Since 1956, ASPE serves the construction & engineering industries by providing education, training, fellowship and opportunities for professional estimating development.
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Hello Everyone,

It seems this year the economy is looking up a bit as the New Year has come. We have an opportunity to make serious changes and progress towards better times this year. I am waiting to receive the new Chapter members to drafts of their Bio’s for future Newsletter publications so we can get to learn a little about them and acknowledge them. The educational meeting speaker for February is McGraw-Hill’s economic expert who will brief us on our economic outlook. I believe everyone attending this meeting will take away new knowledge and in sight as to the condition of our 2012 economy as it pertains to construction.

After writing these articles now for a few months I have discovered I usually repeat what I write in the Secretary’s Recap of The Board of Directors Meetings. The Secretary position is vacant and I have been filling that position along with my other responsibilities. It is silly to repeat what is said in the Board of Directors Meeting Summary so I will be much briefer in future messages.

My primary goal this year is to make the Chapter a viable legal entity in every dimension. We are clearly on that track now. What Viable means to me is having smooth running operations, having clear position responsibilities, objectives and systems in place to achieve Chapter’s goals. Every ASPE Chapter member is
President’s Message

Encouraged to attend our Board Meetings and participate in that endeavor or participate in one of the Chapter committees. Contact any of us at any time if you have any suggestions or questions or to visit our Board Meetings. You may also communicate to the Board members through the Chapter Face book page.

By the way check out Dr. Stephen Dunn’s article “Using All of the Estimating Skills” in the ASPE National January Estimating Today monthly publication. Stephen is a Chapter 3 member, CPE and the Southwest Representative on the National Education Committee. I find Stephen always has something to say that is worthwhile listening to, so check it out.

We are in the midst of planning an 11th Hour bid day simulation seminar and the Annual Golf Tournament. Berah Taylor and Mike Mills have committed to work on the 11th Hour seminar committee and Carri Morones has agreed to help where and when she can. Dan Schottlander and Luis Galaviz have committed to work with Steve Murow in putting the Golf Tournament together. That is what I call stepping up. We need one more person on the committee Golf Tournament committee in putting this, our largest event of the year together and to be a success.

Your participation by joining one of our committees will not only be rewarding but will certainly contribute to the success of the Chapter’s efforts.

Gregory R. Clayton
TOPIC
MCGRAW-HILL’S 2012 PERSPECTIVE ON THE ECONOMY
AND THE CONSTRUCTION INDUSTRY
PRESENTED BY CLIFF BREWIS

Date
Wednesday, Feb 08, 2012
Time
5:30 p.m. Social Hour & Networking
6:30 p.m. Program & Dinner
Location
Ayres Hotel 325 Bristol St. Costa Mesa, CA 92626
Cost $40
(Includes Appetizer, Choice of entrée of Chicken Cordon Bleu
OR Salmon fillet OR Teriyaki Beef skewers, dessert, coffee/tea)
RSVP at www.aspechapter3.org

Presentation Outline
- Are we in the midst of a recovery, or are we headed for a double dip?
- What construction sectors will do well and which will struggle?
- The Larger National Perspective
- Obstacles We Face That Limit Growth
- McGraw Hill’s Expectation of Near term Overall Economic Performance
- Housing; Private Commercial; Public Institutional; Public Works
Mr. Cliff Brewis is responsible for the newsgathering operation of McGraw-Hill Construction/Dodge, and is a frequent speaker on the construction forecast. He has over 30 years experience in construction, including 25 years with McGraw-Hill in sales and operations. He has worked in Detroit, Grand Rapids, Washington D.C. and San Francisco.

In addition to his current duties with McGraw-Hill, Cliff is an active member of the Integrated Project Delivery Committee administered by the AIA California Council and AGC California. The diverse group is involved in advancing collaborative construction processes.

Cliff is a graduate in Economics from the University of Michigan, Ann Arbor and has an MBA from American University in Washington D.C.

