RCA Supports Future Leaders with Scholarships

In its 18th year, RCA’s scholarship program awarded $24,500 in scholarships to 16 students at 13 universities for their 2016-2017 school year. RCA’s scholarship program invites submissions from students nationwide; over 70 schools receive the call for applications.

Scholarship criteria include enrollment in a construction management or related program, rising junior or senior, attending school full-time, a major GPA of at least 3.25, and an overall GPA of at least 3.0. Applicants are required to submit a letter of reference and a personal statement that addresses how the Retail Contractors Scholarship will enable them to achieve their goals, what sets them apart from their peers, their undergraduate academic goals, and their ideal career. Complete applications are reviewed and scored by the Scholarship Committee, comprised of Board members and Advisory Board members.

Sixty-eight applications were received for the 2016-2017 scholarship cycle, more than twice the number of applicants received the prior year.

RCA awarded a $1,500 scholarship to each of the following students, all of whom are enrolled in qualified construction programs:

- Wyatt Aberle, North Dakota State University
- Ronald Antonini, Missouri State University
- Michael Boylan, Clemson University
- Ryan Crookston, Brigham Young University
- Michael Dillion, University of Maryland Eastern Shore
- Zachary Harris, Brigham Young University
- Austin Luchak, Texas A&M University
- Megan McLaughlin, Wentworth Institute of Technology
- Lelan Olsen, Pittsburg State University
- Margaret Pearson, Ferris State University
- Max Schmidt, Ferris State University
- Charlotte Schmitz, Washington State University
- David Senko, Drexel University
- Cary Alexander Steiner, Brigham Young University
- Austin Tebbe, Ohio Northern University

RCA also awarded the Christian Elder Memorial Scholarship to Chad Lexvold, a junior construction management major at Minnesota State University Mankato. The scholarship was established in 2008 in memory of Christian Elder, who died in 2007 at the age of 38. Christian was a project manager with Elder-Jones, Inc., a charter member of the RCA. The scholarship is awarded only to students at Minnesota State University Mankato.

Wyatt Aberle is a senior construction management major and business administration minor at North Dakota State University. Wyatt has funded his college expenses on his own, through scholarships and work. He has set an aggressive goal for himself of maintaining his 4.0 GPA through graduation.

Wyatt is a member of the National Association of Home Builders and Associated General Contractors student chapters at North Dakota State University. His participation in these groups affords him the opportunity to network with professionals in the construction industry and learn from their real life experiences. In January 2016, he competed with a team of fellow students at the national Residential Construction Management Competition in Las Vegas.

Outside of school, Wyatt is the Safety Director for Camrud-Foss Concrete Construction in Moorhead, MN. He also works as a part time laborer when time allows between school and his other obligations. As Safety Director, he is responsible for developing, implementing, and monitoring a company-wide safety program, studying OSHA and other regulatory requirements applicable to Camrud-Foss as put out by OSHA, organizing and facilitating the annual pre-season company safety meeting each spring, drafting and conducting weekly safety meetings for crews, oversight of the safety committee, conducting accident investigations and preparing necessary reports, orienting new employees with regards to the safety program, and attending safety/OSHA seminars and training.

Megan McLaughlin received her B.A. in construction management from the Wentworth Institute of Technology in August 2016. In her application, she said that she “learned that construction is a growing industry that is becoming more economical, fast-paced, and efficient due to the new technology servicing facilities. Construction is also an industry that cannot only be learned from textbooks. With both classes and co-op I have been able to learn something new each day, whether it be facts in a book or on-site experience.”

Originally enrolled in Wentworth’s Architecture program, Megan changed her major while completing a co-op program for Boston construction company Structure Tone. As an Assistant Project Manager/Assistant Superintendent, she gained on-site experiences at buildings such as the Prudential and Hancock Building. “Although these are some of the most prestigious buildings in the city, I truly loved this experience for the meticulous detailing that went into each project and the ability to build personal relationships with each group of subcontractors,” Megan said of the experience.

(Continued on page 2)
Max Schmidt will graduate from Ferris State University with a degree in construction management in December 2016. As a Construction Practices lab assistant for two semesters, Max helped teach other students about concrete, carpentry, safety, and other topics. The experience enhanced his leadership skills, and he took the opportunity to speak to students about the value of internships and being involved in campus groups.

