



# A MODERN DAY CONSTRUCTION INDUSTRY COMPLIANCE PROGRAM

Chris Caron



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## KIEWIT CORPORATION

- More than 130 years of construction excellence
- Operations throughout North America
- \$8.7 billion in 2017 revenue
- Privately held – owned by active employees
- Industry-leading safety and quality performance
- One of the largest privately owned equipment fleets in North America



# THE ESSENTIALS OF SUCCESSFUL CONTRACTING

Getting work at the right price

Building work at the lowest cost

Taking care of our assets

## VALUING THE BASICS

### Core values

- People
- Integrity
- Excellence
- Stewardship

### Approach to business

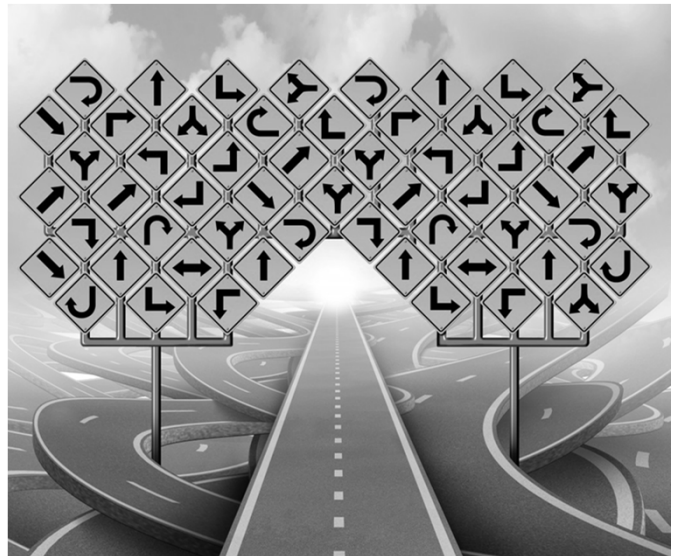
- Ethical
- Fair
- Conservative
- No surprises



We value:  
PEOPLE.  
INTEGRITY.  
EXCELLENCE.  
STEWARDSHIP.

# COMPLIANCE COMPLEXITY

- Geography
- Contract Size & Duration
- Private versus Public Clients
- Project Team Experience
- Markets

