Since 1956, ASPE serves the construction & engineering industries by providing education, training, fellowship and opportunities for professional estimating development.
As we roll further into 2011, we are starting to see glimmers of economic improvement. I again want to stress the importance of being a member of ASPE. The value of networking within our industry is extremely important to our career development. Whether we are looking for new estimating candidates or personally looking for new opportunities, ASPE affords us the ability to exchange information with our colleagues. I encourage every member to attend our meetings and take advantage of the networking opportunities.

Our chapter is very busy this month getting many activities and programs off the ground. As of this writing, we are kicking off the scholarship program at Orange Coast College. The Golf tournament is getting underway for August and our Estimating Academy is slated for the end of May.

Our topic this month is Upcoming Projects at the Great Park presented by Glenn Worthington, Planning Director with the City of Irvine. Glenn’s presentation will be extremely informative and valuable to everyone in the industry!

I look forward to seeing everyone at the February 9th meeting at the Ayres Hotel! The address is 325 Bristol Street, Costa Mesa, CA 92626

Mike Mills
President, ASPE Chapter 3
Orange County

CALENDAR OF EVENTS

- Feb 9, 2011 – Dinner meeting - Upcoming Projects at the Great Park by Glenn Worthington, City of Irvine
- Feb, 2011 – ASPE Spring Regional Conference in San Diego
- Mar 9, 2011 – Dinner meeting
- Apr 13, 2011 – Dinner meeting
- May 11, 2011 – Dinner meeting
- June 8, 2011 – Dinner meeting

Tentative

May 21, 2011 - Annual Estimating Academy
Aug 2011 – Annual Golf Tournament

ANNUAL GOLF DAY IN AUGUST!

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 price 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
ESTIMATORS AND THE ACCOUNTING DEPARTMENT

By: Glen Gelman, Glen M Gelman & Associates, ggel@gmgcpa.com

For the past three decades, our firm has served hundreds of construction contractors. While every contractor wants to be more profitable, many contractors do not place as much emphasis as they should on strong communication between the estimators and the accounting department.

In some construction companies, the two departments barely even speak! It seems that the accounting department creates reports that estimators simply do not understand and cannot rely upon or they simply speak two different languages.

Profitable contractors rely on the two departments to coordinate the following important criteria;

1. What is the Company's burden rate?
2. How is the burden rate calculated?
3. What are the variable components of the company's burden and what are the fixed components?

It would be impossible for an estimate to be accurate if the burden rate being used by the estimator is a "guess" or a "standard percentage". Neither number can possibly allow for an accurate bid.

The Company's burden rate should be calculated including at a minimum the following costs;

1. Payroll tax rates change annually. The Company's payroll department should be on top of this and able to easily communicate this component. This component is variable because not only do mandated rates change, but each company's rates vary based on experience factors.
2. Benefit rates - this number is most certainly easy to determine if the Company is a union shop but even union shops have changing rates and union benefits can be reduced by other coverages such as pension plans and medical plans. Using full "fringe" rates may be incorrect and result in too high of a bid.
3. Overhead allocation - this is the trickiest part of a burden rate, specifically how much of the overhead is variable and how much is fixed. Many argue that only the variable overhead should be allocated. The key is to be CONSISTENT in how you allocate any burden factor. Both the accounting department and the estimating department MUST AGREE upon the number or percentage. Otherwise, the accounting departments "budget" will be radically different then the estimating department and management will not trust either one!

The most profitable contractors have the estimating department and accounting department interface on more than burden rates. Examples include the following

A. Post Mortems - after a job is complete it is critical, even if profitable, to determine how accurate the estimate was compared to actual results. This allows for fine tuning and accountability.
B. Change order management- the estimating department is generally involved in PRICING change orders. Obtaining time and materials input for pricing change orders requires communication between the two departments. This process must be managed in a timely and efficient manner. Change Orders can make or break a job and a company's survival often depends on the focus on change orders.

