



January 2006

PROFESSIONAL ESTIMATOR

Denver, Chapter 5

NW Region Newsletter of the Year 2003-04, 2004-05; National Newsletter of the Year 2004-05



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January Program

Forensic Estimating
Robert H. Pratt, FCPE

Vice President

Demand Construction Services, Inc.

See page 3 for details...

CHAPTER MEETING NOTICE

Date: Tuesday, Jan. 10, 2006

Time: Gather: 5:30 p.m.
Dinner: 6:30 p.m.

Place: Red Lion Hotel
4040 Quebec Street
Denver, CO 80216
(303) 321-6666

Cost: \$35.00 w/reservation
\$40.00 w/o reservation
\$8.75 for students

*Reservations due by noon on the
Thursday before the meeting



MESSAGE FROM YOUR PRESIDENT

Ralph Kasper, CPE

As I reflect back on the last 4 months of 2005, and my first four months as your president, I'm reminded how important it is to give back to those organizations that have given to you. It was seven or eight years ago when Steve Larson first asked me to come to a meeting to see what ASPE is all about. Since then I have served on the Board, been a Second Vice President, First Vice President and now have greatly enjoyed being President. Throughout all those years people have come and gone, but some things have remained: the opportunities for fellowship and networking, sharing with peers and, most importantly for me, the prospect to learn how to be better at our crafts.

The first four months of this year's ASPE gatherings have also given us some excellent meetings and speakers. This is the first time we have been able to pay for speakers and have had the privilege of two nationally renowned speakers in Charles Vander Kooi and John Miller. In addition, last month in December we heard from one of our own when Newt Klusmire spoke to us about Ethics for Upper Level Management. There was lively discussion on about the idea of "last look" throughout the room. I'm not sure if we ever resolved the best way to go about offering and accepting the opportunity for "last look", but we did all leave with many things to think about and a renewed understanding of looking at it from the other side of the table.

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“LAST LOOK” BY MARC LANGLEE, TEAM PANELS INTERNATIONAL

Last Look: These two words conjure up all kinds of notions of conspiracy, corruption and collusion in our industry. Our September speaker, Charles Vander Kooi tells us, “*Ya got Last Look and ya got a job, now waddya gonna do!*” Go to construction speaker George Hedley’s website and one of the topics for his seminars is, “How To Get Last Look”. Everyone in the construction business has either offered last look to someone or been offered last look by someone at some time in their career.

Is this a problem? Depends. If the last look is at the low bidder’s number so you can meet or beat it, of course it is. This defines last look in the unethical sense as giving a desired bidder who is presumably not low a shot at the presumably low undesirable bidder’s price. This is in direct violation of our Basic Canons # 5, 7 and 8. What makes a bidder desirable or undesirable? Lots. Relationships, reputation, quality of workmanship, manpower, past performance, financial position...you name it, you’ve either been beat by it or won because of it.

It’s time to turn the table on last look. Many of the proposals we generate are not categorized in the “Hard Bid” arena. For these, the process is simple. Have your relationships in place. You know who you want to work for and who you don’t want to work for. Customers can be classified as desirable and undesirable as well. Be sure your scope is complete and spelled out in detail. Take pride in the fact that your scope sheet may be used to check out your competitor’s bid. Support your trade organizations and be sure your name is out there. Work it! Don’t just kick out a number and let it ride.

Treasurer’s Report By Kirk Lundquist

Balances for Dec. 2005:

Checking	\$3,907.57
Savings	\$2,910.78
CD	\$7,774.13
Total Assets	\$14,592.48

When it comes to “Hard Bid” the process involves another step. Whether you are an Owner, GC, Sub or Supplier, you will be faced with a decision. Which number shall we use and subsequently who will be awarded the contract. This should not be a dilemma. Assuming you were not able to exclude undesirables via a pre-qualification process, as is the case with a lot of public work, take a last look at the estimate summary and add one more column to your calculations. The name of this column is “Value Added”. You need to ask yourself: What is it worth to our firm to have the desirable company on this project. Or: What could it cost our firm if we were to use the undesirable firm. This simple (albeit subjective) process will help level the playing field and prevent you from putting somebody in the uncomfortable position of an unethical last look.