Articles

By Mike Mills

Congratulations

Best President Award
Congratulations to Mike Mills
achieving “Best President Award”

Calendar of Events

- Feb 8, 2012
  - Dinner meeting
  "MCGRaw-HiLL’S 2012 PErSPEcTiVe On The EconomY And The Construction Industry”
  PREsented By C莉F BREWIS

- Mar 14, 2012
  - Dinner meeting

More information
Visit chapter website for calendar

Tentative

- Aug 2012
  - Annual Golf Day

Ethics Article

Are you taking the right road or the easy road?

As we move through our careers in Estimating, somewhere along the line we are presented with the situation of taking the right road or the easy road. This is especially true in today’s economy where profit margins are shrinking and in many cases the projects are bid at cost. Major decisions made by the estimating department typically determines whether a project comes through the door or evaporates. In many cases, the estimating process is driven by the estimators. At the end of the process and near bid day, upper management typically assesses the risk factors, subcontractor participation, and makes a judgement call on profit margins. This is where the estimator is of most value and must speak his/her mind. I can tell you from experience, on more than one occasion, upper management recommended using the sub that was obviously too low. In other cases, management suggested submitting a bid with no profit margin or contingency. In these situations, it is vital the estimator assess his moral and ethical obligation to himself and the company. An excellent place to start is to revisit the core values of the company. Is the decision in alignment? As an estimator and a member of the ASPE, we also have the option of revisiting our list of Estimating Canons. I encourage everyone to revisit our Canons and ask ourselves if our decisions are in alignment.

Are you taking the right road or the easy road?

Mike Mills
CPE.
By Wil Beukman

The Billion Dollar Question?

About the Author.....

Wil Beukman has spent most of his six years in the USA on pre-contract estimating, working for Faithful+Gould. Wil has a 5 year BSc (QS) degree which he obtained in 1980 in his native South Africa. He has decades of traditional QS experience which resort under four headings: 1. Pre Contract Estimating, 2. Compiling of Bills of Quantities for procurement purposes. 3 Post Contract functions are mainly change order validation and compilation of progress payments. 4 Final Account closing out by negotiation of change orders.

The past half year he has been on assignment and had first hand exposure to job site life and field experience. This is his take on there where the tire hits the road.....

About the Project.....

In the North West the Leading Semi Conductor Manufacturer is constructing a major fabrication facility. Although the project only consists of approximately 200,000sf, the construction costs exceed $1bn. It is largely due to extremely high clean room requirements and all the process and utility support that go with it. For instance: chewing tobacco and smoking is not tolerated on site. Tobacco spit can be absorbed by the concrete an “off gas” in years to come to such an extend as to cause contamination of the air and possibly ruin the micro chips that are being manufactured. Lots of toxic acids, bases and other solvents are used to etch these micro circuits on the silicon wafers. Not only are there more than 100 chemicals piped through the facility, but once utilized all waste needs to be de-toxified and scrubbed to render them harmless.
And then there is the weather. Oregon is well known for substantial rain, snow and high winds. To keep the show going on comes at a premium….

To optimize space planning and utilization the design entails massive steel trusses to span the clean room. These trusses, each weighing more than 250 tons, were assembled on the ground, pre-painted and swung into position by a monster crane that took more than 5 weeks to assemble and required 2 smaller cranes for the job. The same happened for disassembly.

The weatherproofing to the dense deck sheathing that occurs directly behind the external cladding cannot be applied in wet conditions. Huge studded panels were assembled in a warehouse, weatherproofed and trucked to site. At the site they were hoisted into position and when the weather allowed the joints were sealed.

Laminar airflow is required for the sterile conditions, resulting in an AC system on steroids. Chilled water pipes in excess of 6ft diameter are just part of this remarkable construction.

LEED platinum certification is the pursued and the seismic design factor is 1.5.

