

**ASPE
ORANGE
COUNTY
CHAPTER 3**

AMERICAN SOCIETY OF PROFESSIONAL ESTIMATORS

DECEMBER, 2010

Volume 2010

Issue 34



INSIDE THIS ISSUE:

PRESIDENT'S CORNER	2
ETHICS ARTICLE	3
EXTRA, EXTRA!!! CERTIFICATION INFO	4
MEMBER SPOTLIGHT	4
BOARD MEMBERS & COMMITTEE CONTACTS	6
MEETING INFORMATION	8
EVENT RECAPS	9

ORANGE SPEEL

NEWSLETTER



OUR MISSION

Since 1956, ASPE serves the construction & engineering industries by providing education, training, fellowship and opportunities for professional estimating development.

PRESIDENT'S CORNER

PRESIDENT'S MESSAGE

As we move into the holiday season, I wanted to remind everyone why we are members of ASPE. Not only is it an excellent opportunity to network within the industry, but our primary function is Education, Fellowship, Professional Development, Ethics, Standards, and Certification. I encourage everyone to use ASPE as a vehicle to achieve these goals!

I also challenge existing members to bring in at least one new member! We all know or work with an estimator that would benefit from being a member of ASPE!

Our topic this month is Market Trends in Construction by Cliff Brewis of McGraw-Hill. Cliff's presentation will be extremely informative and valuable as we move through this turbulent economy.

I look forward to seeing everyone at the December 8th meeting at the Ayres Hotel! The address is 325 Bristol Street, Costa Mesa, CA 92626

- *Mike Mills*



Mike Mills
President, ASPE Chapter 3
Orange County

ASPE

CODE OF ETHICS

Canon #1

Professional Estimators shall perform services in areas of their discipline and competence.

Canon #2

Professional Estimators shall continue to expand their professional capabilities through continuing education programs to better enable them to better serve their clients, employers and the industry.

Canon #3

Professional Estimators shall conduct themselves in a manner, which will promote cooperation and good relations among members of our profession and those directly related to our profession.

Canon #4

Professional Estimators shall safeguard and keep in confidence all knowledge of the business affairs and technical procedures of an employer of client.

Canon #5

Professional Estimators shall conduct themselves with integrity at all times and not knowingly or willingly enter into agreements that violate the laws of the United States of America or of the states in which they practice.

CALENDAR OF EVENTS

- Dec 8, 2010 - Market Trends in Construction by Cliff Brewis of McGraw-Hill
- Jan 12, 2011 - Dinner meeting
- Feb 9, 2011 - Dinner meeting
- Feb, 2011 - ASPE Spring Regional Conference in San Diego
- Mar 9, 2011 - Dinner meeting
- Apr 13, 2011 - Dinner meeting
- May 11, 2011 - Dinner meeting
- June 8, 2011 - Dinner meeting
- July 13-16, 2011 - ASPE National Convention in Nashville, Tennessee

Tentative

Aug 2011 - Annual Golf Tournament

A DISCOURSE ON SCHEDULE OF VALUES

By: Dan Schottlander, CPE, AECOM

When a General Contractor submits a bid on a public works project, once the contract award is made the winning bidder is required to submit a schedule of values. A schedule of values provides the owner with an approximate breakdown of the contractors pricing in order to perform the work. This project price breakdown equals the total price of the bid award. The schedule of values is a tool that provides the owner with an insight to the cash-flow requirements for payment and itemizes general costs for major elements that comprise the total cost for constructing the project. The schedule of values can also be used by the contractor as a base line to generate a detailed cost loaded construction schedule, something that is usually required for all major public works projects. Schedule of Values can also be used as a management tool to track cash flow and overall ongoing job progress.

