

**ASPE
ORANGE
COUNTY
CHAPTER 3**

AMERICAN SOCIETY OF PROFESSIONAL ESTIMATORS

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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

To everything there is a season and a time to every purpose. We have just celebrated the season of Thanksgiving and Christmas is looming. For some of us this holiday period will indeed be happy while others may be weeping. Some might be mourning while others are dancing, but mostly it reflects the culmination of another year.

For most of us the year has been trying. The poor economy has reached widely and influenced all of us to a lesser or greater degree. As a Chapter, we are thankful to have stayed in fairly good nick. The Mezzanine Restaurant has become a victim of the recession forcing us into a change of venue.

Our CPE starter workshop occurs on December 12th. Anybody not yet a CPE should start thinking about it. In short, if you are not yet a CPE this is a good idea!! Contact Art Quinion for late enrollments.

Our year end final function, the Christmas Boat parade in Newport Beach has solicited record breaking participation. We look forward to an exciting cruise of the Newport harbor aboard the Catalina Flyer on December 18th.

We are approaching the New Year with hope and anticipation. We will start our activities at a new venue. We have signed a six month agreement with the Ayres Hotel on Bristol Street. Please make sure of the address for our January dinner meeting. The details will soon be posted on the website.

Merry Christmas!

- Wil Beukman



CALENDAR OF EVENTS

- December 12, 2009 - Certification Workshop
- December 18, 2009 - Social Meeting - Newport Boat Parade

2010 Events

- January 12, 2010 - Glass and Glazing Presentation by Matt Kamper from Heinaman Contract Glazing
- February 10, 2010 - Orange County Economic Outlook by Professor Morteza Rahmatian, Ph. D, Chair, Department of Economics, California State University, Fullerton



Wil Beukman,
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.

EXTRA, EXTRA!!!

IS THERE A NEED FOR THE COST ESTIMATOR?

By: Gary Casper

Who do builders and developers use to prepare cost estimates for their projects? There are two main trends in the building industry. One way is the use of the civil engineer designer to prepare the budgets and estimates. The other common choice is to use cost consultants or cost estimators. I believe both need to be involved in developing cost estimates.

Engineers and cost estimators have their own unique place in the development of estimates for a project. Solely using an engineer as your cost estimator, you run the risk of not having an adequate picture of the costs. Sometimes this means not having enough money in the budget come construction time because the designer does not understand all the factors that affect unit pricing. **Other times, a project that could have been viable is artificially not viable because the engineer over estimated unit pricing due to ignorance of current construction market conditions.** I've seen engineers use historical cost data from one to two years ago and use them as today's prices. This practice is not useful to anyone. A unit price is made up of three components: labor, equipment, and materials. Any change in one of the three components can affect the unit pricing. The only sure thing about unit pricing is that it will change over time. It is necessary to have the ability to track them and understand all the components that affect costs. An engineering firm that has a cost estimator on staff has a distinct advantage over one that does not.

Here are a few actual examples where cost estimators **were not** involved in preparing estimates:

- An engineer prepared a estimate for a major Orange County Arterial Road which they estimated to be \$32 million, the actual cost was approximately \$16 million. Where as some may say the project came under budget what's the big deal? This project was financed through public funds and could have run the risk of not being built if the City could not obtain the necessary financing. Over estimating projects can sometimes backfire for two reasons. First, it may not be built which affects everyone including the engineering firm. Second, the credibility of the firm is jeopardized.
- A major engineering firm consistently prepared budgets which came in half of the actual construction costs. This worked fine when the prices of homes were escalating at record amounts. However, with the market downturn several developers were left with budgets which were not adequate to complete the project. Many of the developers realizing the engineer's estimates were too low too late. Several had no choice but to walk away from the projects after spending hundreds of thousands of dollars in consulting fees.
- An engineering firm was sued because their estimate for a subdivision in Riverside County excluded major items which once accounted for made the project cost prohibitive to construct.

I've heard the saying it's just a budget. But in actuality it does matter. Ask any builder or developer who either lost or was unable to finish a project because of inaccurate cost information.

Gary Casper is the owner of Casper Estimating Services Inc. which has over 20 years of experience as a cost estimator. He's worked for builders, developers, engineers, contractors, architects, and financial institutions. He can be reached at 949-206-1065.

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 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.

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FOR YOUR INFORMATION...

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ABACUS Project Management, Inc. AGC San Diego Plan Room American Constructors 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. Cumming Corporation Construction Cost Controls DDL Construction Disneyland Resorts Earth Tech / AECOM Faithful & Gould GKK Works Heinaman Contract Glazing Herzog Contracting Corp. HMC Architects Innovative Dimensions Inc. Jacobs Engineering JBH Structural Concrete Inc. 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 Mack5 Madsen, Kneppers & Associates Marlin Construction Consulting & Assoc. 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 RCR Mechanical Ronald Fedman Associates, Inc. Suffolk Construction Swinerton Builders The Clark Construction Group Timko Inc.

