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## A Year in Review

2009 was a Great Year for NASCO and our partner companies. Here is a look back...

**January** - NASCO is awarded \$20M SABER at Malmstrom AFB, MT

**February** - Corporate office building is completed

**March** - NASCO is awarded \$22M JOC at Ft. Huachuca, AZ.

**April** - NASCO is chosen for \$100M JOC at Fort Hood, TX.

**May** - Alliant Construction Services, JV is formed between NASCO and Northcon

**June** - NASCO receives notice of award for *Indian Health Services*, \$75M JOC on the Navajo Nation and Northern AZ as well as one of the successful bidders for the *Bureau of Indian Affairs MACC*, with a ceiling value of \$125M.

**July** - Northcon office in Killeen

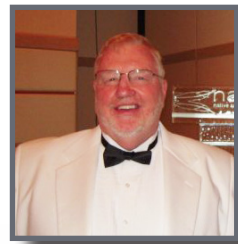
**August** - NASCO is chosen for \$50M McAlester JOC, at McAlester Army Ammunition Plant, Oklahoma.

**November** - Northcon is awarded \$15M IDIQ contract at FLETC Glynco, GA, which NASCO is a critical subcontractor.

NASCO added 60 new employees in 2009, up from 79 to 139

Agile won its largest contract to date. It's for a new customer (Army Corp of Engineers) and is approximately \$3.5M

## A Message from Rusty Sheppard Chairman of the Board



Happy New Year!  
I trust you and your families all had a good Christmas and holiday season.

Well, NASCO has managed to stay alive and viable for one more year; this is an important statement given that decades old thriving businesses have been brought to their knees by the most serious economic downturn since the great depression in the 1930's.

However, even amid the nation's turmoil, the past year brought us some great wins. We submitted bids on more than \$500M in work and won more than \$300M. This success is due to the grace of God and the combined efforts of our NASCO team. From Steve Cook and the Business Development Group's ability to write great proposals; the ability of my partner Matt and the Division Managers' to competitively price work and still make a profit; the ability of Rick Luna and his staff to work with our bonding and banking friends; the great past performance from NASCO's operations and every employee that contributed; I personally thank you for your hard work and diligence in making NASCO a success.

2010 will be the 12th year that NASCO has been in business; and this year we are looking at closing in on, or exceeding, \$100M in gross sales. It will take a continued effort of every team member to sustain our growth expectations and maintain NASCO's success.

I would like to express my appreciation and thanks to all of you who took time out of your very busy schedules to attend the corporate meetings in December. I know it is a particularly difficult time to travel, I sincerely hope you found the meetings beneficial.

## A Message from Rusty Sheppard (Cont. from page 1)

Effective January 1, 2010, Steve Cook is the new CEO of NASCO. I will serve as Chairman-of-the-Board. We are currently looking for a new COO, to replace Matt. Upon successfully recruiting a new COO Matt will become Cochairman-of-the-Board.

These executive level changes will enable us to expand NASCO's horizons by providing us the time needed to meet and develop new clients; analyze expansion opportunities such as manufacturing and environmental divisions, Joint Ventures, and planning the company's way forward.

We have appointed a new Board of Directors which will consist of Bill VanCanagan, Gary Barkhurst, Steve Cook, Matt James, and myself. Bill VanCanagan is one of our corporate lawyers, Gary Barkhurst is a VP of Shaw, and you all know Steve Cook. While Steve has an impressive professional resume, his work while at NASCO speaks for itself. In the more than three years Steve has been working at NASCO he has contributed immensely to developing our business plan, pipeline, and overall company success. Both Matt and I request that you get behind Steve and the Board and support us in taking NASCO to the next level.

Our current business pipeline has approximately \$1.2B in foreseeable opportunities; if we are just half as successful this year as we were last year NASCO has a very bright future.

As you are aware, NASCO is going through substantial evolution. Please be patient with us at corporate as we go through the struggle of changing management methodologies; and accountability processes.

In closing, I sincerely pray you and your families experience a prosperous, healthy, happy 2010.

Best Regards,



Rusty Sheppard

## A Message from the CEO, Steve Cook

Hope the New Year is off to a good start for everyone!

If there is a theme for the New Year it is that NASCO is continuing to grow and is still gaining momentum. We had a great 2009...and 2010 looks to be no different. Thanks to all for their continued commitment to making NASCO a strong and respected mid-sized company.

As many of you are aware, the approach to managing the company is changing to include the advent of a Corporate Board of Directors and new executive officers. Rusty describes it best in his column of this newsletter when he says "...these executive level changes will enable us to expand NASCO's horizons..." I am blessed to be asked to be a part of those changes, and am appreciative as always for the opportunity to contribute to NASCO's success.

That said, it is not wise to believe you can transition 12 years of experience overnight, and although the new changes are as Rusty states "effective 1 January 2010", we will be in a transition phase for all of the first quarter of 2010, and perhaps even a bit beyond that date.