Typically, Schedule of Values (SOV) are comprised of the major building items that are all subcomponents for the project. In preparing the schedule of values, the estimator will take the original estimate rolling up the detailed costs. The SOV would include mobilization, sitework, demolition, concrete, structural steel, building enclosure, glazing, thermal & moisture protection, interior finishes, rough carpentry, finish carpentry, doors & hardware, painting, flooring, ceilings, mechanical, plumbing, fire sprinklers, HVAC, electrical, testing & start-up, and project close-out. Each item would have an assigned dollar value. Depending upon the complexity of the project and the contract magnitude, SOV's can vary from just few items to over one hundred items.

Due to the competitive nature of the current business market, contractors will sometimes get creative in preparing the SOV. It's all about cash flow. The contractor may want to recoup some of their upfront costs of pre-construction from preparing the bid, or increase the mobilization costs to obtain a positive cash flow. With a standard 10% retention requirement on many major projects, with release of funds upon final building completion and acceptance, the contractor could possibly end up with additional financing costs due to final payment being made months after final building occupancy. Profit margins are very competitive in today's economy and some contractors may have negative cash flow due to low fees and delayed retention releases. Owners need to be cautious not to make advance overpayments, if problems arise. Should a contractor fail to perform, and possibly in a worst case scenario is terminated from the project, recouping the money for work not actually completed will become problematic. For both parties a SOV becomes an invaluable management tool.

As estimators, whether employed by the General Contractor or by the Owner in a Construction Management role, with reference to SOVs, honesty is the best policy. Here's an actual scenario as to why. In the role of the Owner's agent for a confidential client and an unnamed General Contractor, the client was looking for cost savings Value Engineering ideas while the project was ongoing. A particular item that we looked at was channel glass. The specifications only called out one approved manufacturer of the glazing system located in England. It happens to be a proprietary item that no one else manufactures. Channel glass is shaped similar to an iron C-channel. The glass is formed under pressure to create the C shape, is opaque and is available in many custom colors. The cost is approximately \$200 per SF installed. By replacing the entry channel glass with an alternate such as mid-grade storefront curtain-wall glass the savings would have been approximately \$500K. The problem was that the schedule of values only showed a value of \$400K for an item that was easily worth \$1M. As it turned out the client decided to make no changes to the channel glass. Had that not been the case a huge disagreement would have arisen between the Owner and the Contractor on what the true credit should have been. Another scenario could have been that the Owner may have opted to increase the quantity of the channel glass based in the scheduled value of only \$400K, with the thought that the Channel glass was valued at \$50 per SF based on the SOV line item value. In the end no party was financially hurt, but a lesson was learned.

When preparing an SOV and when reviewing and approving an SOV, due diligence should always be applied, as best as one can so situations such as this do not arise. In the end no one will win and the trust that was developed in a good working relationship between all parties will be severed. Honesty is the best policy.

ASPE Code of Ethics

Continued...

Canon #6

Professional Estimators shall utilize their education, years of experience and acquired skills in the preparation of each estimate or assignment with full commitment to make each estimate or assignment as detailed and accurate as their talents and abilities allow.

Canon #7

Professional Estimators shall not engage in the practices of "bid peddling" as defined by this code. This is a breach of moral and ethical standards, and a member of this society shall not enter into this practice.

Canon #8

Professional Estimators and those in training to be estimators shall not enter into any agreement that may be considered acts of collusion or conspiracy (bid rigging) with the implied or expressed purpose of defrauding clients. Acts of this type are in direct violation of the Code of Ethics of the American Society of Professional Estimator

Canon #9

Professional Estimators and those in training to be estimators shall not participate in acts, such as the giving or receiving of gifts, that are intended to be or may be construed as being unlawful acts of bribery.

EXTRA, EXTRA!!!

CERTIFICATION

By: Art Quinion

Professional evaluation through Certification is one of the many ways the American Society of Professional Estimators endeavors to promote the profession and benefit the construction industry. ASPE Certification is the highest form of professional recognition an individual estimator can receive and is being sought by more construction estimators every year. Through its Certification Program, the American Society of Professional Estimators recognizes the estimating proficiency and ethical awareness of the Certified Professional Estimator (CPE).