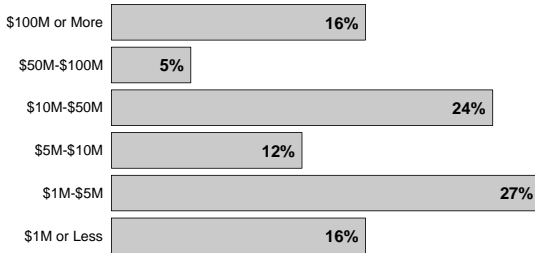


# GEOGRAPHY

Kiewit Locations



# CONTRACT VALUE



Projects by contract value as reported to ENR, 2016

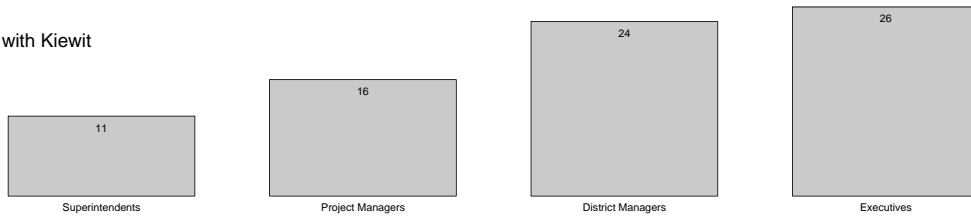
\*Map not to scale

# STRENGTH THROUGH QUALITY PEOPLE



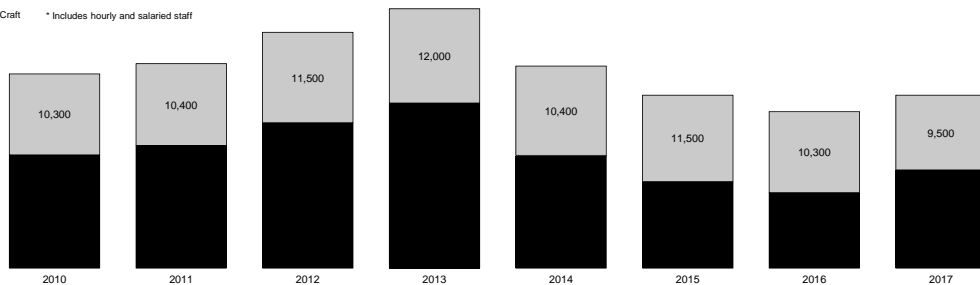
Average Years with Kiewit

Years of Service



The Kiewit Workforce

\* Staff \* Craft \* Includes hourly and salaried staff



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## KIEWIT MARKETS



### BUILDING

Commercial  
Data center/mission critical | Education  
Government | Healthcare  
Hospitality | Manufacturing/industrial  
Mixed use/retail | Sports and  
entertainment | Transit facilities



### INDUSTRIAL

Mineral processing | Cement  
Bulk manufacturing | Industrial water  
Metals | Pulp and paper | Specialty  
chemicals | Food & beverage  
Pharmaceuticals & advanced  
manufacturing



### MINING

Contract mining  
Mine infrastructure  
Mine planning  
Ore processing  
Owned operations



### POWER

Gas-fired  
Coal retrofit  
Coal-fired  
Power delivery  
Renewables  
Nuclear  
Hydroelectric



### OIL AND GAS

UPSTREAM  
Offshore | Oil sands  
  
MIDSTREAM  
Gas processing  
Compressor and pump stations  
Pipelines and terminals | LNG  
  
DOWNSTREAM  
Refining | Petrochemicals



### TRANSPORTATION

Air  
Bridge  
Marine and port facilities  
Rail  
Roads  
Tunnels



### WATER/WASTEWATER

Dam  
Desalination  
Water supply  
Wastewater

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7



### TRANSPORTATION



▲ I-40 Fast Fix 8, Tennessee

Kiewit completed the I-40  
bridge replacements  
**7 MONTHS**  
AHEAD OF  
SCHEDULE.





OIL, GAS & CHEMICAL



▲ Stampede Tension Leg Platform, Gulf of Mexico

Kiewit completes  
more than  
**50,000**  
**TONS**  
of offshore module  
fabrication work each  
year at its Ingleside,  
Texas yard.



