



March 2010

PROFESSIONAL ESTIMATOR

Denver, Chapter 5

NW Region Newsletter of the Year 2003-07; National Newsletter of the Year 2004-05

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March Program

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CHAPTER MEETING NOTICE

Date: Tuesday, March 9, 2010

Time: Gather: 5:00 p.m.
Dinner: 6:00 p.m.

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

Cost: \$45.00 w/registration*
\$50.00 w/o registration*
\$25.00 for students

**\$5 off if you register by Mar. 2*
See additional details and registration
information on page 8



MESSAGE FROM YOUR PRESIDENT

Heather Boulanger

February was a busy month for me, as I had to do quite a bit of traveling. That is why I had to miss the February program – I was in my company's Oklahoma office.

Unfortunately, I also had to miss the Estimating Seminar, although I found someone to stand in for me. Instead, I went to the ASPE NW/SW regional conference in Houston, Texas that weekend. I will update everyone at our March meeting.

As this year seems to be flying past, I am reminded that we do not have a location set for our April jobsite tour. The board had a great one in mind, but it turned out to be a logistics nightmare.

Please, if anyone has a jobsite in mind that would be worthwhile to visit in April, we would greatly appreciate hearing about it. The board will make all the arrangements with the contractor. We will just need to know as soon as possible so that we can set it up.

Continued on page 4...

Writing Effective Bid Proposals for General Contractors

by Cole Mayer, Adolfsen & Peterson Construction

Estimators for General Contractors (GC) review hundreds of subcontractor bid proposals for hard bid projects as well as negotiated work. In this article I will discuss some general items which should be listed on every subcontractor bid; items which should be listed on bids, specific for each project; and ways to improve bid proposals when bidding to GC's. These simple revisions will save you and your company time revising bids later and will assist the GC in reviewing the most important items of your bid.

Let's start off by listing some of the general information that is always required on bid proposals. First, the project name is one of the items which should always be listed clearly and near the top of each bid proposal. Most GC's are bidding multiple projects in any given week, therefore receiving many faxes and emails containing bids. Listing the project name will ensure that the bid gets to the correct estimator working on the project. All addenda need to be listed on the bid once received and reviewed by the subcontractor. Taxes whether included, or excluded, need to be listed. Special wage rates (ex: Davis-Bacon Wages) should be clearly marked if included. Depending on the value of the bid it may be important to include the bond rate or an add price for a bond. Contact information for the estimator who put the bid together and can answer questions is often overlooked. If the signature on the bid is not legible and the receptionist doesn't know who is working on the project it is difficult for the GC to get important clarifications made in a timely manner.

Some items are specific to each project including: specification sections; scope description; pricing, including total cost for each scope and breakouts as requested; alternates and unit prices as listed in the bidding documents; contractor alternates; and exclusions. Listing the specification sections with the descriptions included in your bid makes reviewing bid proposals more convenient for the GC. Pricing is obviously an integral part of every bid and subtotals should be provided for separate scope items. Make sure these are easy to find. Time is best spent reviewing bids rather than adding up multiple pages of line items which could easily be totaled by the company preparing the bid. Exclusions are often the most important part of the bid and should be divided into two groups: project specific and general. Project specific exclusions include items which relate to the project that is being bid and help clarify items which are not included. General exclusions are standard items for every project that a specific trade does not include. These don't need to include obvious exclusions.

In finishing I want to discuss a few simple ways to improve your bid proposals. Bids exceeding two pages in length should be shortened. It is nice to receive a brief description of the scope included in the bid along with some quantities; however it is not necessary to include an entire list of materials. If your company is awarded the project, the Contract will be based on the bidding documents and not on a set quantity. Also, many bids include a page or so of legal jargon in fine print. This is often not reviewed prior to the bid, because of the lack of time. Another way to make your bid proposal more appealing to GC's is to provide totals for bid items. Finally, always review the front-end of the project manual prior to sending over your bid. This will identify alternates and unit prices which are required for your scope and will save time pricing up an alternate at the last minute...

Feature Article continued on page 3...

...because it was overlooked in the days prior to the bid. The front-end of the specification will also identify whether taxes or special wage rates are required for the project. Bids should be based on all the drawings and the complete scope sections, so a brief review of all the documents is recommended.