It naturally becomes the responsibility of the higher tier firm to engage in practices that promote fair and equitable decision-making. We can’t eliminate the practice of last look completely in our industry; however, if we hold ourselves accountable to a higher standard we can start to turn the table on last look.

Member Spotlight



**Warren
Neubauer**

**Southland
Industries**

Hello, my name is Warren Neubauer and I would like to take a few minutes to introduce myself to you.

Let me begin by saying that my life has been blessed with 27 years of marriage to my loving wife Twyla. It is one of those high school romance stories that evolved into two beautiful daughters, Andrea our little ballerina who is a Cosmetologist at 24 years of age, and Angela our little basketball player who is in her third year working on her Special Education major at Eastern Illinois University.

Having grown up in a small rural town of 1000 people in northwest Illinois, I learned the essentials of three important facts: you need a good work ethic, it's good to learn how to drive on the back roads and when you get in trouble Dad knows about it before you get home. Dad even knows about it sometimes before you do anything.

I'm a state of Illinois license plumber with hopes of eventually holding a plumbing license in the state of Colorado. So, yes I have come up through the ranks as a tool user and even spent ten years learning the rights and wrongs as a business owner of a small plumbing and heating shop.

My beginning goal in the mechanical field was to be a project manager but I seemed to always be helping in the estimating department. After being told by a close friend to accept the fact of what I did well, I decided I should try to be the best at it by making it the center of my working life. If you stop and think about it, most all the people you know that seem to be really good at something actually live it and strive to make themselves better at it everyday.

I have been very fortunate to acquire a position with Southland Industries as their Senior Estimator in beautiful Colorado. Fortunately it came at a good time in my life when my wife and I were ready to start the second phase in our marriage, the empty nest phase.

I have been an active member of ASPE for two years starting with the revitalized Chicago chapter. I also spent last July at the convention in Miami, FL and have already made plans for my wife and I to attend this year's event in Anaheim CA.

I feel that ASPE should be a major part in any estimator's life. All other origins in the building communities are represented by very strong organizations with a large member base. The people who are going to tell you how much it cost should be that strong also. How can it be

Continued on next column...

January Program

**"Forensic Estimating"
Speaker: Bob Pratt, FCPE**

Forensic Estimating is the Courtroom Sister to Competitive Bid Cost Estimating. It involves a number of cost estimate types ranging from the determination of the reasonable value of a simple directed change in the scope of a project, to the more complex claimable damages associated with a series of project delays caused by different parties. In the latter case, the allocation of the cost impacts to the various parties, including disruptions to the flow of the work, and the resulting labor inefficiencies, can require a very complex and intricate analysis. The presentation will provide insight into both expressed and implied contract language, and other relevant factors because collectively they can have such a significant impact on what costs can be considered allowable in a Forensic Estimate. You will leave this presentation with a whole new perspective on the cost estimates that you prepare for your companies and customers as compared to those that end up in a Courtroom or Arbitration Hearing.

Robert H. Pratt, FCPE, is Vice President of Demand Construction Services, Inc. in Centennial, Colorado, and is responsible for professional services in the fields of project management and construction claims. His technical consulting services include cost estimating not only for construction defect cases, but for new projects emerging through the design phase. He also provides schedule delay and labor and equipment inefficiency impact analyses, as well as contract clause interpretation from a contractor's perspective, and opinions on contract administration standards of care. He received his B.S. degree in Architectural Engineering from the University of Colorado at Boulder. He is a Fellow Certified Professional Estimator (FCPE) as conferred by the American Society of Professional Estimators (ASPE). He is also a past National President of ASPE. He is a Mediator, and a member of the AAA National Panel of Construction Arbitrators.

Member Spotlight continued...

built profitably if you don't have a GOOD cost perspective of the project?
Think about it awhile.

I enjoy talking trade and anything else that has involvement with our lives in this area, so feel free to drop me a line at anytime.

