to correctly prep a trench, place culvert, blast rock or lay down asphalt. Many in our industry knew him as both teacher and mentor over his many years of service.

Today our commitment to educating future industry professionals continues with the James L. Fann Memorial Scholarship, funded in 2007 with a \$250,000 gift to ASU's Del E. Webb School of Construction.

It's a Fann family tradition to share our success by contributing to many worthy charitable organizations. Our employees have joined us in supporting Arizona communities with FEMAD (Fann Employees Making A Difference). They choose the amount they want to give to good causes via payroll deductions and help select the recipient nonprofits, knowing we'll match their contributions dollar for dollar. Our employees' enthusiasm for this program reflects the spirit of partnership that fuels our day-to-day operations.

"We wouldn't exist if it weren't for Fann Contracting's many years of support. Now Mike's employees have joined him through this amazing giving program.

All I can say is "Wow!"

*- Brad Newman, Director
Yavapai Exceptional Industries, Inc.
commenting on FEMAD*

We feel honored that we're able to do our part to help build a better Arizona by supporting industry-specific education and providing financial support that gives a hand up to communities throughout our state.



//////THE FANN APPROACH TO PROJECT MANAGEMENT

Respect for the work. Respect for the people who make it happen.

President Michael Fann manages operations with an integrated partnership approach. All participants - from owners to suppliers, subcontractors to employees - are valued as essential members of the project delivery team.

Our team-building and partnering philosophy mirrors the Construction Manager At Risk model. In working with the Arizona Department of Transportation and the Federal Highway Administration for many years, we've learned that effective communication helps build consensus on constructibility and cost, and fosters mutual respect among team members.



How we build expert infrastructure-delivery teams.

The hard work of infrastructure construction - from quality control and cost-containment to problem prevention - becomes easier with prequalified performers. The suppliers and subcontractors Fann brings to a project must meet our standards for reliability, solvency, insurance, licensing, safety, and product/work quality. We include some Disadvantaged Business Enterprise contractors among subcontractor candidates: With mentoring and financial assistance, we've helped motivated DBE's grow into valuable assets to our industry.

Our CMAR teams use an "open book" approach, meeting regularly with owners and engineers to share all information related to construction and costs, materials delivery, scheduling and more.

"Jim Fann taught me to speak up for myself and express my opinions. These were two of the most important lessons I have ever learned."

*- Linda O'Brien, CFO
Fann team member since '83*

Job quality enhanced by team continuity and a strong safety culture.

Our Prescott employee base includes many who've been with us for 20 years or more. A full 50% of Fann project managers and supervisors are "homegrown", enabling us to build quality-focused, cohesive teams.

We encourage our employees to learn, offering company-paid continuing education, including job-related college studies. Qualified hourly employees can advance to the "Fann Core Group" that participates in management decisions and earns performance-based bonuses.

On projects around the state, we employ area workers for temporary jobs, which helps boost local economies, too.

Fann Contracting directly performs about 85% of the work involved in almost all contracts. Every job is properly staffed and runs at full capacity. An in-house maintenance division provides mobile mechanics and fuelers to our fleet, day and night, on all projects.

Our comprehensive safety program includes in-house training classes for all employees throughout the year. A full-time Safety Manager inspects and monitors each job site weekly, and every workday starts with a bilingual safety meeting. New project workers, identified by green hardhats, are provided extra attention on the job. All subcontractors are required to follow Fann's stringent safety protocols.

"Our people are the key to Fann Contracting's success. We've been lucky in attracting real talent, then putting those individuals in the right places for their own growth and for ours. The Fanns have always made it so clear they appreciate us, treating all of us as family."
- John Heisley, VP & General Manager
Fann team member since 1982





/// **AREA OF EXPERTISE**

Subdivision and Commercial Site Development

Extensive knowledge of Arizona’s rock and soil conditions, coupled with thorough preplanning and scheduling of suppliers, subs and our own crews, makes Fann a valuable resource for owners, architects and engineers in fast-tracking the development of residential subdivisions and commercial sites.

STONERIDGE

FROM OUR PORTFOLIO:

Stoneridge Units 3, 5 & 6, Prescott Valley, AZ

Owner:

Suncor / Stoneridge-Prescott Valley, LLC

Fann’s Role:

General Contractor

Contract Amount:

\$6.8 million

Scope of Work:

Excavation, rock blasting, sewer and water development dry utilities, road construction and paving

The work included significant roadway excavation (mostly rock), drilling, blasting, sub-grade prep for sewer, water and drainage. Mass grades required about 200,000 cy earth/rock excavation per unit for terraced pads, streets, and several large rip rap-lines drainage channels.

