Lakehead Constructors employees are very familiar with Minnesota Power's Boswell Energy Center in Cohasset. Minn., as well as its other facilities. Lakehead has provided services to the electric utility since 1955.



## LAKEHEAD CONSTRUCTORS

## CERTIFIED SUCCESS

Lakehead Constructors Earns a Stellar Reputation (and a Coveted Safety Certification) Serving Clients in Heavy Industry

By Patrick Lapinski

beir projects blend seamlessly into the landscape – an amalgamation of design, functionality and sustainability.

Take a drive around the Twin Ports, Minnesota's Iron Range – anywhere in the Northland, really – and it's likely you're seeing their work without even knowing it. Their logo may not be prominently displayed, but their brand of quality workmanship is deeply embedded within many industries throughout our region and the upper Midwest.

Lakehead Constructors Inc. employees bring a diversity of knowledge-based professionalism to every project they undertake, whether its for Northern Mannesota's mining industry, the region's power generation industry or along the waterfront supporting the maritime community. When it comes to large scale industrial construction and support, Lakehead Constructors has an undentable reputation for excellence.

The company's beginnings were rather bumble, starting in 1916 with founder Roland C. Buck relying heavily on strong backs to build fimber docks and structures around the Port of Duluth-Superior. Working with hand-drawn designs on linen paper, Buck's stubborn determination to keep his ledgers in the black earned the company a reputation for hard work and reliability in the 1920s, as well as sustainability during the lean years of the Great Depression and World War II.

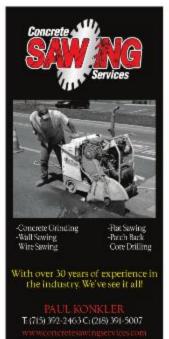
In 1955 the company was purchased from within by Les Olson, Mel Asciford and Floyd Bernard and renamed Lakehead Constructors. Its work in the harbor continued with a fiscus on the opening of the St. Lawrence Seaway and major projects such as the expansion of the dry docks at the local shippard. Lakehead's business expanded regionally to include in thing a impanic of children La. Steady in the harge transparency in characteristic properties of the dection of generating hardware with warmessite Dower. After nearly a century the

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Our princt is we can be just about anything use can get his parout any piece of company of we can be the part about anything out said Lakehead Constructors President and Code Brian Maki. This cap-do aftitude keeps their customers coming back, not only your after fear, but literally decide after decade.

"We're focused on understanding the client or owner's requirements and making sure we fulfill them and give them what they're looking for."

 DIRECTOR OF ESTIMATING RANDI MACKERETH, LAKEHEAD CONSTRUCTORS







During evenings when he was in high school, and in summer months. Maki began working as a mechanic for a small construction company in Hoyt Lakes while keeping his eye on the future. "I always thought the owner was pretty cool and I said, 'Someday I am going to own a construction company," said Maki, In 1993 Maki, the grandson of Finnish immigrants, joined Lakehead and 10 years later realized his dream when he - along with two other senior managers at Lakehead, Mark Hubbard (now senior vice president and chief financial officer) and Don Odermann - purchased the company from then owners Dennis Hallberg and Tony Philippi.

"We have a lot of customer focus. We live and breathe some of these facilities that we work in," Maki said. "Fighty percent of our business is negotiated, repeat work with longtime customers. We have been with one company in Duluth, Compass Minerals, since our inception. We've been at Minnesota Power since 1955 providing maintenance services, and we've been with some of the mining companies since contracting out was first allowed by the steelworkers' language back in 1992. So we're definitely the leader in the mining industry; there's no doubt about that."

Al Rudeck, vice president of strategy and planning at Minnesota Power, an AL-LETE company, is proud to be associated with Lakehead Constructors. Minnesota Power provides electricity to an estimated 144,000 residents in northeastern Minnesota and wholesale energy to 16

"We live and breathe some of these facilities that we work in."

- PRESIDENT AND CEO BRIAN MAKI. LAKEHEAD CONSTRUCTORS

> municipalities. In addition, Minnesota Power owns Superior Water Light and Power, which serves Superior and rural Douglas County, Keeping everything running without disruption is crucial.

> "We are a heavy, capitalintensive industry," noted Rudeck, "We have a lot of physical assets, so Lakehead not only constructs new assets for us, but also helps us maintain

and keep our current assets along our system operating optimally." Rudeck says when units go offline for periodic maintenance, Minnesota Power relies on Lakehead to provide critical support services that help keep the utility company in compliance with state and federal regulations.