POWER

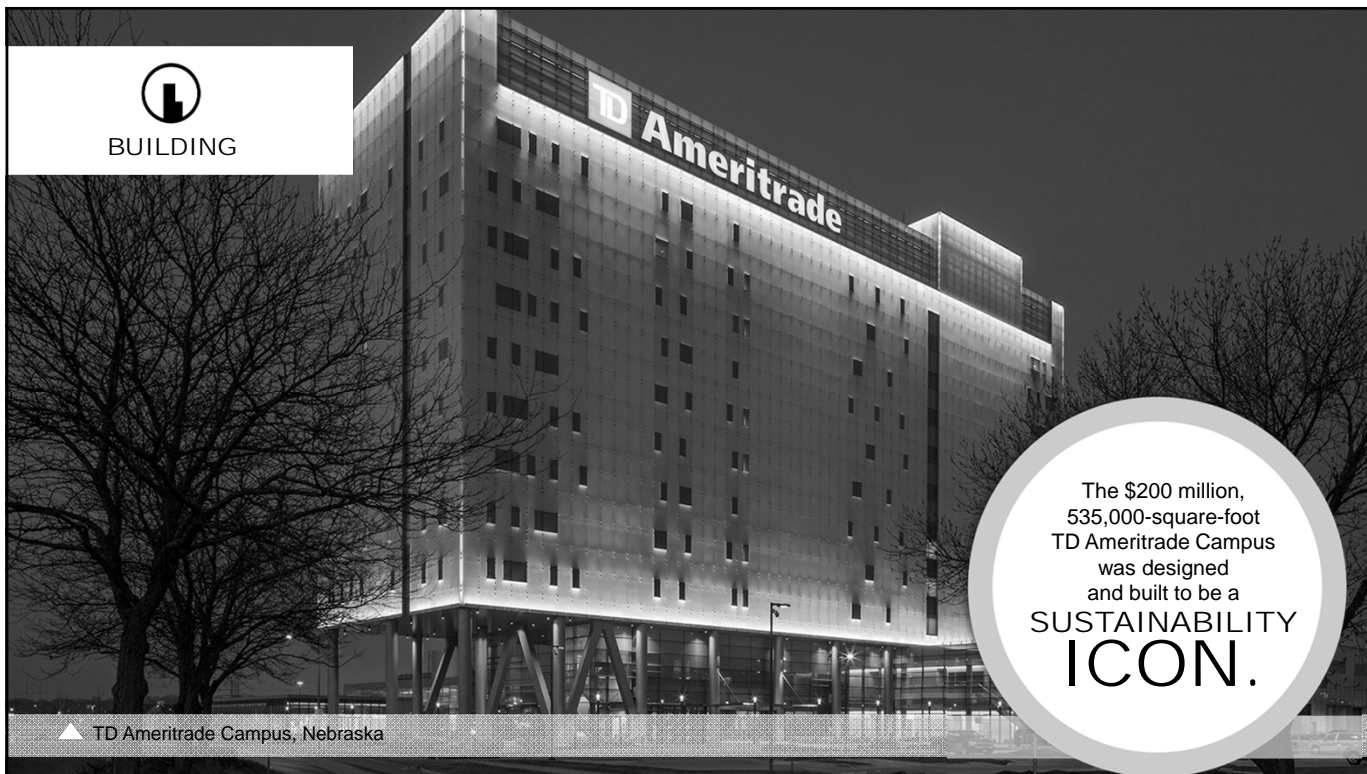


▲ Paradise Combined-Cycle Project, Kentucky

Kiewit's construction  
of new natural gas-fired  
generation added  
enough energy  
to the grid  
to power more than  
**14 MILLION**  
homes.



