



President's Message

From the building of the pyramids in Ancient Egypt to the westward expansion of the United States, the construction industry has been rife with men – and only men. However, during my career, I have been privileged to witness that changing drastically and quite successfully. With each passing year, more and more women are joining the ranks in all areas of construction, from concept to design and in all phases of projects. I would like to take this opportunity to highlight one woman specifically that has made a significant contribution to our industry:

Katy Kothman Abraham is the President of Construction Cost Management, Inc. (CCM) in Ft. Worth Texas. Her father started the company in 1979 and after years of watching him and learning the industry, officially took over the as President in company in 2012. CCM has realized exponential growth under Katy's leadership, with Fortune Magazine citing a growth rate of 538% since she took the helm. She is proud of the work that CCM has done to support the infrastructure of our nation, and, due to their long-standing relationship with the National Parks System, CCM actively participates in preserving the history of some of the great natural and cultural resources such as the Carlsbad Caverns and Mount Rushmore.

Katy Kothman Abraham represents the best and brightest of us, a colleague invested in the people she employs, working to help in the evolution of our nation while still preserving the ideals and work ethic of the generation before. In honor

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Troy Thomas
Chapter 3 President

Newsletter Spotlight

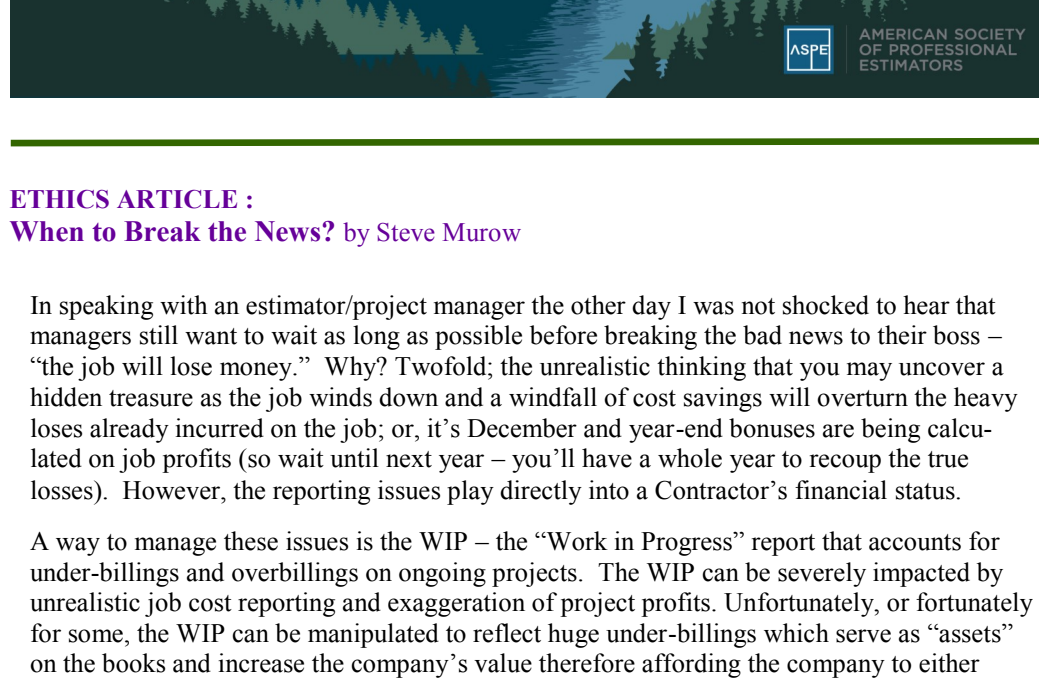


2022 SUMMIT

Ethics Article

The care and feeding of an estimator

Upcoming meeting



ETHICS ARTICLE :

When to Break the News? by Steve Murov

In speaking with an estimator/project manager the other day I was not shocked to hear that managers still want to wait as long as possible before breaking the bad news to their boss – “the job will lose money.” Why? Twofold; the unrealistic thinking that you may uncover a hidden treasure as the job winds down and a windfall of cost savings will overturn the heavy losses already incurred on the job; or, it's December and year-end bonuses are being calculated on job profits (so wait until next year – you'll have a whole year to recoup the true losses). However, the reporting issues play directly into a Contractor's financial status.