These are just a few of the items which GC's typically look for in a subcontractor bid. I hope that the ideas listed above will help your company be more efficient in writing bid proposals to General Contractors. More efficient bid proposals allow GC's to concentrate on the most important items of your bid, clearly understand the scope that your company is bidding, and give the bidder the best chance to win the project.

Education Update - Warren Neubauer, Chair

Estimating Academy 2010

By the time everyone is reading this our third annual Estimating Academy will be a completed event. It was looking like we would be another casualty of the poor economy with our attendance numbers hitting an all-time low one week before the event, but we will have made a hard effort to rally our numbers and have another successful turnout. Be sure to check back and see the full story in next month's newsletter!

Colorado State University Student Chapter Update

Congratulations to the 2010 CSU Competition Team for placing 2nd in the RENO national event! We can't wait for them to visit again during another chapter meeting and fill us in with all the details. Here is an excerpt from an email sent to us by Peter Martinez. Please be sure and send them a big "good job" when you get a chance.

"On behalf of the CSU team we would like to thank ASPE for their support and feedback on our presentation. Your input was vital in helping us achieve all that we did in Reno. Again thank you, and next year we are shooting for first!"

Peter Martinez, peter0martinez@yahoo.com

MARCH PROGRAM - Panel Discussion of Bid Day Procedures

As the economy is ever-changing and as owners are looking for the most competitive prices, hard bid projects are becoming more prevalent. To help your company be as efficient as possible, your proposals need to be efficient, easy to read and accurate for the General Contractor to make an easy judgment of its competitiveness.

This month, we will be assembling a panel including general contractors, subcontractors and suppliers to discuss what information is relevant for a bid proposal and what is the most effective way to transmit it so that you can put yourself in the best position to win the project.

Please plan on attending this relevant discussion and be prepared to bring your questions and ideas for an open discussion of best practices.

ASPE Code of Ethics

- Canon 1** Professional estimators shall perform services in areas of their disciplines and competence.
- Canon 2** Professional estimators should 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 should 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 all confidence all knowledge of the business affairs and technical procedures of an employee or 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. 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 expressed 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 and receiving of gifts, that are intended to be or may be construed as being unlawful acts of bribery.

President's Article continued from page 1...

If by chance the site would not work or be ready for April, we can always think about it for the summer. We started having summer jobsite tours this past August and we would like to continue.

Please contact myself, Ralph Kasper, or Marc Reid with any ideas. Our contact information is as follows:

Heather Boulanger: (303) 659-7861, ext 112; Email: heather@rollingplains.com

Ralph Kasper: (303) 363-7101
Email: rkasper@a-p.com

Marc Reid: (303) 287-5525
Email: amreid@comcast.net

Mark Your Calendar!

**ASPE Chapter 5
Annual Golf Tournament
Friday, June 4, 2010
Eagle Trace Golf Course**

Membership Statistics (as of Dec. 31, 2009)

Current Membership Count 116

Chapter Membership Classifications:

| | | |
|-------------|------------|--|
| 23.28% | 27 | Certified Professional Estimator (CPE) |
| 52.59% | 61 | Estimator (E) |
| 8.62% | 10 | Associate Member (ASM) |
| 1.72% | 2 | Constructor (C) |
| 6.90% | 8 | Student (S) |
| 5.17% | 6 | Affiliate Member (AF) |
| 0.00% | 0 | Member Emeritus (ME) |
| 0.00% | 0 | Honorary Member (HM) |
| 1.72% | 2 | Fellow (FCPE) |
| 100% | 116 | TOTAL |

MARC REID

M My name is Marc Reid. I am the Chief Estimator for deb Construction Company in
E Denver, CO. I feel like the construction industry is the only kind of work I've known my
E whole life. My father was a general contractor and I worked for him as a youth and young
T adult. I believe the first tool I learned to use on a jobsite was a broom. He put me to work
T when I was very young sweeping and cleaning up his projects. As I got older I was
Y introduced to the framing hammer and usually put in some small closet or corner of the
O project to nail down subfloor (where not too many people could see my handiwork!). Yes,
U that was not just years, but decades before pneumatic nail guns were introduced.