BUILDING

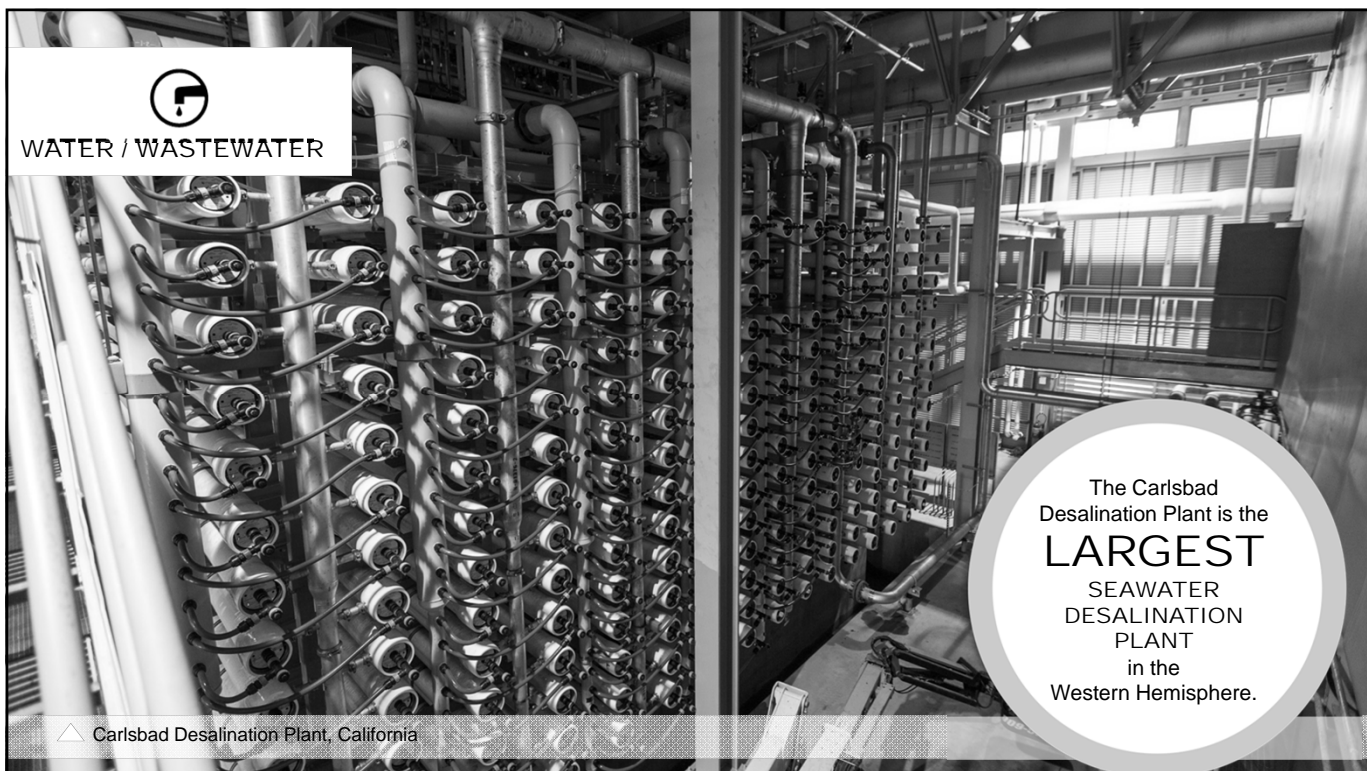


▲ TD Ameritrade Campus, Nebraska

The \$200 million,  
535,000-square-foot  
TD Ameritrade Campus  
was designed  
and built to be a  
**SUSTAINABILITY  
ICON.**



WATER / WASTEWATER



▲ Carlsbad Desalination Plant, California

The Carlsbad  
Desalination Plant is the  
**LARGEST**  
SEAWATER  
DESALINATION  
PLANT  
in the  
Western Hemisphere.



MINING



▲ Buckskin Mining Company, Wyoming

Kiewit has over  
**70**  
YEARS  
of experience in the  
mining industry.

## EARLY COMPLIANCE PROGRAM



### 2005

- Legal based
- Online Training
- Manuals
- Audits

### 2008

- Operations based
- Enhance Training
- Self Assessments
- Reporting

### 2014

- SMO Ownership
- Managing to Values
- KieCore Solutions

# EARLY CHALLENGES – Plan versus Assessment



2012  
[Insert Project Name]

## Project Compliance Plan



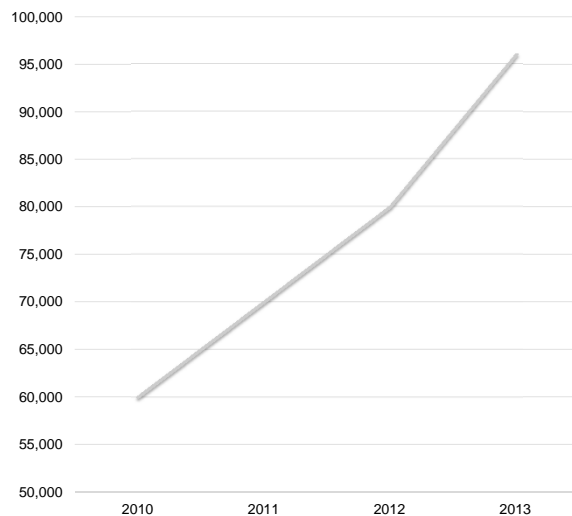
Ethics and Compliance Program 988 Project Compliance Assessment									
No.	Item	Verification	Record Provided Yes No NA	Date Completed	Action Taken	Responsible Individual(s)			
1	2. <b>Chartering Approval</b> All chartered aircraft operators must be approved in advance by Midwest Aviation and Division Manager or higher. Charter operators are required to have a minimum \$50M Aircraft Single Limit Liability insurance policy.	Review project expenses, and require of project personnel if there were any aircraft charters during the current year. If so, contact Midwest Aviation to validate their approval and ask for a copy of the certificate of insurance to be sure that proper insurance was in force during the use of the charter. Ask the project to provide written documentation from the Division Manager or higher authorizing the charter.							
2	3. <b>Antitrust on Competition</b> Project personnel will not exchange pricing information between actual or potential competitors for the same project.	Individuals in the Project that are involved in pricing / estimating have received training in the last year.							
3	4. <b>Contract Payment and Change Proposal</b> 1. <b>Cost Proposal</b> If a project cost proposal is on a sample basis (20% of all change orders / items and at least 4 if available), prior to submitting to the owner, the Cost Proposal Preparation Checklist was appropriately used and approved. 2. <b>Cost Proposal</b> Prior to submitting to the owner, all significant cost proposals in excess of \$5 million must include the completed Cost Proposal Checklist and must be sent to Internal Audit for review. Exceptions are outlined in Appendix 4 "Internal Audit Guidelines" found in the Contract Payment and Change.	Review all cost proposals to verify the 10 Step Checklist was used appropriately and approved. Cost Proposals do not include budgetary information attached to the owner. Contact Internal Audit to confirm review has taken place unless the Executive Vice President has signed off in lieu of Internal Audit.							
4	5. <b>Compensation</b> All appropriate postings relating to employment are current and visible per the Federal Poster and State Poster links on the HR Portal Page.	Usually verify the current versions of the posters are posted and are readily available to applicants and employees. (Note: If it is not a Davis-Bacon or Service and Supply project, then the Davis-Bacon / Service Contract Act poster does not need to be posted).							
5	6. <b>Alternative Action Plan</b> The Project has completed Step 1 (a) of the 16-Steps on the HR Portal.	Usually verify that the current version of the Corporate and District level EEO Policy are posted and readily accessible to applicants and employees and that the District EEO Policy is distributed to new hires at time of hire and current employees upon arrival.							