TWITTER ACCOUNT

By: Paulette Rutlen



21 FOLLOWERS ON TWITTER!

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.

It costs nothing to establish a Twitter account. Just go to www.twitter.com, click on **Sign up now**, and follow the simple instructions so that you too can tweet, or just follow others who do. You won't get a bunch of spam email, only notifications when someone has started following your tweets. If you do not think they are people you want following you, you may block them.

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

By Anita Beukman



7 FACEBOOK FRIENDS!

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!

CERTIFICATION REVIEW WORKSHOP

Chapter 3 is offering a Certification Review Workshop that will be held on Saturday, December 12th. The workshop will begin at 9:00 am and will last approximately one and a half to two hours. The presentation will concentrate on what to expect from the certification process, reviewing both the technical paper and the four and eight hour exams. You do not have to be examination registered with ASPE national to attend. Becoming a Certified Professional Estimator (CPE) is an excellent opportunity to gain industry recognition. The next testing cycle is scheduled to begin January 2010 and applications for Professional Evaluation (reviewed and signed by the Chapter Certification Chairman or a Chapter Officer) must be submitted by January 1. The location for this workshop will be at Phoenix Planning, 23272 Mill Creek Drive, Suite 220 in Laguna Hills. If you are interested in attending, please email Art Quinion, CPE at artq@phoenix-planning.com by December 9th.

ASPE ORANGE COUNTY CHAPTER 3

MEETING INFORMATION

There will NOT be a December meeting. 2010
Meetings to resume in January at a NEW location!

Date: January 12, 2010

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

6:30 p.m. - Program & Dinner

Location: Ayres Hotel
325 Bristol St.
Costa Mesa, CA 92626

TOPIC:
GLASS AND GLAZING
PRESENTATION BY MATT KAMPER
FROM HEINAMAN CONTRACT
GLAZING



ENJOY THE HOLIDAYS!

TECHNICAL ARTICLE

ASPHALT

By Gary Casper

Asphalt prices are relative to oil prices. At the height of oil prices asphalt was as high as \$90 per ton. Currently the price a contractor pays is closer to \$60 per ton. As the current oil prices hover around the three dollar a gallon range asphalt prices should be stable. Asphalt has been experiencing better manufacturing processes that have helped to bring down the price. Unfortunately this has been offset by the increase of aggregate. There are three major suppliers of asphalt in Southern California All American Asphalt, Blue Diamond, and Vulcan. Because of the limited amount of suppliers asphalt doesn't see the competition strains that other materials may encounter. Prices in the four county regions (Los Angeles, Orange, San Bernardino, and Riverside) are relatively the same for the asphalt material.

Labor prices have seen significant decreases because of the lack of demand. In other words, there is the same amount of contractors with less work to go around. The cost for asphalt labor itself has not decreased but the profit margins companies have been using has been decreasing (sometimes to 0) because of the increase in competition. The practice of bidding jobs at or below cost is being used selectively by companies. Companies are doing jobs at cost to keep their crews and equipment busy and often times to maintain key relationships with valued customers. They are willing to take a loss to keep cash flow coming into the company and to keep key employees. Companies realize that there is a cost to their company for replacing employees and most will try to avoid that situation.

Most asphalt companies are anticipating prices will remain at the current pricing for the next year as the economy continues to suffer.

PROBLEM OF THE MONTH

By: Gary Casper

Calculate the amount of tons of asphalt based on the following information:

5,000 square feet, three inches thick.

Answer: 90 Tons. $5,000 \text{ square feet} \times 3 \times .006(\text{factor}) = 90 \text{ tons}$

NOVEMBER MEETING DINNER RECAP

BUILDING ENVELOPE INSULATION

By: Crystal Huey

At the last dinner meeting we had the pleasure of listening to Don Lenaker from the Henry Company. Don has over 40 years in the roofing industry, specializing in polyurethane foam roofing. This type of roofing can be applied to curbs, parapets and platforms. It can also be used to fill low areas and re-slope existing roofs.

Don stated that foam roofs are monolithic and warranties up to 20years are available. This type of roofing does have some upfront installation costs related to it; however, there is less maintenance and one of the benefits is less energy consumption.