If you would like to become certified, the certification process requires the candidate to write a 2,500 word technical paper, in addition to taking two examinations. The first exam is a General Knowledge Exam (GEK) consisting of approximately 500 questions across a variety of construction topics including AIA documents and general estimating knowledge. The candidate has four hours in which to complete this test. In addition, each candidate must also take a Discipline Specific Test (DST). These exams are a test of the candidate's specific area of expertise. Currently ASPE has Discipline Specific Tests in numerous categories including General Estimating, Earthwork, Concrete, Roofing, Plumbing, HVAC Sheet Metal, and Electrical to name a few. The DST exam is an eight hour test with true/false and multiple choice questions as well as estimating problems that are basically mini-estimates. There are two testing cycles per year. The timeline for the next testing cycle is approaching soon, so you will need to fill out an application for certification as soon as possible. Once approved, you will be required to complete an online or chapter workshop to begin the testing process. The chapter will also be presenting an Introduction to Certification workshop in the near future, in addition to the required online workshop, to review what to expect from the technical paper and two tests.

Once recognized as a CPE, you will be expected to keep abreast of current trends and improved practices in the construction industry. Your conformance with this requirement is measured under the provisions of the Continuing Certification Program. CPEs subject to recertification must document active participation in the areas of ASPE service: professional, educational and creative contributions to construction estimating. Among the elements of continuing certification are review of technical papers, and the contribution of questions and problems to the Certification Test Data Bank.

As the Certification Chairman for ASPE Chapter 3, I'm available to answer any questions you may have about the certification process. Please feel free to email me at artq@phoenix-planning.com or call me at my office at (949) 581-9370.

MEMBER SPOTLIGHT

MIKE MILLS

ESTIMATING MANAGER, JACOBS
CURRENT PRESIDENT OF ASPE CHAPTER 3

I actually wanted to be an Architect.

I started my first year in the Architecture department at Washington State University. At the time, the Construction Management department was fairly new. My career counselor convinced me that CM was a better way to go and I made the switch. Upon graduating, I had a lot of friends in Southern California so I headed south. Within a few months, I landed an entry level estimating position at Lynch Construction in Huntington Beach. I had very little work experience but John Lynch was kind enough to show me the basics. I actually stopped by his office for the first time in 27 years and he is still going strong! He still has the same staff! After moving on, I worked in the estimating department for several General Contractors. Great experience preparing for bid day! We typically had a Superintendent nearby on a public phone (pre-cell phone days!) filling in the bid form just minutes prior to bid time!

In the mid nineties, I made the move to the owner's side and managed the estimating department at Universal Studios Planning and Development. Great people and great projects! Although 80% of the proposed projects never saw the light of day.

I feel very fortunate to have spent my entire career in Southern California. I have been the Estimating Manager at Jacobs for the past nine years and I feel very privileged to be working with the top people in the industry.



A special message from **Colm O'Connor**



Colm O'Connor is the founder of O'Connor Construction Management, Inc. A Fellow of the Chartered Institute of Building and a Certified Professional Estimator, Colm is Past President of the Orange County Chapter of APSE. He can be reached at colm@ocmi.com.

Friends,

As we prepare for 2011, I look back on my anticipation of 2010. Simply put, there was concern. But here we are, at the end of another year, and we're still moving forward. Two lessons, from this experience stand out.

First, much of our 2010 success was a direct result of adherence to our strategic plan, and a willingness to be nimble in the face of fewer business opportunities. I'm amazed that we, as construction professionals, would never undertake a project without a detailed plan, yet some of us don't make the same strategic or tactical preparation for our internal operations (myself included).

Advancing toward the new year, I want to remember the second lesson- doing more with less. Volume may be down, but profitability is attainable. I've appreciated the enthusiasm that our staff has committed to improving as a firm and as individuals. Our BIM practice took off in 2010; and just last month, we added another CPE to our ranks.