R I grew up in northern California. Our home was in the foothills, about half way between
R San Francisco and San Jose, near Stanford University. After graduating high school in
B 1971, I went south to UCLA for two years of university studies where I enjoyed and
O excelled in business classes much more than the engineering path I thought I would
A pursue. I took a two and a half year break from school and worked six months to save
R money for a two year mission for my church, which I served in Uruguay and Paraguay,
D South America. Upon returning, I immediately went to work at the only thing I knew,
D construction, and earned a living as framing carpenter. Later that year I became engaged
O and married to my sweetheart for the past 34 years. We have five adult children, three
A daughter's-in-law, and two grandchildren. I eventually returned to school and received
R my Bachelors Degree in Business Administration through the University of Phoenix in
D about 1990.

My career in estimating started when I realized, after almost 4 years of working as a
framer and formsetter, that Rocky Mountain winters were cold and harsh and I didn't
enjoy working outside anymore in that environment. A friend invited me to come to work
for him as a commission paid estimator/salesman for his residential siding, windows, and
door subcontractor/supplier company. I liked the responsibility and freedom of hunting
for project leads, performing take-offs, and writing up proposals. I did pretty well for
several years, but a strong housing turndown affecting my commission income just at the
time when our family was growing and we needed financial stability. I spent the next
eight years working for a storm drain and culvert pipe manufacturer as an estimator/
salesman. I learned a great deal about the highway construction industry and continued
honing my take-off skills for DOT highway and municipal storm drain projects.

Eventually, I was hired as an estimator and salesman for an interior finish subcontractor
and began working with most of the commercial general contractors in Colorado for
grocery store, restaurant, and retail work. After working eight years as an estimator for
that subcontractor, I accepted an opportunity to start as a junior estimator for a
commercial general contractor. I learned a great deal very quickly about preparing a 16
division estimate and performing take-offs for various work disciplines. Two years later I
was hired as a junior project manager and estimator for another commercial general
contractor and spent the next 6 years developing project management skills and adding to
my estimator knowledge and skill set. Five years ago I was hired as an estimator for deb
Construction Company and promoted to Chief Estimator a little over two years ago. I
joined ASPE about 10 years ago, but stopped attending after only a couple of years. Four
years ago I made a decision to get involved again with ASPE. I have enjoyed associating
and working with several generations of board members as well as the fellowship at our
monthly dinner meetings.

February 2010 Meeting Recap

“Colorado Construction Legislative Issues”, by Chris Morton, CPE, LEED® AP

At our February meeting, Warren Neubauer reminded everyone that there is still time to register for the upcoming Estimating Academy that will be held on Friday, February 26. Bruce Thompson reported that the current CPE cycle is underway and that the next opportunity to start the CPE process will be this summer.

We heard from three construction trade association representatives about the status of current legislation in Colorado. **Mark Latimer**, President and CEO of the Associated Builders and Contractors (ABC) Rocky Mountain Chapter, **Michael Gifford**, Executive Director of the Associated General Contractors of Colorado (AGC/C) and **Dennis Jakubowski**, Director of Governmental Affairs at AGC/C. They discussed numerous bills that have been introduced in the Colorado House and Senate. Here are some of the highlights of this discussion.



Attendees at the February program

There are many bills that have been introduced that deal with Workers' Compensation in general and Pinnacol Assurance in particular. Faced by a significant budget deficit, the state legislature continues to be interested in trying to obtain some of Pinnacol's reserves. Senate Bill 116 (SB116) addresses change orders on Public Works projects.

The bills address topics such as the Pinnacol Board of Directors, surveillance of employees who have filed claims, conflicts of interest and penalties.



Legislative issues speaker panel

Michael Gifford discussed two proposed amendments to the State of Colorado

Constitution and on proposed Proposition that may appear on the November ballot. Amendments affect the Constitution while propositions are used to modify current laws. Proposition 101 would:

- Reduce ownership taxes on cars over four years to \$2/ new car and \$1/ used car
- Eliminate state and local taxes on vehicle rentals, vehicle leases and the first \$10,000 of car values
- Reduce automobile registration fees to \$10
- Reduce state income tax immediately to 4.5% from the current 4.63%, and then...

[continued on page 7...](#)

February 2010 Meeting Recap continued...

...incremental reductions to 3.5%

- Except for 911 fees, all state and local charges on telecommunications (phone, cable, etc.) would be eliminated

The income tax reduction alone would impact the current state revenues by \$1.2 billion!