Rusty and Matt will be transitioning to Co-Chairs of the Board, and you will continue to see them at your sites and in the corporate headquarters; and they will be very involved in the growth of NASCO. I expect everyone to recognize their changing roles, and to treat them and the two other outside Board members—Mr. Bill VanCanagan and Mr. Gary Barkhurst—with due respect and professional consideration.

In the role of NASCO CEO, I had to divest myself of any ownership interest in Agile—which I have done. It is my pleasure to introduce to you Agile's new owner and President, Mr. Chadd Visintainer. Chadd is also a Service Disabled Veteran. Chadd is a US Army veteran with tours in Bosnia and Iraq. He was part of the first wave of troops to invade Baghdad City in 2003.


I am looking forward to getting out to each of the sites to visit with the field teams and meet your customers. Until then, please take care, and be safe.



# The FAR Side...

By Beth Cartright

Uncle Sam has placed yet another requirement upon Federal contractors in the form of FAR 52.222-54 Employment Eligibility Verification – otherwise known as E-Verify.

 In a nutshell, E-Verify is a free, on-line, I-9 process that compares the information an employee submits on their I-9 against information contained in DHS and SSA databases. Federal Contractors and/or those contractors working on a Federal contract are required to comply with E-Verify.

What to do – what to do? NASCO employees need do nothing since the HR department has taken care of this requirement for all of its employees.



For those of us in the field, our biggest question is how this affects our subcontractors and what do we need to do to comply.

The E-Verify Federal contractor rule requires Federal prime contractors with the E-Verify clause to require their **subcontractors** to use E-Verify when:

- The prime contract includes the FAR E-Verify clause
- The subcontract is for commercial or noncommercial services or construction
- The subcontract has a value of more than \$3,000
- The subcontract includes work performed in the United States
- Subcontractors who are suppliers are not subject to the E-Verify Federal contractor rule.

The prime contractor is required to provide oversight to subcontractors ensuring compliance with E-Verify requiring every **TIER** to incorporate the E-Verify clause. The prime contractor may be subject to fines and penalties if it knowingly works with a subcontractor who is in violation of E-Verify.

New contracts issued after 8 September 2009 have this new clause and existing contracts may be modified. Contracting officials may bilaterally modify an existing IDIQ contract to include the E-Verify clause for future orders if:

- The remaining period of performance is six months after the E-Verify effective date
- The amount of work or number of orders expected under the remaining performance period is substantial.

“What does this mean for us in the field?” you ask. Basically for those contracts containing the E-Verify clause or are modified to contain the clause you will be required to:

- Issue a new Subcontract Agreement containing the E-Verify clause
- Issue a new Representations and Certifications document
- Obtain a printed copy of the subcontractor’s Maintain Company page from the E-Verify system

And to answer your next question “yes”, a new Subcontract Agreement and Representations and Certifications documents have already been prepared and are being issued as new contracts or modifications emerge.

Subcontractors should go to <https://e-verify.uscis.gov/enroll/> to begin enrollment in the E-Verify program. Site personnel should go to <http://www.dhs.gov/E-Verify> and read the Federal Contractor FAQs or you’ll remain lost on the FAR side...



# HR Benefits Changes

By Sharon Bush

Happy New Year to you all! As we say good bye to 2009 I would like to remind you all of the changes in our benefits package. As always, if you have any questions at all please contact me at [sharon.bush@nascousa.com](mailto:sharon.bush@nascousa.com) or at 208-783-0361.

## 2009 Benefit Changes

### Dental



Effective June, 2009 dental benefits changed from Principal to Delta Dental Premier dental plan. Employees need to provide the Delta Dental insurance card to their dental service providers.

### Health Reimbursement Account (HRA)

Employees who are enrolled in the medical plan are also enrolled in the NASCO HRA plan. The HRA plan is based on a calendar year and the run out is 30 days after the end of year – so January 30th is the last date to submit your explanation of benefits for medical expenses incurred in 2009.

### Retirement 401(k) Plan



Employees are eligible for the 401(k) plan after they have completed three consecutive full calendar months of employment during which they worked at least 250 hours. The 401(k) plan is open to eligible employees the first of each quarter: January, April, July and October. This plan provides an option for employees to rollover funds from previous plans to NASCO's 401(k) plan with John Hancock.

### Paid Time Off (PTO)

Paid time off is accrued by the employee hire date. According to policy, up to 160 hours may be carried over each year.

## Safety Tip By Ben Sheppard

### OSHA'S Egregious Violations of Workplace Safety and Health Standards are Up



OSHA proposed almost \$1.6 million in fines against a company following the death of a teen worker at a site in Colorado. OSHA said the worker was not

provided any training or personal protective equipment, such as a body harness or lifeline, to protect against injury. OSHA also proposed nearly half a million dollars in fines against a construction company for exposing young workers to health hazards without providing mandatory training and the proper PPE.

In addition, four other companies were cited for egregious violations of safety and health standards totaling almost \$89 million in proposed fines. In the last two months, OSHA has addressed more egregious cases and issued higher fines than in the entire previous fiscal year. "This reflects Secretary Solis' commitment to refocus OSHA's priorities on writing and enforcing standards to protect workers," said acting Assistant Secretary of Labor for Occupational Safety and Health, Jordan Barab.