Through careful planning and profitable performance, we intend to continue to find new ways to add value to our clients' work in the coming year.

From all of us at O'Connor Construction Management, I'd like to wish you all success in 2011.

Sincerely,

A handwritten signature in black ink that reads "Colm O'Connor". The signature is fluid and cursive, written over a light blue background.

8851 Research Drive
Irvine, CA 92618
949.476.2094
949.476.8294 FAX
www.ocmi.com



OFFICERS

President – Mike Mills, CPE – Jacobs Engineering, 714.503.3534, michael.mills@jacobs.com

Immediate Past President – Wil Beukman, CPE, MRICS, LEED®AP – Faithful+Gould, 562.314.4194, willem.beukman@fgould.com

1st Vice President – Tom Smithson – RCR Mechanical, 951.371.5000, tom.smithson@rcrcompanies.com

2nd Vice President – Greg Clayton, CPE, PE, LEED® AP – Contracting Engineers Inc, 949.548.2010, greg@4cei.com

3rd Vice President – Gary Casper, CPE – Casper Estimating Services, 949.206.1065, casperces@sbcglobal.net

Secretary – Greg Clayton, PE, LEED® AP – Contracting Engineers Inc, 949.548.2010, greg@4cei.com

Treasurer – Brandon Rosenthal, CPE – The Rosenthal Company, 951.733.9252, therosenthalcompany@gmail.com

BOARD MEMBERS

Art Quinion, CPE, LEED®AP – Phoenix Planning, 949.581.9370, artq@phoenix-planning.com

Paulette Rutlen, CPE, CEP – Construction Cost Controls, 949.768.6686, paulette.rutlen@constructioncostcontrols.com

ChiaYen Yuan, LEED® GA – Faithful + Gould, 562.314.4216, chiayen.yuan@fgould.com

Dan Schottlander, CPE - AECOM, 949.476.3365, dan.schottlander@aecom.com

COMMITTEES & CHAIRS

National & Chapter Awards – Mike Mills, CPE - Michael.mills@jacobs.com

Certification – Art Quinion, CPE, LEED®AP – artq@phoenix-planning.com

Communications / Website – Paulette Rutlen, CPE, CEP – paulette.rutlen@constructioncostcontrols.com

GC Advisory – Greg Clayton, CPE, PE, LEED® AP – greg@4cei.com

Parliamentarian – Mike Mills, CPE – Michael.mills@jacobs.com

Finance – Brandon Rosenthal, CPE – therosenthalcompany@gmail.com

Programs – Tom Smithson - tom.smithson@rcrcompanies.com

Membership – Gary Casper, CPE – casperces@sbcglobal.net

By-Laws – Mike Mills, CPE – Michael.mills@jacobs.com

Historian – Mike Mills, CPE – Michael.mills@jacobs.com

Fundraising – Mike Mills, CPE – Michael.mills@jacobs.com

Ethics – Mike Mills, CPE – Michael.mills@jacobs.com

Education – Mike Mills, CPE – Michael.mills@jacobs.com

Standards – Mike Mills, CPE – Michael.mills@jacobs.com

Newsletter – ChiaYen Yuan – chiayen.yuan@fgould.com

Public Relations / Marketing – Anita Beukman – anita.beukman@fgould.com

Scholarships – Anita Beukman – anita.beukman@fgould.com

Mentoring – Mike Mills, CPE – Michael.mills@jacobs.com

FOR YOUR INFORMATION...

