



December 2007

# PROFESSIONAL ESTIMATOR

Denver, Chapter 5

NW Region Newsletter of the Year 2003-2007; National Newsletter of the Year 2004-05

## November Program

### Building Subcontractor/ General Contractor Relationships

*See page 4 for details...*

#### CHAPTER MEETING NOTICE

**Date:** Tuesday, Dec. 11, 2007

**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:** \$40.00 w/reservation  
\$45.00 w/o reservation  
\$10.00 for students

\* Register online at:  
<https://www.acteva.com/go/aspedenver>

#### In This Issue

President's Message	1
Treasurer's Report	2
Feature Article:	2
ASPE Code of Ethics	3
December Program Info	4
Education Committee Update	4
Sox Place Clothes Drive	5
Quote of the Month	6
Regional Governor Update Chris Morton	6
Membership Committee Update	7
ASPE Board Members & Committee Contacts	8



#### MESSAGE FROM YOUR PRESIDENT

***Kye Holtan-Brown***  
FELLOWSHIP

I'm sure many of you have shared the feeling of getting to Friday, and realizing it felt like you were experiencing your fifth "Monday" in a row. Actually, I have been feeling more like it's been a month of Mondays, and maybe two months' worth. If I wasn't President, I'm not sure I would have made time to attend every meeting so far this year. Instead, I would have succumbed at least once to the all-too-easy rationale of being too tired and needing to just go home and rest or worse yet, worked late yet one more evening.

I'm glad, however, that I have attended all the meetings. The programs have been excellent, and I'm glad not to have missed any of them. But more importantly, the fellowship of the club is worth it. After every meeting, I am surprised by how good of a mood I'm in, and how I feel re-energized and more positive in general about my job. It's amazing what a beer, dinner, and interesting conversation can do.

Given the number of people that attend each meeting, and the number is growing, I'm guessing others are enjoying similar benefits. Fellowship is one of the core goals of ASPE,

*Continued on Page 3...*

# Speciality Trade Contractors vs. General Contractors - Why the “versus”?

*Kye Holtan-Brown, MRECM, CPE, Chapter 5 President*

Did you know that the ASA rates Colorado as “failing” in the category of anti-‘bid shopping’ policies? We’re not alone – only 9 states had a passing grade. This was one of 7 categories that ASA uses to rate the policy climate for subcontractors in each of the 50 states. This list of categories is useful as a starting point for understanding what issues are important to subcontractors. Many of these same issues are important to general contractors, even if the two groups don’t always agree on the solution.

The ASA scores the following areas in its annual report:

1. prompt payment protections
2. treatment of pay-if-paid clauses
3. mechanic’s lien protections
4. payment bond protections
5. retainage limitations
6. anti-indemnity protections, including “additional insured” endorsements
7. anti-‘bid shopping’ measures

Many of the major concerns that subcontractors have are related to contract provisions. In addition to the items listed above, the following concerns also show up in various articles on ASA’s website: change order processing and definition of an “extra”; design responsibility and risk shift, especially related to requirements to meet “performance specs”; “flow-down” provisions of owner-GC contract to GC-sub contract; obligations stated in documents incorporated by reference, but not actually provided; precedence clauses that state that the most strict option rules if documents are in conflict; and bid processes including handling of ‘bid shopping’, ‘bid peddling’, handling of proprietary bid info, and notification to subs of apparently incorrect bids.

Estimators for both subcontractors and GC’s have to understand and account for the impacts to risk, and therefore to pricing, of the contract and other legal parameters of the project. However, most estimators can only react to contract provisions; it is the bid processes that really are within their direct control for the projects upon which they work, and BOTH sides must actively engage to maintain the standards needed to keep up fair competition. Protecting proprietary information, bid results notification, and avoiding bid shopping are three areas where estimators can work to improve the bid process.

While bid shopping by GC’s gets a lot of press, when was the last time you heard a GC complain about a subcontractor peddling their bid? This is an equally destructive activity. It can possibly put the GC on negotiated projects in a bind between their goal to provide their client with the lowest possible price, and their duty to uphold ethical standards. For the subcontractor that calls a GC and asks “so where to I need to be to get this one” – the short-term potential benefit is often quickly offset by an unfavorable perception by the GC, who is left to wonder – “why didn’t I get their best price the first time”?

More and more general contractors are doing negotiated projects, and part of the service provided to owners is what is often called “value engineering”, although in practice it is usually something very different. It does open the door to a whole other area of potentially unethical behavior in the area of sharing proprietary ideas and information during a time of generating post-bid, pre-award cost reduction alternatives that is often needed to get an owner to sign a contract.