Max spent summers as an intern in the construction industry. Following his freshman year, he was a Construction Management Intern for Kent Companies. During that summer, he performed labor, primarily with a wall forming crew, getting a better understanding of concrete and subcontractors in general. The summer after his sophomore year, he worked for St. Louis-based general contractor Brinkmann Constructors. While working in their headquarters as a Project Engineer Intern, he completed various tasks typically given to project engineers, including quantity takeoffs, subcontractor solicitation, and writing proposal letters.

Max is a leader of the Associated Construction Students, the school’s student organization for construction management majors. Through this organization, Max participated in roofing replacements, highway clean-ups, and other projects to help the community. He has also been a member of the Associated Schools of Construction Competition Team. Max describes the experience: “This competition provides a multitude of opportunities to grow my knowledge and experience, while positively representing Ferris State University and its Construction Management program. It gives a glimpse into estimating, scheduling, site logistics, and bid presentation.”

These are just a few examples of the high caliber students who will be the next generation of industry leaders, and who rely on support from organizations like the RCA to achieve their goals.

RCA’s scholarship program helps students to prosper with thanks to our members.

The following RCA members made a contribution to the Scholarship Fund in FY16 (May 2015—April 2016):

<table>
<thead>
<tr>
<th>Amount</th>
<th>Company Name</th>
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<tr>
<td>$1,500</td>
<td>Elder-Jones, Inc.</td>
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<td>$1,000</td>
<td>Retail Construction Services, Inc.</td>
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<td>Triad Retail Construction</td>
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<td>Weekes Construction, Inc.</td>
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<td>Westwood Contractors, Inc.</td>
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<td>Woods Construction</td>
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<td>$750</td>
<td>Healy Construction Services, Inc.</td>
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<tr>
<td>$500</td>
<td>Commonwealth Building, Inc.</td>
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<td></td>
<td>Fred Olivieri Construction Company</td>
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<td>Royal Seal Construction, Inc.</td>
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<td>Schimenti Construction Company, Inc.</td>
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<td>Taylor Brothers Construction Co, Inc.</td>
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<td>Up to $499</td>
<td>Desco Professional Builders, Inc.</td>
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<td>Eckinger Construction Company</td>
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<td></td>
<td>Rockford Construction Co., Inc.</td>
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<td></td>
<td>Scheiner Commercial Group, Inc.</td>
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<td></td>
<td>Thomas-Grace Construction, Inc.</td>
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<td></td>
<td>Trainor Commercial Construction, Inc.</td>
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To make a contribution to the RCA Scholarship Fund, visit retailcontractors.org, click on Programs, then Scholarship Program.
President’s Message

Bob Moore, President, West Region, Gray

The RCA is looking forward to welcoming you to our two upcoming events, at CenterBuild in December and our Annual Conference in March of next year (Orlando!... A reference for fans of “The Book of Mormon” musical). With both events after the upcoming election, we are certain to have a lot to discuss about the future of our industry.

At the summer board meeting, a Nominating Committee was formed to vet potential candidates for the upcoming Board of Directors election. I encourage our members to cast their vote in our election and help shape the direction of our organization.

The RCA’s committees are doing the heavy lifting to provide our members with the best value and experience possible. Here’s a quick update on what our committees are working on:

1. Retailer Listening Event at SPECS – Expand on the success of this year’s event, gaining general information on what is most important to our retailers in the coming year.
2. Strengthen Alliances With Other Associations & Events – Strengthening alliances assists us in offering better event programming and better value for our members.
3. Future SPECS-adjacent RCA Member/Retailer events – A golf outing is planned for the Saturday, March 11, 2017, the day before our Annual Conference. Retailers will be invited to golf with participating members, then attend a welcome reception that evening and the Annual Conference on Sunday, March 12, 2017.
4. Retail Project Superintendent Academy – Feedback from retailers is clear that superintendent training should be a priority for the RCA. Creating the content and efficient delivery method is in the works.
5. Streamline Membership Process – The process has been improved and the efficiency of the process is already being realized. The Membership Committee did an outstanding job on this item.
6. High Value Target List – The Membership Committee has updated our prospect list to include targeting GCs through committee and board relationships.
7. Membership Referral Program – Under review is a member referral program to incentivize new applicant referrals.
8. Leadership Succession Planning – Committee leaders are responsible for succession planning on their committees, and will be reaching out to rising leaders in member companies to encourage participation.
9. New Member Onboarding – Each new member is assigned a Board member mentor, who will provide an overview about the responsibilities and benefits of the RCA and serve as a resource to remain a member in good standing.
10. Develop a Regional Structure – We have created a map of where the RCA has concentrations of members. Given concentrations, regional committees and events are possible and will be explored.
11. Military Service Initiative – Board members continue to participate in hiring events for transitioning members of the military, creating a shared applicant pool that our members can access to facilitate the hiring of military veterans.
12. Safety – Updated safety program materials are always available for purchase. Stay current and make safety your top priority. Materials can be purchased online at retailcontractors.org or by contacting the office.
13. Scholarship – We continue to give back to our communities with college scholarships through our revamped application process and distribution criteria. Please give to the scholarship fund; a donation form is available on retailcontractors.org.
14. Sponsorship and Member Benefits – Many members receive value from our sponsors and benefit providers that far exceed their annual cost of membership. Take advantage of our programs; details are available on the website.