COMPANY MEMBER REPRESENTATIVES

AECOM Analytical Planning Services, Inc. Bel Esprit Builders, Inc. Bert L. Howe and Associates Brussel Consulting & Const Mgmt Casper Estimating Services Consolidated Contracting Services Contracting Engineers Inc. Contractors & Cost Consultants Corecon Technologies Inc. Construction Cost Controls Dharma Construction Security Disneyland Resorts Faithful + Gould GKK Works HAAS Marketing Group Heinaman Contract Glazing HMC Architects Jacobs Engineering Kanda Project Services Corp Kerry Contractors, Inc. KFHP Inc. KGA, Inc. KHS&S L&R Construction Inc. Lawrence P. Lee & Associates Lombard Consulting Services, Inc. M. Cangro Development Madsen, Kneppers & Associates Marlin Construction Consulting & Assoc. McCarthy Building Co's O'Connor Construction Management, Inc. Pacific Rim Mechanical Contr. Inc. Performance Contracting, Inc. Pete Fowler Construction Services, Inc. Phoenix Planning Project Control Assoc. LLC Raymond Interior Systems Red Hill Services Construction RCR Mechanical Ronald Fedman Associates, Inc. Swinerton Builders TH Western Builder The Clark Construction Group The Rosenthal Company Timko Inc. Woods Construction



90 FOLLOWERS ON TWITTER!

TWITTER ACCOUNT

FOLLOW US TOO! "ASPE3ORANGECTY"

By: Paulette Rutlen

Twitter: **ASPE3OrangeCty**

Do you Tweet? With the advent of all of the social networking going on I figured we should be keeping up with the technology. For those of you not in the know, Twitter is a website that allows postings, called tweets, of no more than 144 keystrokes (yes, spaces count). With Twitter you can find individuals such as ASPE's national Executive Director (ASPENatExecDir), other chapters (ASPE12Reno or ASPE51SLCUtah), construction related organizations such as NAWIC, MC2, or McGraw Hill.

I intend on finding links to individuals and organizations that may be of interest to our membership. If you find an organization that you think would be of interest to our chapter membership let me know. Just post a tweet to ASPE3OrangeCty and I'll be sure to link us to the account.

Do you have insights to pass on to our membership regarding the construction industry in Orange County? With a Twitter account you can pass them along quickly. After all, how long can it take to type 144 characters? See a website or blog you think may be of interest, post the link with one tweet and the whole chapter can see it too.

Try it out. Even if you never post anything, you can follow the postings of whoever you may find interesting. Hopefully, one of those will be ASPE3OrangeCty.

FACEBOOK ACCOUNT

facebook

15 FACEBOOK FRIENDS!

By: Anita Beukman

Our chapter Facebook account is up & running—ASPE Chapter 3, Orange County—we have added a few friends from last month and we need more! If you have an account, look us up, so you can follow our status for upcoming events!

BECOME OUR FACEBOOK FRIEND & LOOK US UP:

"ASPE CHAPTER 3, ORANGE COUNTY"

ASPE ORANGE COUNTY CHAPTER 3

MEETING INFORMATION

Date: Wednesday, December 8, 2010

Time: 5:30 p.m. - Social Hour & Networking

6:30 p.m. - Program

Location: Ayres Hotel

325 Bristol Street

Costa Mesa, CA



COST: \$40

Dinner Menu: *Salmon, Chicken Cordon Bleu or Rotelle Pasta (Veggie)*

RSVP at www.aspechapter3.org

TOPIC

MARKET TRENDS IN CONSTRUCTION

PRESENTED BY
CLIFF BREWIS
OF MCGRAW-HILL



About the Speaker:

Cliff Brewis is Senior Director for Editorial Operations and is responsible for the newsgathering operation of McGraw-Hill Construction/Dodge, and is a frequent speaker on the construction forecast.

He has over 30 years of experience in construction, including 25 years with McGraw-Hill in sales and operations. He has worked in Detroit, Grand Rapids, Washington D.C. and San Francisco.

In addition to his current duties with McGraw-Hill, Cliff is an active member of the Integrated Project Delivery Committee administered by the AIA California Council and AGC California. The diverse group is involved in advancing collaborative construction processes.

Cliff is a graduate in Economics from the University of Michigan, Ann Arbor. He has an MBA from American University in Washington D.C.

