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OUR MISSION

Since 1956, ASPE serves the construction & engineering industries by providing education, training, fellowship and opportunities for professional estimating development.
PRESIDENT’S MESSAGE

April is already here and soon the summer months will be upon us. Time is rapidly drawing us closer to our many chapter goals and activities. We have added a jobsite walk at the LA Fitness conversion project in Mission Viejo on May 14, our Golf Tournament in August and our Estimating Academy at the end of May.

Our topic this month is “Using the Schedule as a Collaborative Tool for Project Controls and Risk Management” presented by Ram Ramdass of O’Connor Construction Management. Ram’s presentation should be extremely informative and valuable to everyone in the industry!

I look forward to seeing everyone at the April 13th meeting at the Ayres Hotel! The address is 325 Bristol Street, Costa Mesa, CA 92626

- Mike Mills

CALENDAR OF EVENTS

- Apr 13, 2011 – Dinner meeting
- May 11, 2011 – Dinner meeting
- May 14, 2011 - Job Walk in Mission Viejo
- May 20, 2011 - Annual Estimating Academy
- June 8, 2011 – Dinner meeting
- Aug 10, 2011 - Annual Golf Tournament

2011 GOLF DAY ON AUGUST 10!

We are having our 3rd annual golf tournament in August at the Aliso Viejo Golf Course. Please ask your company if they would be willing to be a sponsor. Compared to other tournaments ours is very affordable. We start at $250 sponsorships. Our tournament has the following advantages:

- Our goal is to make it fun for everyone. Construction people know how to have fun.
- It’s affordable. Other tournaments sponsorships start in the thousands.
- It’s for a good cause. We use the money for construction scholarships. (Which all companies should be interested in)
- It’s a great affordable way to market your company. Every sponsor will be announced at the awards dinner and their company will be advertised at the event with a banner or sign somewhere at the event.
- Great way to network with general contractors, sub-contractors, material suppliers, and professional services.

We also need participants this year. The goal is to keep the costs down for the players. Our goal would be around $125 or less. Just to let you know the green fees at Aliso are $85 per round. So for lunch, a round of golf, dinner, and the possibility of winning a prize it’s a bargain. We will have prizes, lunch, and an award dinner (and lots of fun)!

You can contact me at 949-244-4602 for more information about sponsorships.

Gary Casper, ASPE 3rd Vice President
**JOB WALK AT LA FITNESS**

By: Tom Smithson

When: May 14 2011 (Sat), 8:30am.

Where: LA Fitness, 24491 Alicia Pkwy, Mission Viejo

Things to note: Please bring your own hard hats, safety shoes, vests (optional).

RSVP by May 12 to Tom Smithson at tom.smithson@rcrcompanies.com

LA Fitness is a privately owned American health club chain with over 340 clubs and millions of members across 21 US states and Canada. The company was formed in 1984 and is based in Irvine, California.

The company’s fitness clubs typically offer a variety of exercise equipment, spa and sauna, swimming pool, basketball and racquetball courts, group exercise classes including indoor cycling, personal training, and babysitting service. Many locations also offer a variety of healthy snacks, drinks, sports accessories, towels and more. LA Fitness also provides corporate wellness programs for companies of all sizes.

Through the mid-1990’s, the company expanded by acquiring under-performing fitness clubs in Southern California, and by developing, opening and operating newly constructed properties.

In 1995, LA Fitness designed and built a new multipurpose sports and fitness club that became the company’s signature model at that time. With a successful prototype in place, LA Fitness then expanded its in-house development efforts, and new club construction. In 1998, with 12 proven prototype clubs in Southern California and Arizona, the company rapidly increased the rate of new club development and began rolling out it’s concept into several new geographic regions across the U.S., including the Sun Belt, the Pacific Northwest, the Mid-Atlantic states, the Northeast and the upper Midwest. The rate of expansion was rapid, with over 180 new clubs added from 2006 to 2009.

In 2000, the company acquired the then largest health club chain in Atlanta, expanded into Canada with the acquisition of six fitness clubs in Toronto in 2007 and 2010 acquired ten more locations in Phoenix.

LA Fitness has also found it beneficial to acquire vacant buildings of adequate size and remodel them to suite their specifications. The job walk in May is just one of these conversion projects located at 24491 Alicia Pkwy, in Mission Viejo, on the Northeast corner of the Alicia Pkwy-Interstate 5 intersection. Many of you in the Orange County area may recognize this building as having been a Mervyn’s department store.

The walk is scheduled to begin at 8:30AM and will be hosted by Mr. Ted Robinson, the LA Fitness Senior Project Manager. Ted mentioned that one point of interest to all of us Estimators will be the extent of retrofit involved in converting one of these buildings into the finished LA Fitness product.