15. Advisory Board – Our Advisory Board members provide immeasurable benefit to the direction of the RCA. We have open positions. If you know of a retail construction professional (e.g., retailer, landlord, developer) who would add value to our organization, please contact me (ramoore@gray.com) or Carol Montoya (carol@retailcontractors.org).

As contractors, we’re always pushing the limit on tasks to accomplish them in the time available. Our task list for the RCA reflects this ethos. I thank all of our stakeholders for their hard work that results in the RCA being the leading organization for the retail construction industry.

Best,

Bob

— RAMoore@gray.com

2018 • FALL EDITION

ADVISORY BOARD
Chuck Barnes – Spinoso Real Estate Group
Ken Christopher – LBrands
Mike Clancy – FMI
Jeffrey D. Mahler – L2M, Inc.

COMMITTEE CHAIRS
MARKETING/COMMUNICATIONS
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909-993-9332
jgrothe@rcgconstruction.com

MEMBERSHIP
Ray Catlin
972-800-2910
rcatlin@emjcorp.com

Hunter Weekees
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hweekees@weekesconstruction.com

MILITARY SERVICE INITIATIVE
Steve Bachman
651-704-9000
sbachman@retailconstruction.com

SAFETY
Doug Marion
336-861-1960
dmarion@mrs1977.com

SCHOLARSHIP
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817-302-2050
mikemi@westwoodcontractors.com

SPONSORSHIP/MEMBER BENEFITS
Justin Elder
952-345-6069
justinelder@jones.com

STRATEGIC PLAN
Eric Handley
847-856-0125
eric.handley@warandolph.com

OFFICERS
President - Robert Moore
Gray

Vice President - Brad Bogart
Bogart Construction, Inc.

BOARD OF DIRECTORS
2020 Robert Moore
Gray

2020 Rick Winkel
Winkel Construction, Inc.

2020 Mike Wolff
Timberwolff Construction, Inc.

2019 Ray Catlin
EMJ Corporation

2019 Eric Handley
William A. Randolph, Inc.

2018 Steve Bachman
Retail Construction Services, Inc.

PAST PRESIDENTS
2018 Brad Bogart
Bogart Construction, Inc.