INTERNAL USE ONLY (9/15)

Revision Date 4/28/13

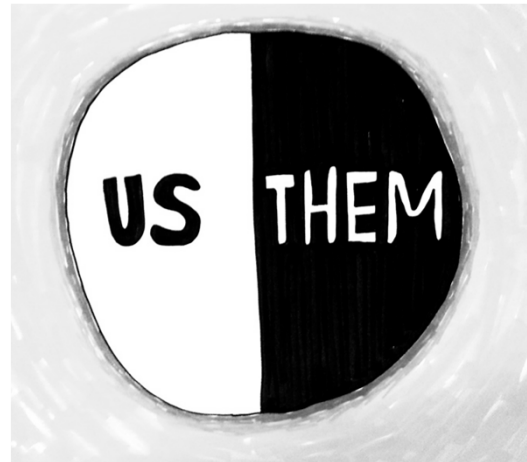
1 of 17

# EARLY CHALLENGES – Broad Based Training



## EARLY CHALLENGES – Us versus Them

- Compliance roll to find problems and report them
- “Uh oh! Compliance is here!”
- Auditors don’t solve problems
- Disagreements over “issues”
- Disagreements over corrective actions
- “So who’s losing their job?”



## EARLY CHALLENGES – Subject Matter... Experts?

- Compliance or Legal responsible for regulatory knowledge
- Limited expertise for most topics
- SMEs had little engagement (not their day job)
- Primary role was to answer questions if asked
- Few had operational experience



## EARLY CHALLENGES – Did You Read the Manual?



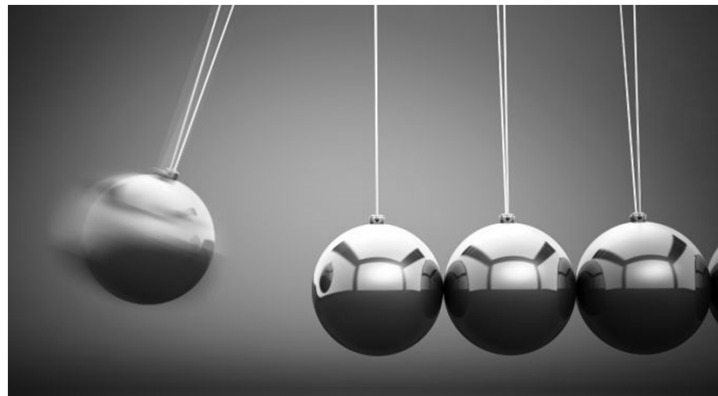
- Big, thick manuals only reiterate the requirements
- Appendixes full of regulatory language
- Few procedures or guidance given
- Infrequently updated
- Infrequently read



## EARLY CHALLENGES – Too Many Managers?



- Every operating district required a District Compliance Manager
- Repurposed people into Compliance Managers
- Full-time or part-time?
- Team or solo?
- Lack of consistency







## EARLY CHALLENGES – We’ve always done it...

- Operations personnel resistant to change
- Upper management remembers the simpler days
- Compliance managers weren’t prepared to be change managers
- “Just do it this way... because I said so.”