## Treasurer’s Report by Newt Klusmire

**Checking Balance:** \$7,214.51

**Savings Balance:** \$1,039.16

**Total Balance:** \$8,253.67

# 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...

and for very good reason. I’d like to invite you all to make a commitment that you will allow yourself the opportunity to attend the ASPE meeting each month, if only to give yourself the gift of fellowship with your peers. And if you can, bring a co-worker or a business acquaintance and share the opportunity with them. I can say personally that I’m looking forward to meeting them.

## Feature Article from page 2....

This process is usually difficult for all parties involved, with huge pressures to pair up the best cost-reduction ideas, regardless of the source, with the apparent low bids. This is an area where GC estimators need to be especially on their guard to protect the process. They also have a great opportunity to take the lead on initiating cost-reduction suggestions for owner and design team, and by doing so they can forestall a lot of the potential conflict and worry over which sub provided the “idea” in the first place.

One of the last areas where estimators can make the bid process as fair as possible is in notification to an apparent low bidder if their bid seems out of line. While this is required in federal projects, private project bidders have no protection. And with bid results usually unavailable until after a contract has been written (anything earlier could become bid shopping), a sub often has no idea their bid was unusually low until too late, if ever.

The GC estimator has a duty to use their experience and common sense to figure out if the low bidder was wrong, or the higher bidders were wrong. Unfortunately, with more projects bidding from less than 100% CD’s, among other issues, the spread between highest and lowest bids isn’t always within a nice comfortable range. However, nobody will be served in the end if a subcontractor walks off a project or fails to perform well because they made a significant error in their bid.

The way subcontractor and GC estimators treat each other during the bid process is crucial to keeping the process fair. Even more important is the long-term effect of keeping the playing field level – greater competition which benefits all parties from subcontractor to GC to owner.

# December Program Information

## Building Subcontractor / General Contractor Relationships

Often as subcontractors and general contractors, we see each other as adversaries playing a complicated game of keep away or cat and mouse. But in truth we need each other more than we know. So, instead of spending our time trying to find ways to outsmart our opponents, I think we should spend it figuring out ways to come up with win - win situations for both parties. And the only way that will ever come to fruition is if we begin to develop long lasting relationships based on trust and understanding. And the only way to do that, is by understanding each other's point of view, or perspective.

This month, we will have a bit of a different format, a "Presidential Debate" format where a moderator will ask each of the three parties the same question and allow each an opportunity to answer based on their own perspective. The three presenters will be John McClellan with JE Dunn representing the General Contractor's point of view, Steve Dinnebeck with MTech Mechanical and Foster Kenney of Fiore and Sons Excavating both representing the subcontractor's point of view. There will be audience participation, so think of the questions you want answers to and bring them to the meeting.

I anticipate lots of lively discussion between the "candidates" and I'm sure we will all walk away from the meeting with a fresh understanding of what it takes to develop win - win relationships that will last our entire careers. I look forward to seeing you there.

## Education Committee Update

ASPE's estimating academy is scheduled for **Friday, February 29, 2008**. The location has yet to be determined, as it largely depends on the availability of facilities and number of registrants. The academy will include two separate tracks and will last for the entire day (including a break for lunch).

### The tracks are as follows:

- Estimating for Newcomers (Track No. 1)
- Estimating for the Advanced Professional (Track No. 2)

### Topics for Track No. 1 will include:

- Bid Solicitation and Invitation to Bids
- Delivery Methods
- Overhead Structures
- Estimating / Construction Ethics
- Software and other Helpful "Supplements"

### Topics for Track No. 2 will include:

- Design-Build Estimating
- Budget Management through different phases
- Risk Assessment and Analysis
- Scheduling for Estimators
- Estimating Errors and Litigations

We will address registration dates and the cost of the academy at our next regular meeting on December 11, 2007. We are looking forward to a great turnout and hope it will be as successful as last year's academy.



# ASPE Winter Clothes Drive to Benefit:



## WHO IS SOX PLACE?

Sox Place is a daytime drop-in center for street youth. These range in ages from 12 to 30 and belong to the youth sub-culture known as “street kids.” Many have been abandoned by parents/guardians, some are victims of the foster care system, and most have been tossed aside by society. Addictions to drugs, alcohol, violence, and sex are a part of their everyday lives. Most are just trying to survive! A hot meal and a safe place is provided Monday through Saturday. There are activities such as movies, video games, foosball, pool and ping pong to entertain the youth during their time at Sox Place. Staff and volunteers spend their time interacting with the youth and building friendships in order to provide healthy and constructive relationships.

Sox Place provides: Meals, Socks, Clothing Bank, Personal hygiene supplies, Internet access, Intentional Mentoring and Guidance, and Crisis Intervention.