CONCLUSION: If you are looking to be more profitable managing the communication process between your estimators and accountants can be the place to start!
In Pursuit of Ethical Estimating Practices

By: Brandon Rosenthal, CPE, LEED® AP, PSP, therosenthalcompany@gmail.com

According to one construction law source, bid shopping is the practice of sharing a contractor’s bid with another contractor before the project is awarded in hopes the latter contractor will lower their price. Recently I ran across an organization that thinks nothing about bid shopping. “We have this casework quote from “XYZ Company,” they have been around, have a great estimator, now why don’t we try and see if Bill from around the corner will beat it by a few thousand…” As the son of a structural masonry subcontractor and a former subcontractor myself, I was a bit disappointed to say the least. My sense of disappointment was soon consumed by my typical temperament of curiosity. So I asked, “why Bill from around the corner,” why are you leading XYZ Company on. And their answer was simply because they can and if Bill from around the corner wants the work bad enough, he will do what it takes to beat XYZ Company, they will “dance to our tune”. They continued by explaining that Bill was just good enough as a craftsman and quite a terrible estimator, that he would need to be “spoon fed” information. He is a perfect candidate with enough supervision. Dancing to our tune, just good enough as a craftsman, spoon fed information...wow, I heard enough.

Contractors are composed of the men and women who actually do the building. Their combination of building and business talents is a fundamental element supporting the construction industry. Remove the contractor from the equation and you cease to have a construction industry. Now the organization I mentioned in the previous paragraph may have been right in their description of Bill being just a good enough craftsman etc., but that is not the point. Running a business that actively seeks out ways to exploit one group, in this case the contractor, only hurts the construction industry in the long run. This is because the construction industry, more than most, is an industry built on symbiotic relationships. An architect for example needs a contractor to build their design just as much as a contractor needs a design to build. At the base of a positive and true symbiotic relationship is cooperation for the good of all involved. Growing up on the jobsite, I can remember my father discussing and suggesting ways to the structural engineer of how to redesign the layout of the rebar reinforcement within the masonry for grouting purposes. Too much rebar, especially around anchor bolts, will inhibit grout flow and some structural engineers have not personally experienced that in the field. I cannot recall any of those conversations my father had with a structural engineer ending in a way that was not beneficial to all involved. This type of symbiotic cooperation is a good thing for the construction industry. Parasitic relationships like the ones being fostered by the organization exploiting XYZ Company and Bill from around the corner are harmful.

When I sat down and began to write this article this experience immediately came to mind as the one I thought I should talk about. At first I paused though and thought, this sort of thing is an obvious no-no and in fact it has been mentioned in newsletter articles in the past...will I bore my audience. From what I know of my audience is that they are a mix of construction professionals spread throughout the industry. One thing that binds us is our membership in the American Society of Professional Estimators. Our membership is voluntary and we are here because we, in our own ways, see value in being a part of ASPE. I particularly like the fact we have a code of ethics that discourages behavior like bid shopping, and I take comfort in knowing I have surrounded myself with like minded professionals. So will my audience get bored of hearing instances of fellow members running across businesses and people participating in unethical acts? Disappointed probably but bored, I do not think so. We as a chapter and as part of a national network of construction professionals should remain vigilant and never get complacent when it comes to unethical practices like bid shopping. When I hear a fellow member discussing such topics as a cause-for-concern it only validates my initial decision to join ASPE.
The Standard Chapter Bylaws of ASPE allows in Article XVII for a chapter to adopt Standing Rules which will govern specific issues not detailed in the Bylaws. We have been functioning as such and in order to comply with the formalities we need to adopt these Standing Rules. Below are the Rules that we are proposing to vote on at a future meeting. Any member is welcome to comment on these Standing Rules before March 9, 2011.

A final version will then be circulated and we will vote on it at one of the following dinner meetings.

Please send comments to Wil Beukman at wbeukman@cox.net

STANDING RULE NO. 1 – BOARD OF DIRECTORS

The Board of Directors will consist of the following:

Elected directors: a.) President, b.) 1st Vice President, c.) 2nd Vice President, d.) 3rd Vice President [optional] and e.) Treasurer.

Ex-officio directors: a.) Immediate Past President

Appointed directors: a.) Executive Secretary, b.) Webmaster, c.) Newsletter editor [appointed by the elected members from the membership or within]

Co-opted directors: a.) at the discretion of the officers mentioned above any member of the Chapter can be drafted in as Committee chairs or otherwise.

All of the above directors will have 1 vote on the Board if they are Members in good standing. The President will only vote to resolve tie breaks

STANDING RULE NO. 2 – MEETING DATES

The Chapter shall have regular Membership meetings on the second Wednesday of each month at a venue determined by the Board of Directors. At the discretion of the Board some months may be skipped due to holidays, Convention month etc. Social, education and other meetings may be organized at the discretion of the Board of Directors. The Board of Directors will meet on the Wednesday before a membership meeting at a mutually agreed venue.

STANDING RULE NO. 3 – DUES, FEES AND CHARGES

Annual dues are $75-00 per year. It is collected by the SBO and paid to the Chapter.