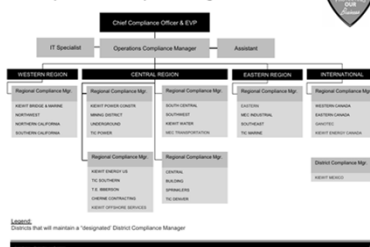
The most dangerous phrase in the language is, "We've always done it this way."

-Grace Hopper

## MODERN PROGRAM – Regional Compliance Managers

- Full-time compliance managers
- Each supports specific districts
  - Geographic
  - Market
- Support from project award thru completion

2018 Operations Compliance Organization



### The swinging pendulum: Your post-crisis compliance plan

- With the crisis over, your resources are likely to shrink.
- Leverage your compliance resources with updated culture messaging.
- Update your compliance program to operational requirements.
- Rebuild your team.
- Don't let compliance revert to a pre-crisis status.



I've been a compliance professional and your company recently had to deal with a make-or-break regulatory matter. Congratulations. That may seem anticlimactic, but it's meant to celebrate the incredible influx of resources and organizational commitment that you received after all those years of ringing the bell. You've been killing management that the company needs to pay attention to those executives that the federal and state agencies have been alluding to all these years. You have the attention that these regulatory matters deserve. Finally, you have the attention that these regulatory matters deserve.

If you're a compliance professional and your company recently had to deal with a make-or-break regulatory matter, congratulations. The crisis is over. Fast forward two years. You have your company back on track, through the investigation/audit/litigation, and you're here to go through that over again. The message is getting through. People who take compliance lightly aren't going to be around long. The C-suite is the company poster.

ng for you. It's supporting... up to change... or a strong... I uncover... think, you have... your team... all the hard... the post... are. Now is the... at those assets... with... (the C-suite... ethics and... message... were "Many... ple years... it's... side into the... messages... (in the... eral of your... into don't just... ask upper... crows... loss... the one? Are... sions... led to... fresh... he... re... people... over... Look... ents... more... way to over... people from... igh, you can... phor your... boundaries for... message... them in gran... 7 proposed... if improve... we allowed!



## MODERN PROGRAM – Mitigation Action Plan (MAP)



- Electronic solution on shared system
- Puts the audit checklist up front
- Unique plans for each location
  - Relevant topics
  - Specific risks
  - Risk Managers
  - Document locations
  - Risk levels (Baseline/Standard/Elevated)
  - Mitigations (Procedure/Training/Monitoring)

## MODERN PROGRAM – Mitigation Action Plan (MAP)



- Project team develops plan
- RCMs guide the process
- Specific risks by location type
- Includes key SMOs
- Management approves each plan
- Updated annually at minimum
- Ramp down risks



## MODERN PROGRAM – Project Startup Focus

- The first visit shouldn't be the audit
- Get processes up and running
- Provide targeted, live training
- Provide the team with the tools they need
  - Standard Operating Procedures
  - Electronic solutions/systems



We can't improve compliance by being the beach cop and emergency response...

We have to get in the water and make sure our project people have the training and gear they need before trying to swim.