McGraw-Hill Construction is the leading provider of construction information in the industry. McGraw-Hill Construction connects people, projects and products through Dodge, Sweets, Architectural Record, Engineering News Record, Regional Publications, Document Management and Economic Forecasting services.

RECAPS, RECAPS...

NOVEMBER DINNER MEETING RECAP

By: Art Quinion

If you missed our November meeting you missed a very informative presentation by our speaker, Jason Dodds. Jason is an Autodesk Construction Technical Specialist and spoke on Autodesk QTO and its applications to estimating. In his role at Autodesk, Jason plays an integral role in advocating and implementing the company's Construction and BIM solutions throughout North America.

In his presentation, Jason demonstrated how to perform quantity take-off using CAD or Revit files, as well as from PDF files and image formats such as .jpg and .tif. Using the software in his presentation, he was able to measure and count building objects such as walls, doors, finishes and much more. He also showed how, through component sub-assemblies, he could categorize and count materials to a virtually infinite level of detail. He showed us how to create summaries and quantity survey reports. The take-off could then be exported to MS Excel or one of many Estimating softwares. All of this was accomplished in a matter of minutes – very impressive.

QTO can be used for estimates from the conceptual stage to detailed construction documents. All in all, a very interesting and informative presentation. If you weren't there, you should have been. Don't miss the next meeting. It promises to be another good one.

OCTOBER JOB WALK RECAP - JOHN WAYNE AIRPORT NEW TERMINALS AND PARKING STRUCTURE

By: Mike Mills

On October 29, the chapter conducted a jobwalk for the new terminals and parking structure at John Wayne Airport. The event was organized and hosted by Anita Beukman. 15 members were in attendance for this fascinating project. Steve Kleiner from Pinnacle One and was our tour guide for the Terminal Construction while Grant Muscavitch from Barnhart-Balfour Beaty managed the Parking Structure job walk. Both of them did a great job explaining the successes and pitfalls of working in a fully functioning airport. The parking structure in particular incorporated Buckling Restraining Brace (BRB) to dampen the lateral movement of the structure. The BRBs were fabricated by a specialty contractor and shipped to the site and installed by the structural steel contractor. The runway concrete was poured in checkerboard fashion and constructed without rebar. The terminals all contain cutting edge security systems as well as maintain the high end finishes found throughout the airport. The logistics were very tight for deliveries and subcontractor traffic. Definitely a scheduling and coordination challenge! Thanks again to Anita for coordinating this fascinating jobwalk!



ASPE ORANGE COUNTY CHAPTER 3

ADVERTISING OPPORTUNITIES

Business Card	Per Issue	\$25.00	If you would like to advertise with us, contact ChiaYen Yuan at chiayen.yuan@fgould.com for more details.
¼ Page Ad	Per Issue	\$50.00	
½ Page Ad	Per Issue	\$100.00	
Full Page Ad	Per Issue	\$200.00	

BECOME A MEMBER

Applications for membership can be downloaded from the national website, www.aspenational.org, or on our local website, www.aspechapter3.org. For more information, contact Gary Casper at casperces@sbcglobal.net

THOUGHTS OR SUGGESTIONS?

We are looking for your ideas and input regarding our newsletter and dinner programs. Do you have an idea for an upcoming dinner meeting? Would you like to be a presenter at one of our dinner meetings? Is there a topic of discussion that we should write an article about? Would you like to be a contributor to our newsletter? Please contact ChiaYen Yuan at chiayen.yuan@fgould.com

VOLUNTEERS WANTED!

We need your help! Anyone who is interested in serving on a committee for the OC chapter, please contact MikeMills at michael.mills@jacobs.com for more information. This is a great way to give back to ASPE both personally and professionally. We encourage you to attend a board meeting to see what it's all about. We meet every other month in a physical location and all ASPE members are welcome to attend.

Serving construction estimating professionals by promoting ethical behavior, professional development, continuing education, standardization, certification and fellowship.



WE LOOK FORWARD TO SEEING YOU AT THIS MONTH'S MEETING!