## HOW YOU CAN HELP!

Winter is coming and Sox Place is in desperate need of coats, hats, gloves, socks, sweaters, and blankets. Please help them out by dropping off these items at the following locations:

**Adolfson & Peterson Construction**  
797 Ventura Street  
Aurora, CO 80011  
Contact: Ralph Kasper  
303.363.7101

**Golden Triangle Construction**  
700 Weaver Park Road  
Longmont, CO  
Contact: Henry Zurbrugg  
303.772.4051

\*Otherwise bring the items to our next ASPE meeting on December 11!  
The deadline for dropping off items is December 21.

# ASPE National News Report

*Chris Morton, CPE, Northwest Region Governor*

As Kye Holtan-Brown noted in her President's column last month, we had a very successful joint Northwest/Southwest Regional Meeting in Reno in October. The Northwest Region was represented by 6 of 8 chapters. We had great discussions about topics of concern to all chapters and I am hopeful that Kye came away with some good ideas to help Chapter 5 this year.

Your ASPE Board of Trustees (BOT) met in Baltimore on November 2 & 3. Our sessions included a lengthy session on long range planning for the next 5 years. You will be hearing the results of our work in the near future. On Friday afternoon, we were fortunate to tour the Hyatt Regency, which is the site of the 2008 Estimating Academy and Annual Convention. Located on the inner harbor in Baltimore, this totally non-smoking venue will offer all attendees a vast number of activities in addition to the luxury accommodations it will afford the attendees. I hope that you will consider attending and having the opportunity to meet and network with ASPE members from around the country.

As we usually do, we spent all day Saturday in our BOT meeting discussing a myriad of topics besides hearing reports from your ASPE Staff, Officers and Governors. Some of the items discussed included education, certification, standards, future Convention sites, awards and financial issues. I am pleased to report that your BOT approved the transfer of \$50,000 to our reserve fund account which is a separate bank account set aside specifically for our reserve fund.

ASPE members are also working on a total re-write of the Society Bylaws and we are hopeful that this work will be done in time to present to the delegates at the Business Session in Baltimore next summer.

We are always looking for ASPE members who are willing to help not only at the Chapter level but also at the Regional and National levels. Chapter 5 member Gene Joerns, CPE is currently a member of the ASPE Nominating Committee representing our Region but there is always room for more volunteers at the Regional and National levels. As Gene pointed out at the November meeting, nominations for National offices are due by February 1, 2008. If you are interested in finding out more about this, or if you have any questions or concerns about your ASPE, please contact me at work at 303-899-4784 or via email to [cmportoncpe@comcast.net](mailto:cmportoncpe@comcast.net).

## Quote of the Month

*I am only one,  
But still I am one.  
I cannot do everything,  
But still I can do something;  
And because I cannot do everything  
I will not refuse to do the something that I can do.*

**-Edward Everett Hale**

**Save the Date!**

**February 29, 2008**

**ASPE Estimating  
Academy**

## 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  
Alutiiq  
AMI Mechanical  
Arch. Resource Consultants  
Assoc. Construction Consultants  
Baker Concrete  
Beck Group  
Bergelectric  
Boles Custom Builders  
Building Tech Consultants, Inc.  
Casson Duncan Constructors  
CDM Constructors  
Construction Resource Technology  
CPC Painting  
dcb Construction Company, Inc.  
Demand Const. Services, Inc.  
Denver Drywall Company  
Design Mechanical Inc.  
Fiore & Sons  
Gen3 Construction  
Golden Triangle Construction  
Haselden Construction  
Heartland Acoustics & Interiors  
Heggem Lundquist  
Howell Construction  
Interior Alterations  
J. E. Dunn  
J.R. Huston Enterprises, Inc.  
Jacobs Facilities, Inc.  
Kenny Electrical Services  
Kiewit Building Group  
Krahl Construction  
Landtech Contractors Inc.  
LPR Construction  
Ludvik Electric  
M.A. Mortenson Construction  
Madsen Kneppers & Associates  
Main Electric  
MC2, Inc.  
McBride Electric  
Merrick & Company  
Metro Steel Fabricating  
MCM, Inc.  
Mountain Steel & Supply Company  
MWH Constructors

## Membership Committee Update Heather Boulanger - Chair

I'm happy to report that we have 3 new members this month. They are:

**Scott Alie** of Alutiiq Construction, **Cameron Morrow** of Range Fuels Inc. and **Todd Stalnaker** of CDM. This puts our total membership to 102!

We also had several guests at last month's meeting. They were: **Clark Bender**, **Cameron Donegan**, **Derek Oppie** and **Gerald Reining** from Adolfson & Peterson; **Eric Bevens** and **Tyson Nunn** from Nunn Construction; **Mike Cummings** from Denver Drywall; **Dennis Kenley** from Weifield Group Contracting, LLC; **Bob Souther** from Kenney Electric and **Scott Van Deren** from Mountain Steel & Supply.