About the Estimating ……

The Client has chosen to fast track construction and procurement was done before drawings were complete. The model is CM at risk. All work is being performed by sub-contracts. The theory is that as Agent the CM will all ways negotiate the most favorable outcome for the client. As this is not a perfect world we found our role to validate change-orders in excess of $100 000. Half way through the project there are more than 300 of these.
Lump sum contracts were chosen more often than not. By its very nature a lump sum contract carries the implication of “all in”. It is embraced by Clients that hope to pay a premium for the Contractor that is carrying the risk. This is a fallacy in most cases. Unless the contract is hyper stringent and very elaborate most contractors will find sufficient grey areas to generate substantial claims and overruns. Contractual clauses that govern the procedures, rates and determination of additive change orders often appear fair and benign, just to blow up in your face. The scale of this project tends to enhance the costs of change orders to scary numbers.

We found that when following the contractual allowances to calculate the change order values that they favored the contractors. Where labor norms were prescribed, albeit NECA, MCAA, SMACNA, or Means they almost always relates to much higher values than what the average market rates would dictate. We could see this clearly when some additional ducting was added. It was suitably demarcated to bid out as an individual package. To save time the incumbent AC Contractor was asked for a lump sum price which was submitted at $1million dollars. When we used his contract and priced it as an additive change order it priced at $1.8million.

Similarly found a specific contract that stated for change orders material will be priced at end book value...
less 10%. It transpired that this Contractor actually got 60% discount off the list pricing.

One of the big Mechanical Contractor includes scissor lifts with all his change order pricing. By backtracking through all 30 of his change orders we have determined that he should currently have 150 scissor lifts running. There are only 42.

Concluding …….  

Construction sites are stressful, vibrant and dynamic environments. Visit one soon for your adrenalin rush.

Wil Beukman, CPE
Even though I had to miss last month’s dinner meeting due to a last minute conflict I heard the food was as good as ever and the speaker was excellent. There were 14 attendees at the dinner and all enjoyed the networking and chit-chat prior to dinner. The evening presentation by “SEO Guru” Nick Beske was very informative and answered lots of questions buzzing around us estimator’s minds.

The presentation was an introduction to search engine optimization (SEO) and how to get more visibility online. 27-year old Nick Beske reviewed the evolution of marketing, illustrating how people are blocking out traditional marketing and turning to the Internet to find what they want and when they want it. Nick walked through SEO basics starting with the difference between “organic” or natural rankings and “ppc” or paid advertisements. He discussed the pros and cons of each and dug a little deeper by talking about choosing the right keywords and using both on-page factors and off-page factors to influence your websites ranking. The presentation closed out with a section on tracking progress, specifically what you should be tracking and what tools are available to make that job easier.

If you missed the January dinner meeting and would like a copy of the PowerPoint presentation, please contact Greg Clayton or myself and we can email it to you. Mr. Beske will also be presenting a workshop through FEWA (Forensic Expert Witness Association) on Saturday morning, February 11, 2012. Topic is “Social Media Workshop.” All ASPE members are invited to attend at a discounted rate. Please contact me if you are interested. See you at next month’s meeting for “MCGRAW-HILL’S 2012 PERSPECTIVE ON THE ECONOMY AND THE CONSTRUCTION INDUSTRY.”

Steven Murow, VP
The Moote Group
The December Board of Directors Meeting was canceled due to conflicts. The January meeting began like normal Board meetings do with going through the agenda items of approving the previous Board Meeting Minutes, 501C6 Corporation nonprofit status report, Programs report, the Treasurer report, President report and Committee Chairs reports followed by new business where we made plans for the 2011-2012 year.