The power generating industry is heavily regulated by state and federal agencies. Recent regulation changes in Minnesota to reduce mercury emissions led to two largescale projects at Minnesota Power's Boswell Energy Center in Cohasset, beginning in 2007 with an upgrade of the 350-megawatt Unit 3 generator and continuing today with a retrofit of its Unit 4 generator. Lakehead Constructors was chosen as the lead alliance contractor for these complex, multi-milliondollar projects.

"They do all the rigging of our boilers to ensure we have safe rigging for our employees and theirs to access these huge, massive boilers," Rudeck explained.

We're talking here about structures upwards of eight stories high that are used to generate electricity on a scale with some of the largest facilities in the country.

"They are our exclusive scaffold service provider. They are certified in national standards for scaffolding, which is an important safety aspect of our operations," said Rudeck. This level of commitment includes on-site staffing by Lakehead employees at Minnesota Power facilities to perform routine maintenance and enhance emergency response capability.

Estimating projects the size and scope of the Boswell retrofit is the primary focus of Randi Mackereth, Lakehead's director of estimating. Mackereth attended college to become a civil engineer, but after a couple of internships with the Army Corps of Engineers, he discovered that he really enjoyed. a more hands-on approach and has been in the construction industry ever since. That includes nearly 19 years with Lakehead. His role, and that of two other full-time estimators at Lakehead, is to keep projects coming through the door. But as Mackereth knows, it isn't just dollars and cents that keep customers satisfied.



"Philosophically, we're focused on understanding the client or owner's requirements and making sure we fulfill them and give them what they're looking for," Mackereth said. Referring to the many maintenance contracts Lakehead has with mining companies across the Iron Range, he said the focus is entirely on the customer. "The public market is very tough; I think there's more competition now," he explained. "So we have tried to focus on doing some things well -

"Lakehead not only constructs new assets for us, but also helps us maintain and keep our current assets along our system operating optimally."

- VICE PRESIDENT-STRATEGY AND PLANNING ALLAN RUDECK, MINNESOTA POWER

managing of projects, our service, reacting to their needs, safety, quality and at the same time trying to keep our prices competitive."

While Lakehead does the heavy lifting, it relies upon long-term associations with a number of local firms, including Ziegler Cat and Campbell Lumber, to provide the specialized equipment and general construction supplies that are needed for nearly every project.

Jon Mix, Ziegler CAT territory manager for Northeast Minnesota and Northwest Wisconsin, has been calling on Lakehead for the past 13 years. "We want to make sure that we are able to fulfill them with high

> quality, reliable equipment to use on the job to minimize the downtime," said Mix. Due to the large number of projects that require above-ground work. Lakehead rents a lot of specialized equipment, including scissor lifts, material-handling equipment such as Cat "Telehandlers" and small

> Ziegler notes that long-term rentals on projects can extend for upwards of two years, "We like working with them because they're very professional," he said. "They work in a lot of environments, whether it's inside plants

or outside in the elements, and getting them the equipment they need and training their personnel on its safe use is our mission. We refer to them more as a partner than we do as a customer. They have really taken the time to be a very professional, first class organization - and it shows."

Superior-owned and operated Campbell Lumber is another local vendor with a longtime business relationship with Lakehead. Campbell's has been providing construction supplies to Lakehead since at least the 1940s, said Ieff Skur, head of contractor sales at Campbell. Depending on the project, Lakehead Constructors orders a lot of framing material and different grades of plywood, along with custom items such as white oak timbers or large building trusses. "They're one of the most outstanding companies to deal with and they have a great reputation," Skur said. "They're very professional, they're very organized. They've got a great system."

The association between the two companies has also led to the establishment of new customers for Campbell Lumber. "The thing about Lakehead is, they do business with local people," Skur said. "And us being





imaginative ways.



"We refer to them more as a partner than we do as a customer. They have really taken the time to be a very professional, first class organization - and it shows."

- ZIEGLER CAT TERRITORY MANAGER JON MIX

a local place and having ties directly to Superior - that's the thing we value the most with Lakehead; having a partnership that goes way back, and then the fact that they like to deal with local people, including us."

The most important components of any project Lakehead undertakes, Maki stressed, are its attitudes toward quality, safety and service. "We made a conscious decision a few years ago that there are a lot of contractors and a lot of people out there and we took a good look at what has made Lakehead last so long - nearly 100 years," he said. "And it's boiled down to service and it's boiled down to quality." To maintain this legacy, Lakehead's management team began taking steps to solidify its position as an industry leader.