COMPLIANCE - Protecting our Business



## MODERN PROGRAM – Risk-based Assessments

- Bigger projects, bigger risk?
- District offices versus construction projects?
- Maintenance facilities versus mines?
- Two options:
  - Location Type
  - Risk Score
- Assessment against MAP
- Includes key SMOs



### Compliance Assessment Summary

Project:	San Miguel Mine	Assessment Date:	06/28/18			
To:	Andres Silva, Rocio Rodriguez, Joseph Jimenez, Ben Bayen, Aaron Strada					
CC:	Jay Johnson, Jeff Conrad, Lacey Stinson, Brett Shields					
Closing Conference Date:	06/28/18	Remediation Due Date:	07/29/18			
This memo summarizes the findings and remediation steps from the project's Compliance Assessment. The findings and suggested improvements are shown below and were reviewed during the closing conference with project management. All findings shall be remediated within 30 days. The RCM will follow up with the site within 30 days for a review of all remediation efforts.						
Compliance Area	Total Risk Mitigations Assessed	Findings by Mitigation			Total Findings	% of Passing Items
		Procedure	Training	Monitor		
All Items	23	1			1	66.7%
Compliance Program	4				0	100.0%
Crypt Safety	11	4			4	63.6%
Crisis Management	2	2			2	50.0%
Health & Personnel Data	1				0	100.0%
TOTAL	23	7	0	0	7	69.6%

Findings					
Area	Item No.	Description of Finding	Remediation	Project Representative Responsible	Risk Level
Crisis Management	4.1	The Crisis Management Plan did not have a completed risk Assessment for the identified potential crisis and the muster point information was out of date.	Complete the Risk Assessment table and update the muster point information.	Joseph Jimenez	Standard
Crisis Management	4.4	Training on the Crisis Management Plan has not been conducted with the staff and craft employees.	Conduct appropriate training for both staff and craft employees.	Joseph Jimenez	Baseline

"What gets measured gets attention." – Peter Kiewit



## MODERN PROGRAM – Subject Matter Owners

- All topics have SMOs
- SMOs from operational groups
- Specific responsibilities
  - Knowledge of regulatory changes
  - Annual MAP review/update
  - Develop SOPs
  - Develop tools/solutions
  - Review/update training
  - Enterprise Risk Assessment
- Legal provides advice

### Subject Matter Owner (SMO)

Topic	Role and Responsibilities
Knowledge	<ul style="list-style-type: none"><li>• Be proficient in the topic area, understand the regulations and how the regulations impact the Company</li><li>• Monitor regulatory changes (e.g. using CyberLegal)</li><li>• When pending regulatory changes are identified, and would apply to the Company, estimate the impact with respect to cost and resources</li><li>• Prepare a tracking form for the proposed regulation and enter it into the regulatory tracking database</li><li>• Update the regulatory database as needed</li><li>• Review the topic area with the attorney providing legal support quarterly to ensure that both are aware, and agree, with the status of pending and final regulations</li><li>• Acceptance if a formal program is needed for the topic area, if it does not have one already</li></ul>
Policy	<ul style="list-style-type: none"><li>• Annual review of Corporate Policy, if applicable</li><li>• Recommend changes to Corporate policy statement as needed; review with legal and operations as appropriate</li></ul>
Process, Procedures and Tools	<ul style="list-style-type: none"><li>• Engage a team (Legal and operation stakeholders) to review the proposed changes and develop policies and processes for the Company that best meets the Company's needs that can be consistently applied by operations groups and other stakeholders</li><li>• Develop or improve tools (e.g. electronic solutions, "Best Practices", etc.) to improve overall compliance efficiency</li><li>• Annual review of Manual and/or guidelines and provide updates as necessary</li><li>• Monitor regulatory changes for inclusion in Manual and/or guidelines</li><li>• When manual and/or guidelines are updated, communicate updates to stakeholders</li></ul>
Communication	<ul style="list-style-type: none"><li>• Communicate pending impacts to stakeholders in a timely manner, especially estimators and proposal groups if they need to factor additional costs into bids</li><li>• Communicate the status of process development to stakeholders so they are prepared and ready when pending regulations are finalized</li><li>• Communicate and distribute best practice materials and tools when regulations are finalized</li><li>• Determine what the best training vehicle/method would be and work with Kiewit University or others as appropriate to develop it</li></ul>
Training	<ul style="list-style-type: none"><li>• Identify which groups/employees should be trained on the topic area and work with the districts, departments, and Talent Navigator group to ensure the employees are enrolled in the training</li><li>• Review the status of training to ensure it has been completed by employees enrolled</li><li>• Annual review of training materials</li><li>• Update training material as necessary</li><li>• Provide suggestions for corporate-directed training requirement</li><li>• Address questions from District, Regional and Project personnel</li></ul>
Risk Assessment	<ul style="list-style-type: none"><li>• In developing policy and procedures, understand the risk of the topic area to the Company, including the results of non-compliance</li><li>• Ensure the SMOs appropriately reflect the risk profile of the topic area</li><li>• Provide feedback during Enterprise Risk Assessment process</li></ul>
Monitoring	<ul style="list-style-type: none"><li>• Develop a process to ensure the processes and procedures are followed</li><li>• Develop a monitoring process to ensure that the tools are utilized; the process is adhered to throughout the Company; corrective action has been taken</li><li>• For topics areas with issues, ascertain the root cause and work with appropriate management to address the issues, update processes and procedures as needed</li><li>• Twice a year Corporate Compliance will send out a questionnaire to SMOs for feedback on their topic area</li></ul>
Reporting	<ul style="list-style-type: none"><li>• On a periodic basis, SMOs will present the compliance status of their topic area to the Compliance Council (estimate every 2-3 years or as needed)</li><li>• Report known non-compliance issues to the attorney or tax lead providing support for the topic area, appropriate Management, and to Corporate Compliance</li></ul>