Walking and working surfaces will be a target of OSHA inspectors in 2010; as will infectious diseases, cranes and derricks, dust, ladders, scaffolds, elevated work places, PPE and construction management accountability.

Remember, there is never any excuse for compromising safety and health; our employees are our most important asset and quality is what we, the employees at NASCO, have to offer that sets us as a company, above all others.



Wishing you and yours the very best in the New Year.



## Family Additions

**Robby Beaver**, Project Manager, Anniston, and his wife, **Amanda** welcomed twins, **Bryce Hamilton Beaver**, 6.5lbs and **Dylan King Beaver**, 6.4lbs. The twins joined their big brother **Brett**, 11 years, and their big sister, **Emily** 8 years on 11-20-09. Congratulations to the Beaver Family.



## Wedding Bells

Congratulations to the Happy Couple! **Terrie Pagel**, formerly Eberhard, Corporate Staff Accountant and Bonding, married **Dave Pagel** December 20, 2009. Best wishes to the Newlyweds!



## NASCO Family Recipes: Dips and Salsa

### Hot Artichoke/Spinach Dip

- 1 Cup of Mayo
- 1 8 oz package of cream cheese
- 1 crushed garlic clove
- 1 can of artichokes quartered/chopped
- 1 cup of spinach/chopped (or crab)
- 1 1/2 Cups of shredded parmesan cheese

Mix all together.

Heat in oven at 350 for about 35 minutes, or heat in crock. Can be served with sourdough or french bread pieces, or Wheat Thins

*Note: For a variety, substitute imitation crab for spinach.*

*Beth Finlay  
Corporate Office*



### Black Bean Salsa

- 2 (15oz) cans black beans, rinsed and drained
- 1 (17oz) can white corn
- 2 large tomatoes, chopped up
- 1 purple onion
- 4 Tbsp lime juice (I used lemon)
- 2 Tbsp olive oil
- 1 Tbsp red wine vinegar
- 1 Tsp salt
- 1/2 Tsp pepper

Mix all ingredients listed above, cover and chill. Best if chilled overnight. Serve with tortilla chips.

*Gretchen Mann  
Corporate Office*

### Sally's Fresh Salsa

- 2 Fresh Onions
- 1-2 Jalapenos
- 1 8oz Can Tomato Sauce
- 2 Fresh Roma Tomatos
- Salt, Garlic Salt to Taste

Chop and Mix all ingredients listed above. Serve with tortilla chips or over steak.

*Sally Neel, Wife of Ralph Neel  
Southwest Office*

### Buffalo Chicken Dip

- 2 (10 ounce) cans chunk chicken, drained
- 2 (8 ounce) packages cream cheese, softened
- 1 cup Ranch dressing
- 3/4 cup pepper sauce (such as Frank's Red Hot®)
- 1 1/2 cups shredded Cheddar cheese

Heat chicken and hot sauce in a skillet over medium heat, until heated through.

Stir in cream cheese and ranch dressing. Cook, stirring until well blended and warm.

Mix in half of the shredded cheese, and transfer the mixture to a slow cooker.

Sprinkle the remaining cheese over the top, cover, and cook on Low setting until hot and bubbly.

Serve with celery sticks and your choice of bread or crackers.

*Paula Hammond  
Corporate Office*

Thank you to those who have submitted recipes, and for those of you who would like to, please send them to [Beth.Finlay@nascousa.com](mailto:Beth.Finlay@nascousa.com)

# NASCO Word Search

A O O S T D V Q H A Y N F D K  
 W Z R M V K Z E B N O R P T S  
 A V S D A Q I D I I W C T K A  
 R L R D E N Y A T S A B E R T  
 D C O N T R A C T I N G C W G  
 Q P Y C K L U G B Y B O I E O  
 I P C R A R Y Y E E J N T U V  
 J U H K T E K P S M N E W L E  
 N G I S E D V T W I E D B A R  
 C Q N O D X O I N P B N R V N  
 P O Q L P C L G T E Y M T J M  
 C C I O W B Y W Q A K X G A E  
 C U C V Y Y Q J Z B N U R C N  
 B C X A X R Q S J C G E H M T  
 Q U Q H M D Y J M O U P X G Z

- AWARD
- BEST
- BUILD
- CONSTRUCTION
- CONTRACTING
- DESIGN
- GOVERNMENT
- IDIQ
- JOC
- MACC
- MANAGEMENT
- NATIVE
- ORDER
- SABER
- TASK
- VALUE
- WINNING

We welcome your comments, inquiries, and newsletter ideas.

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[www.nascousa.com](http://www.nascousa.com)

## Sudoku

		8	6		5		9	2
9						3	6	5
	1				2	4		
	6				7	9		
		2	1	8	3			
5			9	2		8		7
1	3	7	2					9
				1			3	
4	5	6	7					1

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