Amendment 60:

- Amendment to TABOR
- Mill Levy Phase-out: Non College school districts mill levy for non-debt related revenues would be cut in half, with the state being required to make up the difference. This would add a \$1.2 billion requirement for that state
- Requires enterprises and authorities to pay property taxes and cuts mill levies to offset this revenue. This would affect some local water, fire, sewer and other agencies. At the state level, this would affect higher education, wildlife and correctional industries.

Amendment 61:

- Amendment to TABOR
- Bans all levels and divisions of government from bonding/Certificates of Participation (COPs)/lease-purchase/tax anticipation, including those with authority now. One state example would be that it would prohibit the State Treasurer from managing school finance before property taxes come in.
- Limits voter approved borrowing to a maximum of 10 years.
- After current borrowing is paid off, non-enterprise tax rates must decline. One state example would be that CDOT Trans repayment would result in a cut in gas tax of \$168 million.

It is expected that the two amendments and the proposition will be on the ballot since they have more than enough signatures. The impact of these on the state revenues will be disastrous to a budget that is already in the red. A concerted effort will be made to defeat these but voters are enamored with tax cuts.

Thanks to Mark, Michael and Dennis for enlightening us on the current state of affairs in the legislature. For further information regarding pending legislation, contact your trade association or visit the ABC website (www.abcrmc.org) or the AGC/C website (www.agccolorado.org).



**Program Committee Chair
Ralph Kasper, CPE,
introducing the speakers**



**Speaker Michael Gifford
from AGC/C**

Member Company Roster

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

Acoustical Concepts
Adolfson & Peterson Construction
Alliance Construction Solutions
Alutiiq
Amick Group, LLC
ARC Integrated Program Management
Assoc. Construction Consultants
Black Roofing, Inc.
Building Tech Consultants, Inc.
C.P.C. Painting Inc.
Casson Duncan Construction
Catamount Constructors
CDM Constructors
CFC Construction Company
CH2M Hill
CLC Associates, Inc.
Cutting Edge Construction Services, LLC
deb Construction Company, Inc.
Demand Construction Services, Inc.
Denver Drywall Company
Design Mechanical Inc.
E&K of Denver
Eastliffe Construction
Encore Electric
Golden Triangle Construction
Heartland Acoustics & Interiors
Heggem-Lundquist
Howell Construction
Hyder Construction, Inc.
Interior Alterations, Inc.
J.E. Dunn
Jacobs Facilities, Inc.
JKM Masonry
J.R. Huston Consulting
Kellogg, Brown & Root, Inc.
Kenny Electric Service
Kiewit Building Group
Landtech Contractors Inc.
Ludvik Electric
M.A. Mortenson Construction
Madsen Kneppers & Associates
Main Electric
Management Computer Controls
Maxwell Builders
McBride Electric
Merrick & Company
Metro Steel Fabricating
Monument Roofing Systems
Mountain Steel & Supply Company
Murphy Company
MWH Constructors
PA Consulting Group
Palace Construction Co.

Membership Update by Eric Ross, PE, CPE

I would like to recognize all the guests at the January and February meetings. They were:

Jason Kopp, Brannan Construction
Doug Viita, Builders Glass
Bob Parkin, Fiore & Sons
Joe Shinagle, Fiore & Sons
Dan Congdon, LSG&A
Tim Prescott, Madsen Kneppers & Associates
Michael Gifford, Associated General Contractors
Dennis Jubowski, Associated Builders & Contractors
Mark Latimer, Associated Builders & Contractors

Pasterkamp Heating & Air Conditioning
Pinkard Construction
Piper Electric
Powers Products
Precision Construction Solutions
Professional Investigative Engineers
Progressive Roofing, Inc.
R.D. Simmermon & Company
RFP Consulting, Inc.
Rider Levett Bucknall
Roche Constructors
Rolling Plains
Schommer Construction, LLC
Shaw Construction
Sturgeon Electric
Sunstate Equipment
T.P. Enterprises, Inc.
Tepa EC, LLC
Tetra Tech
The Blue Book
TJS Construction
Total Plumbing, Inc.
Trautman & Shreve, Inc.
Universal Forest Products
Weifield Group Contracting
West Electric
Weston Solutions, Inc.

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