We hope to see you there. Remember safety shoes and hard hat!
UPCOMING EVENTS: SAVE THESE DATES!

ESTIMATING ACADEMY

ASPE CHAPTER 3
ORANGE COUNTY

FRIDAY MAY 20, 2011
08:00

AYRES HOTEL,
COSTA MESA
325 Bristol Street,
Costa Mesa
www.ayreshotels.com

Please join the OC Chapter’s Estimating Academy on Friday May 20, entitled “MEP Estimating for Dummies”.
These lectures will cover the basics of each discipline and how to go about estimating the different disciplines

TRACK 1
Plumbing

TRACK 2
HVAC

TRACK 3
Electrical

RSVP to Wil Beukman at Willem.Beukman@fgould.com or 949 690 4153
Using the Low Bidder - Opportunity or Disaster?

By: Gary Casper, CPE

In the ever increasing pressure to increase profits there is constant demand to keep costs down by using the low bidder. In a construction environment where every dollar counts the ability to get a “cheaper” prices is always attractive. Using the low bidder may have unintended consequences. Some of the consequences may not be what an owner had in mind. If the bid is evaluated correctly and the sub-contractor is properly qualified using the low bidder can work well for both parties. However, more than often it can result in costing everyone additional money and time which can have disastrous results for a project. I will present three actual case studies where the low bidder was used.

Case Study 1. A general contractor won a bid to put a patio cover over an existing slab in a park. The general found a sub-contractor who said he could complete the cover and could also do the concrete footings. The cost for doing the entire project was enticing from two aspects. The general would only have to deal with one contractor and the cost of the footings and the cover was substantial less than the other bids he had received from sub-contractors. So the general used the contractor with the lowest bid. The first step of the project was pouring the footings. The sub-contractor poured the footings as promised. The problem was that the footings quality was less than desired. The owner was very unhappy and demanded a fix. The fix was to tear out the footings and re-pour them. Any profit in the job was now gone. The sub-contractor admitted that concrete was not his expertise. The general had to use his own crew to fix the problem. The project was finished behind schedule, with no profit, and with an unhappy client.

Case Study 2. Another general contractor was completing repairs on a shooting range. A portion of the work consisted of pouring concrete and constructing asphalt paving. Again, the lowest bidder was awarded the contract. The bidder was significantly less than the other bidders. This should have been a red flag. The sub-contractor who was awarded the project went bankrupt two days before performing the work. There was a wild scramble to find another sub-contractor to perform the work at the same price as the original sub. The estimator found a contractor but not until three weeks later on a project which was falling behind schedule. The sub-contractor used change orders to make up for the low price he had agreed to do the job for. Also, the quality of work was suspect. In addition, by the time the project started the weather changed with three weeks of steady rain which cost the general time and money all due to using a low bidder.

Case Study 3. A joint venture between two general contractors looked promising. The pressure was to win the bid. The approach was to use the lowest bidders for each trade. They won the bid. The project started out with no hitch until the 1st sub-contractor came on board. He declared bankruptcy. The general was forced to use the 2nd bidder at an increased price which cut into his profits. The 2nd sub-contractor also went bankrupt and again the 2nd bidder was used at an increased price. The project which looked so profitable at the beginning now looked like a money loser.

Using the low bidder can work. I’ve had success with many low bidders. However, these are things to consider when evaluating bids.

1. Is the bid complete? I often ask myself can the sub use the bid for change orders later? It is important that the estimator know what the sub is bidding. If this means a phone call it means a phone call. Pay attention to the exception section of the bid it’s probably the most important part of the bid.

2. Is the bid substantially lower than the other bids? If the bid is substantially lower it usually means they left something out of the bid or the company is willing to buy the job. A company can only buy so many jobs before they cease to exist. In our economy this has to factor into bid selection.

Does the company do good work? A company which bids low may do it at the cost of providing quality workmanship. Get reference or ask to see their work on other jobs. A company that does sub-par work to get bids usually doesn’t last long.

In summary, using the low bidder is sometimes a crap shoot but doing your due diligence can make the difference.

Gary is currently 3rd Vice President and can be reached at casperces@gmail.com
RESPONSIBLE VS. RESPONSIVE BIDDERS
THERE IS A BIG DIFFERENCE

Ref. Hunt Ortmann Palffy Nieves Lubka Darling & Mah
By Dale Ortmann, Esq.

By: Gregory Clayton, PE, CPE, LEED® AP

The Court of Appeal rendered an opinion in the Great Western Contractors, Inc. v. Irvine Unified School District case clarifying the difference in the public works construction between a “non-responsive” bid and a “non-responsible bidder. The Court explained that the “responsiveness” of a bid can usually be determined by looking exclusively at the bid form and comparing it to the information required in the Agency’s invitation for bids and other documents used for bidding purposes. On the other hand, a “responsible” bidder is determined by the evaluation of the bidder not the bid.