Our rip-rap plant was vital in helping us produce the high volume of rock needed to construct headwalls for 108” double-barrel drainage culverts placed beneath the roadway crossings.



“Before every blast, I bow my head and thank Jim for his time, tools and patience, which let us perfect the art of controlled blasting.”

*- Mike Shivers, Sr., Blasting Specialist
Fann team member since '83*

WALMART

FROM OUR PORTFOLIO:
Walmart Superstore, Prescott, AZ

Fann's Role:
Subcontractor (to Colorado Structures)

Owner:
Walmart Stores Corporation

Project Value:
\$7.1 million

Scope of Work:
Excavation, blasting, erosion control, storm drain, pipe and headwalls, dry utilities, building pad prep, parking lot and street entrances' base and paving



Preparation for this new 205,000 sf retail store required partial removal of a large hill. The initial excavation was massive - totaling 1.3 million cy of rock and soil. Fann's earthwork equipment and truck fleet was in operation day and night, with dirt loads moving offsite roughly every five minutes.

Later, under subcontract to Colorado Structures, Fann crews performed additional earthwork, installed underground utilities, prepped the building pad, and paved both parking lot and street exits.

Dust control was of particular concern in planning this project, with large auto dealerships located directly across from the work site. Fann's work was completed in approximately 6 months, successfully meeting the owner's ambitious construction schedule.

"This community [Prescott] and our state have benefited and grown with the good influence and quality workmanship the Fanns provide. Looking back over the last 30 years, I can fully appreciate the lasting, positive results of working for a family and corporation that always strives for the best. I'm very glad to be a part of it."

- Don Holt, VP and Chief Estimator
Fann team member since 1978



/// AREA OF EXPERTISE

Wastewater Treatment Facilities and Landfills

PRESCOTT VALLEY

FROM OUR PORTFOLIO:

Prescott Valley Wastewater Treatment Plant

Owner:

Town of Prescott Valley, AZ

Fann's Role:

General Contractor

Contract Amount:

\$17.8 million

Scope of Work:

Site excavation, concrete structures and buildings / process piping

Specialized wastewater treatment equipment installation

Systems tie-in to existing plant, paving, landscaping



Arizona's population is one of the fastest-growing in the United States, thanks to our favorable climate and stunning landscapes. But while growth strengthens our economy, it requires mitigation efforts to help ensure ample water supplies and keep the lid on trash and pollutants. Fann's expert design-build strategies for water treatment facilities and landfills helps our communities address water conservation and refuse control more cost-effectively.

We'd built the original facility in 1992; this expansion included construction of a masonry building (10,000 sf) and two metal buildings (600 and 1,400 sf) with HVAC, plumbing, electrical, fire sprinklers and alarm systems.

The Fann team's expertise in building this type of plant proved a particular asset for Prescott Valley's project planners: by applying our value-added engineering recommendations, the Town saved more than \$500,000 in construction costs.

"Wise use of water resources is critical in Arizona. We're proud to have constructed and expanded this plant, helping one of our fastest-growing towns reuse and conserve its water."

*- Mike Young, President
Fann Environmental*





GRAY WOLF

FROM OUR PORTFOLIO:
Gray Wolf Landfill Facility

Owner:
Waste Management of Arizona

Fann's Role:
General Contractor

Contract Amount:
\$1 million

Scope of Work:
Site excavation, concrete structures and buildings / process piping
Specialized wastewater treatment equipment installation
Preparation of cells for liner, grading, draining, paving and road repair, and construction of parking lot.

"Shortly after I went to work for JL Fann Co., we were in a meeting with ADOT at the district office when in answer to a question, Jim stated he had no ambition to be the largest contractor in Arizona, he wanted to be the one that does the best work. I knew then that I wanted to work for this company."

- Neil Morrison,
Superintendent

Fann Contracting has extensive knowledge of the environmental issues associated with landfill preparation and landfill closures, and has developed a good working relationship with Arizona environmental officials as a result of that knowledge and experience. We bring a full complement of equipment and a highly skilled work force to waste management facility projects.