If you know of anyone that you think would enjoy the benefits of membership, please tell me and I can contact them. I can be reached at: (303) 659-7861, ext. 112 or email me at:

[heather@rollingplains.com](mailto:heather@rollingplains.com).

### Member Companies Continued...

PA Consulting Group  
Palace Construction Co.  
Pasterkamp Heating & Air Conditioning  
Professional Investigative Engineers  
Quality Electric  
Range Fuels, Inc.  
R.D. Simmermon & Co.  
RK Mechanical  
Roche Constructors  
Rocky Mountain Door Systems, Inc.  
Rolling Plains Construction  
Sabells Enterprises, LLP  
Shaw Construction  
Sturgeon Electric  
Sunstate Equipment  
Swinerton Builders  
Technical Project Services  
The Blue Book  
The Master Carpenter  
TJS Construction  
Trautman & Shreve, Inc.  
Universal Forest Products  
USA Masonry  
West Electric  
Weitz Company, LLC

## Officers:

**President: Kye Holtan-Brown, CPE**

Haselden Construction

Email: [kyeholtanbrown@haselden.com](mailto:kyeholtanbrown@haselden.com)

**1st Vice President: Heather Boulanger**

Rolling Plains Construction

Email: [heather@rollingplains.com](mailto:heather@rollingplains.com)

**2nd Vice President: Kirk Lundquist**

Heggem-Lundquist

Email: [kirk@heggem-lundquist.com](mailto:kirk@heggem-lundquist.com)

**Secretary: Tyler Elward**

Gen3 Construction, LLC.

Email: [telward@gen3construction.com](mailto:telward@gen3construction.com)

**Treasurer: Newt Klusmire, CPE**

Swinerton Builders

Email: [nklusmire@swinerton.com](mailto:nklusmire@swinerton.com)

## Board of Directors Members:

**Warren Neubauer**, AMI Mechanical, Inc.

Email: [altitude\\_runr@msn.com](mailto:altitude_runr@msn.com)

**Henry Zurbrugg**, Golden Triangle Construction

Email: [hzurbrugg@gtc1.net](mailto:hzurbrugg@gtc1.net)

**Eric Ross**, MC2

Email: [laurenanderic@comcast.net](mailto:laurenanderic@comcast.net)

**Tom Bandy**, Alutiq, LLC.

Email: [tbody@alutiq.com](mailto:tbody@alutiq.com)

## Committees:

### Awards Committee:

Heather Boulanger, Rolling Plains Construction

(303) 659-7861 Email: [heather@rollingplains.com](mailto:heather@rollingplains.com)

### Certification Committee:

Bruce Thompson, CPE, Merrick & Company

(303) 751-0741 Email: [bruce.thompson@merrick.com](mailto:bruce.thompson@merrick.com)

### Education Committee:

Henry Zurbrugg, Golden Triangle Construction

(303) 772-4051 Email: [hzurbrugg@gtc1.net](mailto:hzurbrugg@gtc1.net)

### Ethics Committee:

Newt Klusmire, CPE, Swinerton Builders

Email: [nklusmire@swinerton.com](mailto:nklusmire@swinerton.com)

### Fundraising Committee:

Randy Weber, CPE, Pasterkamp Heating & Air Conditioning

(303) 777-1234 Email: [randy@pasterkamp.com](mailto:randy@pasterkamp.com)

Kirk Lundquist, Heggem-Lundquist

Email: [kirk@heggem-lundquist.com](mailto:kirk@heggem-lundquist.com)

### Trade Relations Committee:

Chris Morton, Howell Construction

(303) 899-4784 Email: [cmorton@howellconst.com](mailto:cmorton@howellconst.com)

### Membership Committee:

Heather Boulanger, Rolling Plains Construction

(303) 659-7861 Email: [heather@rollingplains.com](mailto:heather@rollingplains.com)

### Program Committee:

Ralph Kasper, Adolfson & Peterson Construction

(303) 363-7101 Email: [rkasper@a-p.com](mailto:rkasper@a-p.com)

### Newsletter Committee:

Marc Reid, dcb Construction

(303) 287-5525 Email: [amreid@comcast.net](mailto:amreid@comcast.net)

### Newsletter Editor:

Suvi Caton, CPSM, Adolfson & Peterson Construction

(303) 363-7101 Email: [scaton@a-p.com](mailto:scaton@a-p.com)

### Webmaster:

Amy Graham, MCM

(303) 792-5179 Email: [agraham@mcmcolorado.com](mailto:agraham@mcmcolorado.com)