2018 Justin Elder
Elder-Jones, Inc.

2017 Jack Grothe
JG Construction

2017 Doug Marion
Management Resource Systems, Inc.

2017 Mike McBride
Westwood Contractors

2017 Hunter Weekees
Weekees Construction, Inc.

2016 – 2018

2016 • FALL EDITION

2017 2018

2016 • FALL EDITION

2016 • FALL EDITION
COMPANY | CONTACT | PHONE | STATE | EMAIL | MEMBER SINCE
--- | --- | --- | --- | --- | ---
A. F. Alber General Contractor, Inc. | Anthony Alber | 215-249-4885 | PA | office@afalber.com | 2015
Acme Enterprises, Inc. | Robert Russell | 586-771-4800 | MI | russell@acme-enterprises.com | 2009
All-Rite Construction Co., Inc. | Warren Zysman | 973-340-3100 | NJ | warren@all-riteconstruction.com | 1993
Bogart Construction, Inc. | Brad Bogart | 949-453-1400 | CA | brad@bogartconstruction.com | 2008
Buildrite Construction Corp. | Ian Banister | 770-971-0787 | GA | ian@buildritecom construction.com | 2013
Chance Construction Co. | D. Jay Chance | 409-787-2615 | TX | tellinaw@chanceconstruction.com | 2000
Commercial Contractors, Inc. | Kenneth Sharkey | 616-842-4540 | MI | kent.sharkey@teammcci.net | 1990
Commonwealth Building, Inc. | Frank Trainer | 617-770-0050 | MA | frankt@combuild.com | 1992
Construction One, Inc. | Bill Moberger | 614-235-0057 | OH | wmoberger@constructionone.com | 2015
Crane Construction Company | David Crane | 816-324-5851 | MO | dcrane@crane-construction.com | 2013
David A. Nice Builders | Brian Bacon | 757-566-3032 | VA | bbacon@davidaniebuilders.com | 2011
De Jager Construction | Dan De Jager | 616-530-0060 | MI | dandi@dejagercorner.com | 1990
Desco Professional Builders, Inc. | Bob Anderson | 860-870-7070 | CT | banderson@descoopromo.com | 1995
DGC Capital Contracting Corp. | Gerry Ryan | 914-664-7244 | NY | gryan@dgccapital.com | 2013
Diamond Contractors | Lori Perry | 816-850-9200 | MO | loriaperry@diamonddcontractors.org | 2015
DLP Construction | Dennis Pigg, Jr. | 770-827-3573 | GA | dpigg@dlnconstruction.com | 2008
Eckinger Construction Company | Philip Eckinger | 330-453-2566 | OH | phil@eckinger.com | 1994
EDC | Christopher Johnson | 804-897-0900 | VA | cjjohnson@edcglobal.com | 1998
ELAN General Contracting Inc. | Adrian Johnson | 619-284-4174 | CA | ajohnson@elanconstruction.com | 2010
Elder-Jones, Inc. | Justin Elder | 952-345-0699 | MN | justinelderjones.com | 1990
EMJ Corporation | Ray Cattlin | 972-580-1210 | TX | RCattlin@emjcorp.com | 2014
Engineered Structures, Inc. | Mike Magli | 208-794-5049 | ID | kmagli@hastingsbiz.com | 2016
Fortney & Weygandt, Inc. | Greg Freeh | 440-716-4000 | OH | gfreetoh@fortneyweygandt.com | 2013
Fred Olivieri Construction Company | Dean Olivieri | 330-494-1907 | OH | dean@froldivier.com | 1992
Fulcrum Construction, LLC | Willy Rosner | 770-612-8005 | GA | wrosern@fulcrumconstruction.com | 2014
Gray | Robert Moore | 714-491-1317 | CA | rmoore@gray.com | 2005
H.J. Martin & Sons, Inc. | David Martin | 920-494-3461 | WI | davidjm@hjmartin.com | 2016
Hanna Design Group | Jason Mick | 847-719-0370 | IL | jmick@hannadesigngroup.com | 2016
Hayes Construction Company, Inc. | Roy Hayes | 403-798-5499 | CO | rhayes@hayescorp.com | 2016
Healy Construction Services, Inc. | James Healy | 708-396-0440 | IL | jhealy@healyconstructionservices.com | 1996
Herman/Stewart Construction | Terry Varner | 301-731-5555 | MD | tmvarner@herman-stewart.com | 1995
International Contractors, Inc. | Bruce Bronge | 630-834-8043 | IL | bbronge@icinc.com | 1995
James Agresta Carpenters Inc. | James Agresta | 201-498-1477 | NJ | jim.agresta@jaguildersinc.com | 2013
KBE Building Corporation | Michael Kolakowski | 860-284-7110 | CT | mkolakowski@KBEbuilding.com | 1996
Kerrico Construction, Inc. | Ann Smith | 440-647-4200 | OH | ann@kerricoconstruction.com | 2012
Lakeview Construction, Inc. | Kent Moon | 262-857-3365 | WI | kentlk@vconconstruction.com | 1998
M. Cary, Inc. | Robert Epstein | 631-501-0024 | NY | repstein@mcarinyc.com | 2014
Management Resources Systems, Inc. | Doug Marion | 913-861-1960 | NC | dm@managementresources.com | 1992
Marco Contractors, Inc. | Martin Smith | 724-741-0300 | PA | marcocontractors.com | 1994
Marquette Construction Co., Ltd. | James F. Johnson | 210-639-5542 | TX | jfejeselbaum@metconcontracting.com | 2008
Montgomery Development Carolina Corp. | John Fugo | 919-969-7301 | NC | jfugo@montgomerydevelopment.com | 1999
Murray Costello Construction, Inc. | Murray Costello | 239-482-2770 | FL | susan@murraycostello.com | 2014
National Building Contractors | William Corcoran | 651-288-1900 | MN | bill@nbcconstruction.us | 2013
Pinnacle Commercial Development, Inc. | Dennis Rome | 732-528-0080 | NJ | dennis@pinnaclecommercial.us | 2012
Prime Retail Services, Inc. | Donald Bloom | 866-504-3511 | GA | dbloom@primeretailservices.com | 2014
PWC Construction, Inc. | Steve Price | 480-461-0777 | AZ | price@pwiconstruction.com | 2003
RCA Associate Contractors, Inc. | Beverly Raphael | 975-942-3700 | FL | braphael@rcassoc.com | 1997
Rectenwald Brothers Construction Co. | Art Rectenwald | 724-772-2828 | PA | art@rectenwald.com | 1996
Retail Construction Services, Inc. | Stephen Bachman | 651-704-9000 | MN | sbachman@retailconstruction.com | 1998
Retail Contractors of Puerto Rico | Sean Pimentel | 586-725-4400 | MO | spimentel@gregconstruction.com | 1996
Rockford Construction Co. | Thomas Mcgowen | 616-325-6333 | MI | jmazumier@rockfordconstruction.com | 2014
Royal Seal Construction, Inc. | Gene Colley | 817-491-6400 | TX | gene@royalseal.com | 1994
Russco, Inc. | Matthew Pichette | 508-674-5280 | MA | matpichette@ruscoinc.com | 1995
Sachse Construction and Development Corp. | Jeff Katkovsky | 248-647-4200 | MI | jkatkovsky@sachseconstruction.com | 2009
Scheiner Commercial & Industrial | Joe Scheiner | 719-487-1600 | CO | joescheiner.com | 2012
Schimenti Construction Company, Inc. | Matthew Schimenti | 914-224-9100 | NY | mschimenti@schimenti.com | 1994
Shadwell Construction Co., Ltd. | Carole James | 925-600-0060 | CA | cshadwell@shadwell.com | 1994
Sharder & Martinez Construction, Inc. | Ronald Martinez | 928-282-7554 | AZ | info@shardermartinez.com | 1990
Sierra Contracting | David Heiliger | 760-745-8769 | CA | dheiliger@sierracontracting.net | 2016
Shrader & Martinez Construction | Ronald Martinez | 928-282-7554 | AZ | info@shradermartinez.com | 1990
Singleton Construction, LLC | Denise Doccx-Delongo | 740-756-7331 | OH | denisedelong@singletonconstruction.com | 2012
Solex Contracting | Gerald Allen | 951-308-1706 | CA | jerry@solexcontracting.com | 2015
Solln Construction Company | Amanda Solln | 954-484-3200 | FL | amanda@buildwithsolln.com | 2012
Taylor Brothers Construction Company, Inc. | Jeff Chandler | 812-379-9547 | IN | jchandler@tbcci.com | 2014