All meeting fees to be determined by the Board of Directors.

STANDING RULE NO. 4 – AMENDMENTS AND CONFLICT

Amendments to these Chapter Standing Rules require previous notice to the Chapter membership and a two-thirds vote of those present and voting. Only members in good standing may vote.

Any rule in conflict with the Charter of the American Society of Professional Estimators; the Chapter’s Corporate Charter; or the Bylaws, Standing Rules or official policies of the American Society of Professional Estimators, will be overruled by the conflicting item.
**CHAPTER HISTORY**

We have started to build up our archives for Chapter 3. Below is a list of known chapter presidents over the years. If anybody can assist with filling in the blanks [that is if you have the name of any committee member not showing in the list] please contact Wil Beukman at wbeukman@cox.net

<table>
<thead>
<tr>
<th>Year</th>
<th>Name</th>
<th>Year</th>
<th>Name</th>
<th>Year</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010/11</td>
<td>Michael Mills</td>
<td>2004/5</td>
<td></td>
<td>1985/86</td>
<td></td>
</tr>
<tr>
<td>2009/10</td>
<td>Wil Beukman</td>
<td>2003/4</td>
<td>Dennis St Clair</td>
<td>1984/85</td>
<td>Ron Svarc</td>
</tr>
<tr>
<td>2008/9</td>
<td>Dan Schottlander</td>
<td>2002/3</td>
<td>John Mauk</td>
<td>1983/84</td>
<td>Ron Svarc</td>
</tr>
<tr>
<td>2006/7</td>
<td>Ron Svarc</td>
<td>2000/1</td>
<td></td>
<td>1981/82</td>
<td></td>
</tr>
<tr>
<td>2005/6</td>
<td>Ron Svarc</td>
<td>1999/00</td>
<td></td>
<td>1980/81</td>
<td></td>
</tr>
</tbody>
</table>

**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.
MEMBER SPOTLIGHT

DAN SCHOTTLANDER, CPE
SENIOR ESTIMATOR
AECOM

Interview conducted by ChiaYen Yuan

CY: How long have you been a member of ASPE and what is the extent of your involvement in this professional organization?

DS: I have been a member of ASPE for approximately 6 years. When I joined I became a board member of our chapter. The following year I became the Chapter President. I served in that role for two terms. I have attended three National Conventions Anaheim, Baltimore, St. Louis, representing our chapter. If you ever get the opportunity to attend a national convention it is definitely worthwhile. Not only will you make new friends but you will enjoy the speakers and the educational programs. Plus, there is site-seeing to do and local foods to experience when you visit a new place. Now, I continue to be a board member. Currently, my primary role as a board member is writing technical & ethics articles for our newsletter.

CY: Can you take us through how you started in the construction industry into today?

DS: I graduated with degrees in Architecture & Engineering, I started out in the construction industry working in the field as an engineer. My first assignment was working on the Cedars-Sinai Hospital in Beverly Hills, Ca. I have worked on an array projects including high rise office buildings, commercial, industrial, education, health care, hospitality, industrial, refineries, oil & gas, environmental, energy, transportation, and water & wastewater. As a construction project was completed, I would be assigned to the next construction job. Thru the course of my career I became a project engineer, superintendent and project manager. Between field assignments I would work in the estimating department. I discovered that I liked to estimate especially the thrill of winning hard bid projects. After working on various large construction projects, I drifted into the engineering side of the business. I have been a professional estimator for the last ten years.

CY: Why do you think becoming a CPE is so important for our industry?

DS: Being a Certified Estimator, carries more clout with the work that you perform and adds credibility to your estimating skills & knowledge. It also gives your company bragging rights about their staff for client presentations and proposals. Many agencies as well as Owners are requiring certifications.

CY: What type of projects do you most enjoy estimating?

DS: I enjoy working on most everything. I like working with old & new people within the company and with new clients. The estimating work is varied. No two projects are ever the same. That’s what makes estimating challenging and enjoyable.

CY: What kind of activities and / or interests do you most enjoy when not estimating?