An Agency’s adherence to this distinction is critical. A “non-responsive” bid may be summarily denied by the Agency even if the bid is otherwise monetarily the lowest bid received. The determination of “non-responsibility” entitles the bidder to a hearing where the bidder is afforded the opportunity to demonstrate their responsibility to perform the contract to the agency.

In the Great Western Contractors, Inc. v. Irvine Unified School District opinion, the Agency was chastised for rejecting the bid as non-responsive, and suggested that the agency was improperly attempting to bypass the due process hearing required for a non-responsibility determination. The court also mentioned that by not following the rules, the agency apparently paid $800,000.00 more than necessary to remodel two schools.

This information is intended for general purposes and not to be considered legal advice, opinion or specific facts about the case. Be sure your bids are properly received and accepted by the Agency you are submitting your bid to.

Greg is current 2nd Vice President and works at Contracting Engineers, Inc as President and can be reached at gclayton@4cei.com
CERTIFICATION

By: Art Quinion

Professional evaluation through Certification is one of the many ways the American Society of Professional Estimators endeavors to promote the profession and benefit the construction industry. ASPE Certification is the highest form of professional recognition an individual estimator can receive and is being sought by more construction estimators every year. Through its Certification Program, the American Society of Professional Estimators recognizes the estimating proficiency and ethical awareness of the Certified Professional Estimator (CPE).

If you would like to become certified, the certification process requires the candidate to write a 2,500 word technical paper, in addition to taking two examinations. The first exam is a General Knowledge Exam (GEK) consisting of approximately 500 questions across a variety of construction topics including AIA documents and general estimating knowledge. The candidate has four hours in which to complete this test. In addition, each candidate must also take a Discipline Specific Test (DST). These exams are a test of the candidate’s specific area of expertise. Currently ASPE has Discipline Specific Tests in numerous categories including General Estimating, Earthwork, Concrete, Roofing, Plumbing, HVAC Sheet Metal, and Electrical to name a few. The DST exam is an eight hour test with true/false and multiple choice questions as well as estimating problems that are basically mini-estimates. There are two testing cycles per year. The timeline for the next testing cycle is approaching soon, so you will need to fill out an application for certification as soon as possible. Once approved, you will be required to complete an online or chapter workshop to begin the testing process. The chapter will also be presenting an Introduction to Certification workshop in the near future, in addition to the required online workshop, to review what to expect from the technical paper and two tests.

Once recognized as a CPE, you will be expected to keep abreast of current trends and improved practices in the construction industry. Your conformance with this requirement is measured under the provisions of the Continuing Certification Program. CPEs subject to recertification must document active participation in the areas of ASPE service: professional, educational and creative contributions to construction estimating. Among the elements of continuing certification are review of technical papers, and the contribution of questions and problems to the Certification Test Data Bank.

As the Certification Chairman for ASPE Chapter 3, I’m available to answer any questions you may have about the certification process. Please feel free to email me at artq@phoenix-planning.com or call me at my office at (949) 581-9370.

BOARD MEETING 03/02 (WED) HIGHLIGHTS

By: Gregory R. Clayton, CPE, LEED® AP, PE & Secretary

The March Board Meeting began with planning the March and April dinner meeting presentations on topics of “Grounds for a contractor to withdraw a flawed bid” and The IRWD future capital improvement plans. The Board then decided to circulate another Dinner Meeting Topic Survey at the March Dinner Meeting.

The Board is making progress in establishing a non-profit entity status and to begin doing business as such. Glenn M. Gilman and Associates (GMG) have agreed to mentor the Board members through the process of obtaining the Chapter’s non-profit status. The Board will do all the research, filings and incur all of the expenses and GMG will be the board’s sounding board guiding the Board through the process. Becoming a non-profit organization is very expensive to have done by professionals so we are attempting to do this tedious process ourselves.

Two major events coming up are the Estimating Academy scheduled for May at the Ayers Hotel on the topic of estimating Mechanical work and the Golf Tournament scheduled for an August 3, 2011 shot gun start at 12:30 PM at the Aliso Viejo Country Club. Several people from the San Diego and Inland Empire Chapters having Mechanical backgrounds are planned to make the presentations. The Board is going out to the members for help in getting Golf Tournament sponsors and high participation. The Board is scheduling a job site walk at the LA Fitness conversion of the old Mission Viejo Mervyn’s building for either the morning of the 7th or the 14th of May. The final date and time will be published soon.