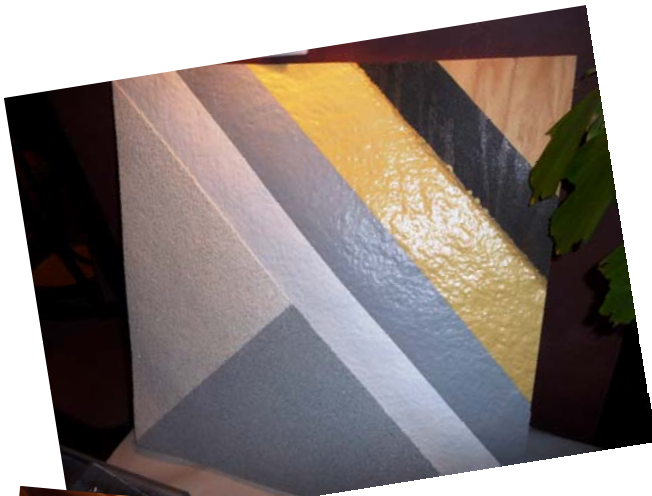
Other benefits are:

- Less waste and disposal
- Ability to be recoated to extend life
- Conforms to unique shapes
- Can be applied to existing roofs, plywood sheathing and concrete!

When asked about the cost of this product, Don stated it costs anywhere from \$2.00 to \$5.00 / SF, installed!

Polyurethane spray foam can also be used for floor and ceiling insulation as well as stud wall insulation. Don brought an apparatus that showed airflow through various types of insulation. This demonstration illustrated the polyurethane foam's ability to reduce air migration compared to batt insulation and blow-in insulation. Polyurethane foam insulation has an R-value of 7 per inch, which is far superior to comparable insulating materials.

It was apparent that Mr. Lenaker knows his product through and through. It was a very relaxed, informative presentation. It was also learned that Don Lenaker and Ron Svarc are old high school friends. . . small world! It was great to see two high



MEMBER SPOTLIGHT

POHL PAULIS FAITHFUL + GOULD ESTIMATOR

Interview conducted by: Danielle Leyva

DL: How long have you been a member of ASPE and what is the extent of your involvement in this professional organization?

PP: Registered in May 2009 as a member of ASPE.

DL: Can you take us through how you started in the construction industry into today?

PP: Joined an electrical contractor in 1983 as a student engineer working in the construction field with on-site as well as estimating office training. After engineering college and with experience in electrical estimating, I got a position with a leading Consulting Engineering Company in Pretoria in 1990 where I gained experience in the design of electrical building installation and distribution. In 1992, I left South Africa for Botswana where I joined another Electrical Consulting Engineering Company where most of the projects were MEP estimating related mainly to hospitals, airfield, hotels, and office buildings. In 1998, I started my own practice in Botswana with MEP estimating and design, which I then sold to my opposition in early 2009 after receiving an offer from Faithful + Gould to join their Seal Beach Office.

DL: What firm do you currently work for and what is your position at this firm?

PP: Senior Estimator MEP

DL: Do you plan on becoming a Certified Professional Estimator?

PP: Yes

DL: Why do you think becoming a CPE is so important for our industry?

PP: So that the industry can provide a standardized and quality professional service to clients.

DL: What types of projects do you most enjoy estimating?

PP: Any large construction project.

DL: What kind of activities and / or interests do you most enjoy when not estimating?

PP: Travelling and seeing new places even short trips by car as well as watching most contact sports.

DL: Thanks Pohl for participating in this month's *Member Spotlight!*



ASPE ORANGE COUNTY CHAPTER 3

2010 FUNDRAISING NEEDS

By: Anita Beukman

It's the end of the year again and companies resume planning their budgets for the upcoming year. ASPE is a non-profit organization and our community / charity contributions are dependent on our member participation. We contribute scholarships to needy students in the Construction Industry on an annual basis, but can only contribute the amount received by our fundraising opportunities. Our fundraiser for this event will be our 2nd annual golf tournament scheduled for summer next year on August 4, 2010.

We would like to see more golfers participate as well as more sponsorships. Dear member, this is where you could make a difference – please pencil this event into your calendar and sign up for it. However, most important is to budget for it. This is a great opportunity to brand your business – for your sponsorship you are allowed to put up a banner at the golf course, you can add an advertisement / logo to our newsletter or even link your website to ours. There are so many possibilities – please contact me at (714) 642-5948. Sponsorships start at \$250/hole. Thank you in advance for your support, participation, and contributions.

ADVERTISING OPPORTUNITIES

Business Card	Per Issue	\$25.00	
¼ Page Ad	Per Issue	\$50.00	If you would like to advertise with us, contact Danielle Leyva at dleyva@mack5.com for more details.
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 Ron Svarc at kickerron@cox.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 Danielle Leyva at dleyva@mack5.com

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!**

VOLUNTEERS WANTED!

We need your help! Anyone who is interested in serving on a committee for the OC chapter, please contact Wil Beukman at willem.beukman@fgould.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.