In 2005, Lakehead implemented a zeroinjury program. It's a concept developed by the Construction Industry Institute in Texas, utilizing best practices and procedures that have been demonstrated by construction firms working without lost-time injuries. It was the first step in not only preventing injury, but in changing the workplace culture at Lakehead. The second step was also ambitious - seeking ISO 9001 certification.



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ISO 9001 certification, a quality standard developed by the International Organization of Standardization, is based on demonstrated and measurable processes. "Those processes can link business objectives, operating effectiveness and fulfilling customers' requirements," explained Shawn Rojeski, Lakehead's manager of corporate quality. The ultimate goal for Lakehead management is to improve their way of doing business.

Following an 18-month process that began in January 2009 and culminated in an independent third-party audit, Lakehead was awarded ISO 9001:2008 certification in August 2010. More than a million companies in 163 countries hold ISO certification worldwide. To its credit, Lakehead is one of only two contractors in Wisconsin to hold this designation and one of fewer than 20 industrial contractors nationwide to be ISO 9001 certified.

Rudeck of Minnesota Power appreciates the level of commitment Lakehead Constructors brings to the job, especially the initiative it showed in attaining ISO

## "The thing about Lakehead is, they do business with local people."

HEAD OF CONTRACTOR SALES
 JEFF SKUR, CAMPBELL LUMBER

9001 certification and the emphasis on safety and efficiency it brings to work sites.

"They bring high-quality labor to our projects; the workers are ready to go to work and can do a very good job for us," Rudeck said. "I think their ISO program sets Lakehead apart from many other contractors, because they have procedures and processes in place – behind the scenes, if you will – that they manage on our behalf."

Lakehead was also recognized in March as an Advanced Certified Steel Erector by the American Institute of Steel Construction – one of only a few contractors in the upper Midwest to achieve this recognition.

The Lakehead team prides itself on strong customer service, says Lakehead Constructors' Mackereth. "If the client needs something, we try to figure that out," he said. "We like to do special projects that involve heavy lifting, moving of machinery or equipment, or a job that might require a large crane or something like that." Right in their own back yard, for example, is Lake Superior Warehousing, a longtime customer that utilizes Lakehead's heavy lifting support to unload ships bringing cargo from all over the world.



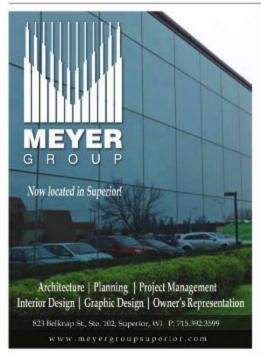


"Those processes can link business objectives, operating effectiveness and fulfilling customers' requirements."

 MANAGER OF CORPORATE QUALITY SHAWN ROJESKI, LAKEHEAD CONSTRUCTORS

"We operate the port's only break bulk terminal here in Duluth-Superior," said President Jon Lamb of Lake Superior Warehousing. "By break bulk commodities, I mean freight that you generally handle with a crane or a forklift. We're handling anything from palletized products on the small end to wood pulp and paper rolls and all the way up to more of the dimensional-type cargo—wind turbines, massive electrical transformers and oil and gas pressure vessels." As an example, wind turbine blades may only weigh a few tons, but are up to 150-160 feet long, while oil and gas equipment can weigh more than 700 tons per individual piece. Lake Superior Warehousing, founded in 1991, operates nearly 360,000 square feet of warehouse space within a roughly 40-acre site along the Duluth waterfront. For the 15 to 20 vessels that call at the Port of Duluth-Superior yearly, Lakehead provides everything from crane operator support to rental of mobile equipment and ironworker services such as welding,

"We're dealing with a most certainly global clientele, so we're dealing with customers that are not only here in the U.S. and Canada, but Europe, Asia and South America, for example," Lamb said. "In 2011, our facility was voted the top facility





of its kind in North America for the types of cargoes that we handle and what we do. And I have to say that certainly the support we get from Lakehead helped us win that award."

Brian Maki is proud of the Lakehead team. It's a combination of veteran employees and new members all working to help fuel the company's success. In 2012, Lakehead hired

## "I have to say that certainly the support we get from Lakehead helped us win that award."

- PRESIDENT JON LAMB, LAKE SUPERIOR WAREHOUSING

more than 1,000 employees with the philosophy that "every job is a family." He also notes workforce loyalty as a huge factor for continued success. "We have people who want to work here and want to see this team succeed. That's big," Maki said. "Lakehead had a big part in Superior's early days and we continue to provide notable projects in Superior. This is where we started and this is where we are going to stay."

Patrick is a freelance writer and a native of Superior.