Lastly, Wil Beukman, our Past President, has circulated our Chapters Standard Rules for the members to review and vote on at the June 2011 Dinner Meeting. Please look at it and if you have comments please contact Wil. The Board began planning and preparing the necessary submittals for National’s Chapter Achievement Awards nominations.
Last month’s meeting welcomed Kurt Macdonald as our Guest Speaker. Kurt is a lawyer with the firm Gill and Baldwin P.C. Kurt spoke to us about Construction Law. The topic was "Grounds For a Contractor To Withdraw a Flawed Bid". Kurt’s PowerPoint presentation offered an overview on the legal aspect of public bidding practices and what happens when a Contractor must withdraw his or her bid. This information was very informative and provided vital information on the process a Contractor will undergo if the case ends up in court.

There are three requisites to a valid contract. The offer, acceptance and consideration. When a contractor provides a bid, contract law states it is an offer to perform work for a stated price. In general, offers are revocable up to the point of acceptance, which signifies the willingness to enter into a contract. The acceptance must be precise and unambiguous. The consideration is an exchange of value between the parties to induce them into entering into an agreement. This is an essential element for the formation of a contract.

Kurt cited certain legal cases throughout his presentation as examples of legal battles between plaintiffs and defendants. Kurt touched on terms such as "Promissory Estoppel", a doctrine which states that if a party changes his or her position substantially either by acting or not acting on a bid, then that party can enforce the promise of a contract although the essential elements of a contract are not present.

Kurt explained the term “Snapping up” which means that accepting a bid you know is reasonably low indicates that a mistake was made by the bidder. In that case, the nature of the “flaw” has to identified, whether it is a mistake in math, miscalculation of production rates or something similar.

Kurt went on to define certain Public Contract Code sections such as Section 5103 “Ground For Relief” whereby the bidder shall establish to the satisfaction of the court the following:

- That a mistake was made.
- He or she gave the public entity written notice within five working days after the opening of the bids that a mistake was made and how it occurred.
- The mistake made the bid materially different than he or she intended it to be.
- The mistake was made in filling out the bid and not due to error in judgment or to carelessness in inspecting the site, or interpreting plans and specs.

In the case of Ground For Relief, the defendant should present an explanation of the mistake, along with any backup possible such as bid day estimates, quantity takeoffs, bid analysis sheets, notes, etc which will serve as evidence in a law suit. Although these principles and laws are geared mostly for public sector bidding practices, they do apply in some cases to the private sector but are not as enforced. After the presentation, Kurt took time to answer questions and listen to comments from the audience.
ASPE ORANGE COUNTY CHAPTER 3

2010 - 2011 BOARD OF DIRECTORS

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For Your Information...

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Phoenix Planning  Project Control Assoc. LLC  Raymond Interior Systems  Red Hill Services  Construction  RCR Mechanical  Ronald Fedman
Woods Construction

Twitter Account

By: Paulette Rutlen
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.

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

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!

Become Our Facebook Friend & Look Us Up:

“ASPE Chapter 3, Orange County”
MEETING INFORMATION

Date: Wednesday, April 13, 2011
Time: 5:30 p.m. - Social Hour & Networking
       6:30 p.m. - Program

LOCATION: Ayres Hotel
            325 Bristol Street
            Costa Mesa, CA

COST: $40

Dinner Menu: Heart-Healthy Turkey Scaloppini w/Rice & Steamed Veggies,
             Filet of Salmon w/Orzo & Veggies, Tuscan Vegetable Risotto w/Romano
             Cheese & White Truffle Oil.

TOPIC

USING THE SCHEDULE AS A COLLABORATIVE TOOL FOR PROJECT CONTROL AND RISK MANAGEMENT

PRESENTED BY

RAM RAMDASS
REGIONAL SCHEDULING MANAGER
WITH
O’CONNOR CONSTRUCTION MANAGEMENT, INC.

ABOUT THE SPEAKER

Ram Ramdass is the Scheduling Practice Leader at O’Connor, and the local Regional Scheduling Manager. He has more
than 10 years experience building and analyzing complex CPM schedules and using it as a risk management tool for
O’Connor’s clients. Ram’s experience includes all types of building and civil projects during design and construction. A
skilled forensic scheduler, Ram has also led delay analysis exercises. He is also well-versed in the use of Building
Information Modeling for 4D scheduling applications.

An authority in the use of all popular scheduling software programs, Ram has taught P3 at the Del Webb School of
Construction at Arizona State University, and other scheduling programs for organizations such as Caltrans and the
California State University system.

Ram holds a BS in Civil Engineering, an MS in Construction Management, and a Masters of Business Administration.
He is a certified Project Management Professional, a Planning & Scheduling Professional, a PMI Scheduling Professional,
and is LEED® Accredited.
VOLUNTEERS WANTED!

We need your help! Anyone who is interested in serving on a committee for the OC chapter, please contact Mike Mills at michael.mills@jacobs.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.

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 ChiaYen Yuan at chiayen.yuan@fgould.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!