/// AREA OF EXPERTISE

Underground Utilities

The public at large rarely gets a glimpse of the substructures Fann builds to provide electricity, gas, water and sewer services to homes and businesses. But both owners and engineers know that the way underground utilities are constructed is critical to overall project success, whether those lines run beside a superhighway or into private residences.

Our experience and commitment to quality ensures delivery of superior below-grade infrastructures that withstand environmental conditions and help reduce maintenance costs for years to come.



"This is one of the largest Capital Projects that the Town has pursued, and also one of the most sensitive ... Good interaction with the existing homeowners is critical ... I get positive comments from homeowners consistently on the courtesy and good workmanship that Fann provides."

*- Robin Allen, Senior Civil Engineer
Town of Chino Valley's Project Manager*

This wastewater conversion project presented many problem-solving opportunities, from public safety concerns to sensitive communications with residents. Preliminary meetings with homeowners, door-to-door notifications, and personal visits to residents enabled the Fann team to maintain goodwill throughout the construction process, smoothing the way for well-organized crews to complete this complex utility project as quickly as possible.

CHINO VALLEY

FROM OUR PORTFOLIO:

Chino Meadows Wastewater Collection System

Owner:

Town of Chino Valley, AZ

Fann's Role:

Construction Manager at Risk

Original project cost:

\$13 million

Scope of work:

Construction of new sewer collection system, tie-in existing 1000+ homes

Drain and abandon existing septic tanks, 80,000 LF mainline

1180 connections, 500 manholes



/// AREA OF EXPERTISE

Roads & Highways

We've constructed Arizona's roadways for decades, including streets and highways for the Arizona Department of Transportation (ADOT), the Federal Highway Safety Administration and municipalities. Over hundreds of miles of asphalt, we've built a reputation for successful projects, completed at reasonable cost and peak efficiency.

Fann has earned unlimited prequalification to bid ADOT jobs, and more than \$1 million in bonus awards from ADOT for highway smoothness and quality.

IRON SPRINGS

FROM OUR PORTFOLIO:

Iron Springs Road Reconstruction

Owner:

City of Prescott, AZ

Fann's Role:

General Contractor

Contract Amount:

\$17.4 million

Scope of work:

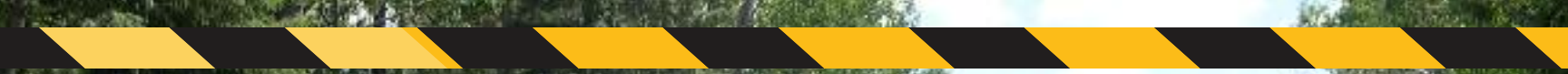
Roadway widening, curbs, gutters, sidewalks, retaining walls and lighting, extensive water, and sewer storm drains

"The road construction was not nearly as much of a challenge or as disruptive as I expected ... Those ladies [Fann flaggers] kept traffic moving and never got upset or ruffled."

-Principal Larry Peterson,
Abia Judd Elementary School,
on Iron Springs Road project
(Prescott Daily Courier, Apr. 2008)

With heavy traffic, two schools, a fire station and multiple businesses along this major corridor, our crews faced numerous challenges. Work commenced in December 2006, and the project team's strategy - from exhaustive preplanning to effective communications with the affected business owners and with the public - was key in placing this job ahead of the scheduled June 2008 completion date. Public response was overwhelmingly positive throughout.





//// THE BACKBONE TO BUILD BETTER INFRASTRUCTURES

Sound principles in 1960. Sound principles today.

An infrastructure is itself often perceived as a kind of “backbone”. The dictionary definition is “the basic physical and organizational structures and facilities (e.g., buildings, roads, power supplies) essential to the operation of a society or enterprise”.

Yet at Fann Contracting, our own definition of infrastructure stretches beyond highways and runs deeper than an underground utility line: We believe that people are the real backbone of any society.

And that’s why we have always endeavored to learn and to teach, encouraging our employees to reach their fullest potential, and to approach every project in a spirit of partnership with all stake holders. We believe in treating everyone involved with the same respect that we hope to earn by hard work and a job well done.

These are the principles on which James L. Fann founded our company in 1960, and they remain our principles today.

If that’s the kind of infrastructure builder you’d welcome as part of your team, we encourage you to talk to us about your next project.





Arizona's Infrastructure Experts Since 1960

P.O. Box 4356 • Prescott AZ 86302 | 1403 Industrial Way • Prescott, AZ 86301
928.778.0170 | fax 928.778.5591 | fanncontracting.com