DS: Golf & more golf, Exercise – gym, yoga, cardio, walking, hiking, Traveling, and Home improvement projects.
OFFICERS

President – Mike Mills, CPE – Jacobs Engineering, 714.327.4214, michael.mills@jacobs.com
Immediate Past President – Wil Beukman, CPE, MRICS, LEED®AP – Faithful+Gould, 562.314.4194, willem.beukman@fgould.com
1st Vice President – Tom Smithson – RCR Mechanical, 951.371.5000, tom.smithson@rcrcompanies.com
2nd Vice President – Greg Clayton, CPE, PE, LEED® AP – Contracting Engineers Inc, 949.548.2010, greg@4cei.com
3rd Vice President – Gary Casper, CPE – Casper Estimating Services, 949.206.1065, casperces@sbcglobal.net
Secretary – Greg Clayton, PE, LEED® AP – Contracting Engineers Inc, 949.548.2010, greg@4cei.com
Treasurer – Brandon Rosenthal, CPE – The Rosenthal Company, 951.733.9252, therosenthalcompany@gmail.com

BOARD MEMBERS

Art Quinion, CPE, LEED®AP – Phoenix Planning, 949.581.9370, artq@phoenix-planning.com
Paulette Rutlen, CPE, CEP – Construction Cost Controls, 949.768.6686, paulette.rutlen@constructioncostcontrols.com
ChiaYen Yuan, LEED® GA – Faithful + Gould, 562.314.4216, chiayen.yuan@fgould.com
Dan Schottlander, CPE - AECOM, 949.476.3365, dan.schottlander@aecom.com

COMMITTEES & CHAIRS

National & Chapter Awards – Mike Mills, CPE - Michael.mills@jacobs.com
Certification – Art Quinion, CPE, LEED®AP – artq@phoenix-planning.com
Communications / Website – Paulette Rutlen, CPE, CEP – paulette.rutlen@constructioncostcontrols.com
GC Advisory – Greg Clayton, CPE, PE, LEED® AP – greg@4cei.com
Parliamentarian – Mike Mills, CPE – Michael.mills@jacobs.com
Finance – Brandon Rosenthal, CPE – therosenthalcompany@gmail.com
Programs – Tom Smithson - tom.smithson@rcrcompanies.com
Membership – Gary Casper, CPE – casperces@sbcglobal.net
By-Laws – Mike Mills, CPE – Michael.mills@jacobs.com
Historian – Mike Mills, CPE – Michael.mills@jacobs.com
Fundraising – Mike Mills, CPE – Michael.mills@jacobs.com
Ethics – Mike Mills, CPE – Michael.mills@jacobs.com
Education – Mike Mills, CPE – Michael.mills@jacobs.com
Standards – Mike Mills, CPE – Michael.mills@jacobs.com
Newsletter – ChiaYen Yuan – chiayen.yuan@fgould.com
Public Relations / Marketing – Anita Beukman – anita.beukman@fgould.com
Scholarships – Anita Beukman – anita.beukman@fgould.com
Mentoring – Mike Mills, CPE – Michael.mills@jacobs.com
FOR YOUR INFORMATION…

COMPANY MEMBER REPRESENTATIVES


Twitter

90 FOLLOWERS ON TWITTER!

FOLLOW US TOO! “ASPE3ORANGECTY”

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

15 FACEBOOK FRIENDS!

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”
TOPIC

UPCOMING PROJECTS AT THE GREAT PARK IN IRVINE

PRESENTED BY

GLEN WORTHINGTON
PLANNING DIRECTOR
CITY OF IRVINE

INTRO

You would have to be living in a cave not to have heard of the Orange County Great Park. The park is planned at 1,300 acres and surrounded by a master planned development of residential and commercial development. As contractors, builders, and other consultants who are interested in future work this will be a ideal evening to learn about upcoming work, who the players are, and what the City of Irvine is planning for the Great Park and the City of Irvine. Please join us as we welcome the Planning Director of the Great Park Glenn Worthington as he provides us with an informative presentation.
VOLUNTEERS WANTED!

We need your help! Anyone who is interested in serving on a committee for the OC chapter, please contact MikeMills 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.

BECOME A MEMBER

Applications for membership can be downloaded from the national website, www.aspenational.org, or on our local website, www.aspechapter3.org. For more information, contact Gary Casper at casperces@sbcglobal.net

ADVERTISING OPPORTUNITIES

<table>
<thead>
<tr>
<th>Type</th>
<th>Per Issue</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Card</td>
<td></td>
<td>$25.00</td>
</tr>
<tr>
<td>¼ Page Ad</td>
<td></td>
<td>$50.00</td>
</tr>
<tr>
<td>½ Page Ad</td>
<td></td>
<td>$100.00</td>
</tr>
<tr>
<td>Full Page Ad</td>
<td></td>
<td>$200.00</td>
</tr>
</tbody>
</table>

If you would like to advertise with us, contact ChiaYen Yuan at chiayen.yuan@fgould.com for more details.

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!