## MODERN PROGRAM - Training

- Targeted training based on
  - Job role
  - New hire
  - Project risks
  - District risks
- Live training as mitigation
- Material regularly updated
- Management visibility

2018 Online Training Enrollment Matrix  
All Staff & New Hires have 45 days to Complete

Dave Miles Updates	2018 Training for All Staff					2018 Employee Job Code Specific Training					
Corp Compliance Updates	1	2	3	4	5	1	2	3	4	5	
SMO Updates	1	2	3	4	5	1	2	3	4	5	
	Our Core Values DHO_CMP1_444	Certificate of Compliance DHO_CMP1_440	Employment (Canada) DHO_CMP1_443	Employment (US) DHO_CMP1_442	Technology Use DHO_CMP1_407	Anti-Corruption & Bribery (US/Canada) DHO_CMP1_416	Antitrust DHO_CMP1_414	Contract Payment and Change Proposal DHO_CMP1_402	Diversity Contracting DHO_CMP1_403	Transportation (Canada) DHO_CMP1_415	Transportation (US) DHO_CMP1_409
SAP Job Codes											
Administrative	X	X	X	X	X						
Area Manager	X	X	X	X	X	X	X	X	X		
Asst Project Director/Sr Project Mgr	X	X	X	X	X	X	X	X	X		
Attorney	X	X	X	X	X	X	X	X	X	X	X
Business Controller	X	X	X	X	X			X	X		
Business Development Manager	X	X	X	X	X	X	X	X	X		
Business Development Specialist	X	X	X	X	X	X	X	X	X		
Business Director	X	X	X	X	X	X	X	X	X		
Business Specialist	X	X	X	X	X	X	X	X	X		
Business Supervisor	X	X	X	X	X	X	X	X	X		
Communication Specialist	X	X	X	X	X	X					
District Manager	X	X	X	X	X	X	X	X	X		
Engineer 1	X	X	X	X	X	X	X	X	X		
Engineer 2	X	X	X	X	X	X	X	X	X		
Environmental Manager	X	X	X	X	X	X	X	X	X		
Equipment Superintendent	X	X	X	X	X	X				X	X
Estimating Director	X	X	X	X	X	X	X	X	X		
Estimating Manager	X	X	X	X	X	X	X	X	X		
Executive Assistant	X	X	X	X	X	X					
Foreman	X	X	X	X	X	X	X	X	X	X	X
General Superintendent	X	X	X	X	X	X	X	X	X	X	X
HR Manager	X	X	X	X	X	X					
HR Specialist I	X	X	X	X	X	X					
HR Specialist II	X	X	X	X	X	X					
Interp.	X	X	X	X	X	X					

## FUTURE PROGRAM

- New system with workflow functionality
- “Primary Cause” identification for all issues
- More shared service support for transactional items



## QUESTIONS?