A way to manage these issues is the WIP – the “Work in Progress” report that accounts for under-billings and overbillings on ongoing projects. The WIP can be severely impacted by unrealistic job cost reporting and exaggeration of project profits. Unfortunately, or fortunately for some, the WIP can be manipulated to reflect huge under-billings which serve as “assets” on the books and increase the company's value therefore affording the company to either maintain current bonding limits or increase such limits for upcoming projects to bid. (Remember: This is the Ethics article of the Newsletter). Consider this example:

Example of WIP

Revenue	Final Cost	Proj. Profit	Costs to Date	Complete	Earned Rev	Bill2Date	Underbill
\$2,675k	\$2,048k	\$327k	\$1,125k	55%	\$1,304k	\$1,112k	\$192k

Revenue and Final Cost are originally based on bid and contract. Profit is a straight subtraction. Cost to date is actual incurred costs from accounting department and ties into the books. Percent complete is based on costs to date divided by final cost. Earned revenue is costs to date plus (% complete x projected profit). Billing-to-date is actuals based on invoices. The under-billed amount is a comparison of “earned revenue” to billing-to-date. The under-billed amount becomes an asset in your books (cash forthcoming). Bonding limits are tied directly to cash as much as ten times cash or nearly \$2,000,000 in bonding capacity in this example

Here is the ethics part of this: The estimator/project manager knowingly increases the projected profit by showing the final costs as \$1,820,000. This increases the projected profit by \$528,000 to \$855,000. The percent complete jumps to 62% and earned revenue increases to (\$1,125,000 + 62% of \$855,000) or \$1,655,100. As the billings to date remain the same, the under-billings increase to \$543,100. Bonding can now jump an additional \$5,000,000. Bonuses are paid! It's time to party!

Four months later the job completes, final payables are in, payroll is entered – no more contract billing.....the estimator/project manager gave his notice (and spent his bonus).... The “stuff” hits the fan!

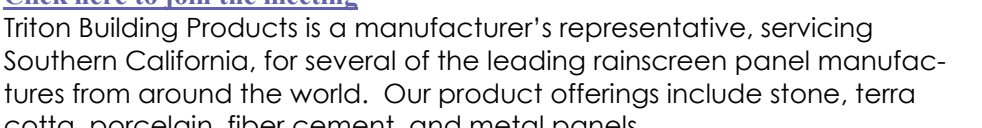
If your project is taking a hit, get the word out as soon as possible. Garner the experience of your fellow estimators and project managers – work it out ASAP. There may be a potential for a change order, there may be time to change up the process, there may be time to reassess and refine the deliverable, there may be time to re-measure and re-quantify the work; and,

The care and feeding of an estimator by Troy Thomas

Recently several of us attended the national Summit in San Antonio, TX. Our days were filled with presentations on a variety of subjects such as prefabrication, databases, escalation, and collaboration, and in between our presentations there was plenty of food and drink available, and if you're anything like me, you loaded up. It was an epic event – but for a moment, let's take a hard look at – well- us. As Estimators, we review the life-cycles of roof-top equipment and other construction assemblies to ensure they will be around and functional well into the future. I am honored and privileged to serve with some of the most incredible and talented men and women of our industry. But, to point out the obvious, I'm concerned; about the best and brightest of us and our health. Not to judge, but I observed several of us that could use some refinement in ourselves.

Like many of the speakers indicated, we are the first in line to assess risk in the jobs we estimate. We all work hard for ourselves, our employers and our clients; we commit to long hours and stressful conditions continuously. We continue to educate ourselves on new technologies and have committed to be the best estimators so let's apply that same dedication to our health. We care for our historical data like it was our first born and we hold that data close to our chest and protect it in the same fashion. We need to do the same with ourselves and our personal health habits. Let's be here, on earth, to see our current jobs succeed. During long hours and stressful days, incorporate some healthful things for us. It doesn't have to be a huge change, start small: commit to a 15-minute walk three times a week, or if you're already doing that, increase the time or distance. Drink more water, reduce your portion size. Just do ONE THING for two weeks, and in two weeks, change something else. In a month you will be shocked at how you feel.

Body and mind transformation will happen. You may not lose weight, but the redistribution of fat and muscle will naturally occur so celebrate the non-scale victories like going down a hole on your belt, being able to bend over and tie your shoes without gasping for air, or being able to play with your kids or your grandkids without getting tired. Health is NOT about a number on the scale or the size of your jeans, but about increasing your stamina so you can have the best quality of life possible. And for some of us, myself included, this new commitment to health might also mean a visit to our doctor for a check-up and make sure to discuss any changes you are considering with your doctor.



AMERICAN SOCIETY OF PROFESSIONAL ESTIMATORS – OC CHAPTER 3

Presents

High Performance Architectural Envelope Systems

Presented by: **Matt Stephens, Principal, Triton Building Products**

Date: Wednesday, April 13, 2022

Time: 4:30 PM – 5:30 PM PST

Location: Microsoft Teams meeting. Join on your computer or mobile app:

[Click here to join the meeting](#)

Triton Building Products is a manufacturer's representative, servicing Southern California, for several of the leading rainscreen panel manufacturers from around the world. Our product offerings include stone, terra cotta, porcelain, fiber cement, and metal panels.

Learning Objectives:

- Rainscreen panel system components
- Performance and Compliance (Thermal and Structural)

