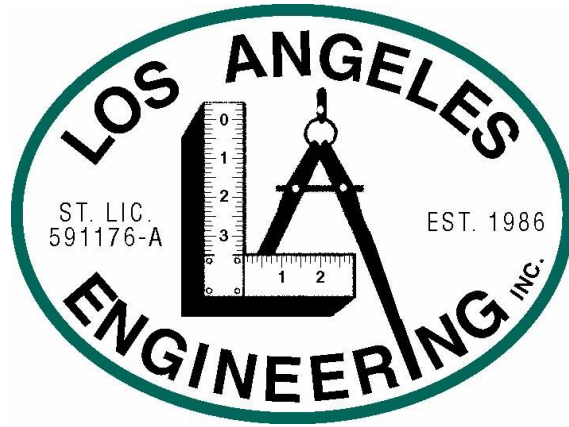


Client Profile: Los Angeles Engineering, Inc.

By Ron Zollars



Vista Hermosa Park is located in Los Angeles, Calif. It was the first park to be constructed in downtown Los Angeles in 75 years. The park was constructed on a 12-acre site and involved moving more than 50,000 cubic yards of dirt within a 130-foot vertical site. The park has two ultra-modern-themed restroom buildings and one administration building with a grass roofing system, one artificial grass soccer field, a children's playground, inimitable water fall with stream, and reflective pond.

The company responsible for the construction of this beautiful park is Los Angeles Engineering, Inc. (LAE), a leading general construction contractor in southern California. The firm specializes in site development; bridges; street improvement; channel construction, including earthwork; sewer and water utilities; structural concrete; and paving. In 2009, LAE was awarded the prestigious Architectural Award Grand Prize from the Los Angeles Business Council for its work in constructing Vista Hermosa Park.

LAE Founder and President Angus O'Brien started the company in 1986, and it was originally based in San Gabriel, Calif. The initial focus of the business was on grading, concrete and demolition work as a subcontractor. O'Brien, a seasoned professional with experience in construction and management, combined with his value engineering skills, has been providing services to federal, state and public works agencies for more than 25 years. The company today is headquartered in Covina, Calif.

We spoke with Kim Zuccaro, a former demolition contractor with the Cleveland Wrecking Company. Kim joined LAE in 1997 as a bid coordinator to procure the bids in a good faith effort. Today, Zuccaro is vice president for Contract Administration. "When I joined LAE in 1997, we were in Rosemead, Calif. We do both public and private works and pride ourselves on our diversity. Our culture and safety is a huge part of that. A key value is learning and growth. We really try to promote that growth and that is a big part of who we are."

A couple years ago LAE commenced working on its employee stock ownership plan (ESOP). Founder Angus O'Brien had been interested in pursuing this for a while. In 2008, the company started setting up an ESOP trust. It was called a stock bonus trust initially and later the name was amended to employee stock ownership trust on Jan. 1, 2009. LAE did the rollouts of the ESOP in Oct. 2010 at an all-hands meeting. Each year the company has instructional sessions to help employees learn more about safety procedures. In addition, they are planning on incorporating employee ownership into these meetings. LAE is approximately one-third

employee owned but the vision for the future is that they will eventually become 100 percent employee owned.

CEO Angus O'Brien explained that management felt by doing the ESOP that it could be a win-win scenario, wherein everyone benefits. "I feel employee ownership can help us attract and retain future employees. It does make a difference," said O'Brien. "We are working on the cultural aspect right now and trying to better educate the employees about the benefits of the ESOP. I think overall, people understand it. They like the idea that they can own shares and become an owner and do think the more exposure people have to the information flow, the more they will be able to embrace it. That's the cultural aspect and it's an ongoing effort."

LAE is a non-union shop. There are 115 employees, 25-30 are in the administrative or supervisory capacity and the rest of the workforce are craft employees – laborers, cement masons, operators, landscape irrigation, and numerous other positions. Zuccaro said that the company more recently has been trying to expand into the design build arena and said they are setting up partnerships and trying to capture some of the work in that field and have hired a new staff member to help them build upon those relationships. Last year's revenue at LAE was more than \$39 million with a high watermark of \$55 million and the company continues to see many opportunities for growth.

What makes LAE unique? "Our diversity is probably our biggest competitive advantage along with our progressive culture," said Zuccaro. "We like to promote from within the organization and encourage learning and growth. Moreover, LAE steadfastly focuses on its internal and external customers."

Since the ESOP was established Zuccaro noted that she has seen a difference in employee morale and in general, a more positive and collaborative environment. "We try to promote that internal growth and have to challenge employees to put each other first. That's a huge discriminator from other companies," said Zuccaro.

Besides the Vista Hermosa Park project, Los Angeles Engineering has garnered other awards for its quality workmanship and service to the community which include: Los Angeles Business Council Landscape Architecture Award – Santa Monica Airport Park; Southern California Chapter of the American Public Works Association Project of the Award Cities 50,000-100,000 – Whittier Boulevard Improvements; Concrete Industry Award of Excellence – Soledad Canyon Road Median and Parkway Landscape, Santa Clarita; and the Metropolitan Water District of

Southern California Award for Creative Use of Water in Public Art – Founder’s Garden, Ontario, Calif.

LAE is proud to proclaim that with honor, integrity and dedicated employees, it intends to continue building the infrastructure of tomorrow’s southern California. “It’s absolutely a great place to work,” said Zuccaro. “Our people really enjoy the work environment here and we take our role very seriously. We want to contribute to society and feel like we are able to do that – meeting the needs by constructing vital infrastructure,” she said. “I think that we are able to accomplish that because we are a team and everybody is on the same wave length. There is fulfillment and motivation with the new ESOP to make LAE even more successful and keep the momentum moving forward.”

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Angus O'Brien, Founder and President, Los Angeles Engineering



Kim Zuccaro, Vice President, Contract Administration, Los Angeles Engineering