The IRS sent an acknowledgement they had received our federal not for profit status application and will beginning the review process. We can expect to be contacted by March 2012 on our status. You may recall the merchant credit card service for the Chapter through our bank F&M Bank must be postponed until the IRS approves our not for profit status. The Blue Book representative from our area has expressed interest in joining our chapter. That will begin broadening the Chapter’s network. They are planning in attending February’s dinner meeting if it can be scheduled.
The Board discussed the ideas of Educational Dinner Meeting topics and speakers for the rest of the year. Tom and Steve have a 20 year residential community build out project and a large commercial development project that are coming to our area that we are planning to have speakers talk about their projects in addition to other interesting speakers and topics that are lined up for us this year. Steve has several golf courses to choose from for the golf tournament this June or July. Newsletter article responsibilities calendar was populated for the rest of the year so, expect to be approached to support the newsletter articles by writing one or several articles in the coming months. We are planning an 11th hour bid day simulation event as our Academy event along with two other Chapters. The Board will be going out to the members for help in getting Chapter wide participation to bring these events together and expose the public to them this year.

Lastly, the primary goal of the Chapter is to increase the 2011-2012 scholarship funds, and to educate and serve its members.

Gregory R. Clayton, CPE
President/Secretary
Rick Dill
PipelineSuite
949-222-0400 direct
949-300-3875 cell

Rick began his career in 1986 with Trus Joist Corporation in Orange County after graduating from California State University, Fresno with a BS in Civil Engineering. His engineering background allowed him to excel in best systems analysis, estimating and sales of Trus Joist’s open web trusses, TJJ Joists and beams in structural floor and roof systems.

In 1996 Trus Joist was considering shutting down its Eastern US plant in Delaware, Ohio after years of steady losses. As a last strategy to keep the plant alive, it promoted Rick to manage and attempt to grow the Eastern US commercial business. This was a huge challenge, since steel is preferred over wood in commercial construction in the East. But Rick found an opportunity in restaurants, small chain stores and hotels and aggressively set up national accounts with companies such as ARCO, IHOP, and Marriott. He established a separate National Accounts Division that grew from $5 million to $16 million in 3 years with offices in Columbus, Ohio and Lake Forest, California. The Ohio plant stayed open and thrived, and is still open today.

The experience ignited his entrepreneurial spirit and in February 2000, he left Trus Joist to launch a new company focused on providing web based solutions for the building industry. By 2002, PipelineSuite® was born with the launch of its first major product, pipelineRFQ™ bid invitation software. In 2007 the company added an
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.

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 Greg Clayton at gclayton@4cei.com.

integrated private online plan room, pipelineOPR™, and in January 2012 added an automated prequalification module pipelinePreQual™.

General Contractors use pipelineRFQ™ bid invitation software to email or fax bid invitations and addenda to their subs, and can upload plans and specs into their private pipelineOPR Online Plan Room for subs to download easily and fast. The prequalification system allows GC’s to blast out automated prequalification forms and allows subs to automatically update their info. PipelineSuite® is headquartered in Newport Beach, CA and has hundreds of general contractor users in 42 of the 50 United States and in Canada.

Rick lives in Newport Beach with his wife of 20 years and 4 children. He is serving his tenth year on the Newport Beach Little League Board of Directors where he has held the offices of Division Coordinator, Vice President, and President, and has coached 24 Little League teams in the fall and spring seasons. In 2011 he helped the league launch its Challenger Division so that physically and mentally challenged kids in the Newport Beach and surrounding area can play baseball as well. He enjoys fishing, camping, and backpacking with his family, as well as tennis, golf, and occasionally a game of poker with friends.
Advertising Opportunities

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

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COMPANY MEMBER REPRESENTATIVES

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 better serve their 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 of 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.

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 practices 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 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 Estimator.

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.
We Need Volunteers!!

We need your help! Anyone who is interested in serving on a committee for the OC chapter, please contact Greg Clayton at gclayton@4cei.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.

Welcome

We look forward to seeing you at this month’s dinner meeting.

Serving construction estimating professionals by promoting ethical behavior, professional development, continuing education, standardization, certification and fellowship.

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 (ASPNatExecDir), 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.

Thank you for reading ASPE OC Chapter3.
CALLING FOR PRESENTERS!

Interested in giving a presentation at our chapter dinner meetings?

Interested in getting your company name out to members?

Come educate and Share with our members!

Contact Tom Smithson at tedwardsmithson@gmail.com for more info!

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