Thanks to all,
Warren Neubauer, Senior Estimator
Southland Industries
303-241-1984; {wneubauer@southlandind.com}

ASPE Code of Ethics

Basic Canons

- 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 serve 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 or client.
- Canon #5** Professional estimators shall conduct themselves with integrity as 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. They shall establish guidelines for setting forth prices and receiving quotations that are fair and equitable to all parties.
- 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 practice 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 express purpose of defrauding clients. Acts of this type are in direct violation of the Code of Ethics of the American Society of Professional Estimators.
- 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.

President's Article continued...

This month we are honored to have another one of our own in Bob Pratt from Demand Construction Services. He is not only a past Chapter 5 President, but also a past National President and has been given the honor of Fellow. Bob will be speaking to us this month on Forensic Estimating.

In my Board Member article earlier this year I wrote about the sign in my office that asks, "Are you taking care of your (-) Dash?" The dash represents the time between when you were born and the time you pass away on your tombstone. As we begin the new year and we are thinking of the proverbial New Years Resolution, I ask you to think if you are taking care of your dash. Are you fully engaged with your family and loved ones? Are you giving back to the community in which you live? Are you helping those less blessed than you? Please take some time to think about opportunities that exist for you to help those that need your time, your money or just your ear.

Quote of the Month

"One hundred years from now, it will not matter what my bank account was, how big my house was, or what kind of car I drove. But the world may be a little better, because I was important in the life of a child."

-Forest Witcraft

Website of the Month



Would you like to help a soldier keep in contact with their family this holiday season?

You can learn how to help:

<http://www.operationuplink.org/>

This website is sponsored by the Veterans of Foreign Wars. It has stories of how this program has helped soldiers and families stay in contact. What a great way to help!

Here's a christmas game to keep you busy:

<http://www.theholidayspot.com/christmas/games/games2.htm>

Member Company Roster

The following is a list of companies who are represented at ASPE Chapter 5...

Acoustical Concepts
Adolfson & Peterson Construction
Advanced Flooring Solutions
Alliance Construction Solutions
Arapahoe Utility & Infrastructure
Arch. Resource Consultants
Automatic Entrances of Colorado
Builders' Advisor
Building Tech Consultants, Inc.
Casson Building Corporation
CDM Constructors
CH2MHILL Constructors, Inc.
DCB Construction Company, Inc.
Demand Const. Services, Inc.
Denver Drywall Company
Desert Plains Construction
Design Mechanical Inc.
Golden Triangle Construction
Haselden Construction
Heartland Acoustics & Interiors
Heggem Lundquist
Howell Construction
Hurst & Burr Mechanical, Inc.
Integrated Interiors & Construction
Interior Alterations
J. E. Dunn
Jacobs Facilities, Inc.
Kaiser-Hill Co.
Kenny Electric Service
Ludvik Electric
Madsen Kneppers & Associates
Main Electric
Maxwell Construction Co.
Merrick & Company
Metro Steel Fabricating
Milestone CM
Mountain Steel & Supply Company
Ojala & Company
PA Consulting Group
Palace Construction Co.
Pasterkamp Heating & Air Conditioning
Piper Electric
Professional Investigative Engineers
Q & D Construction
Quality Electric
R.D. Simmermon & Co.
Roche Constructors, Inc.
Rocky Mountain Door Systems, Inc.
Smith Huston, Inc.
Southland Industries
Spectra Contract Flooring
Sprehe Interior Construction, Inc.
Sturgeon Electric
Swinerton Builders
Team Panels, International
Technical Project Services
The Blue Book

Membership Committee Update Heather Boulanger - Chair

At December's meeting we had quite a few guests. They were: **Tim Simonds**, **Kevin Russell**, **Mike Nielson**, and **Kelly Stillings** of Midwest Drywall; **Dave Lee** of Dustco Building Specialties; **Bryan Andrews** of Overhead Door Co. of Lake-wood; **John Morris** of Gold Label Door; **David Stadolnik** of Southland Industries; and **Gary Lederman** of Frontier Fire protection.

Please help our chapter be strong and encourage guests to come to meetings and join!

If I can be of assistance or if you have any questions, please contact me at (303) 659-7861, ext. 112 or email me at: heather@rollingplains.com.



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Three Elements Timberworks, Inc.
TJS Construction
Trautman & Shreve, Inc.
Weisfield Group

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