(Continued on page 9)
View the profile of each RCA member company. Click on “Find a Contractor” from the home page to search the member list. Each profile includes relevant information, including the RCA programs in which the member participates. Look for these icons!

Please notify the RCA Office (800-847-5085 or info@retailcontractors.org) of any changes to your contact information.

Visit [retailcontractors.org](http://retailcontractors.org)

More Information & Registration:
[www.retailcontractors.org](http://www.retailcontractors.org)

WINE TASTING Members Only & Retailers Reception

During CenterBuild, November 30, 2016 | JW Marriott Desert Ridge, Phoenix, AZ
Giving Back – How RCA Members are Improving Their Communities

Tri-North Builders

By Jennifer Danquist Kilgore, Director of Business Development and Marketing, Singleton Construction, LLC

Members of the Retail Contractors Association are high caliber retail contractors united to provide a solid foundation of ethics, quality, and professionalism within the retail construction industry. But our members are not just building stores around the country; they are also giving back through a variety of public service efforts. In this feature series, we share how our members are making a difference in their local communities.

It is hard to believe we are already on the fifth installment of our series about giving back. We have enjoyed sharing how our members are building and improving their communities around them.

This issue’s featured company is Tri-North Builders out of Wisconsin. Their devotion to their community is truly a big part of the way they live their lives. Founded in 1981, founders Joe Donnino, Donald Jones, and Thomas Thayer and their team grew Tri-North from a small company with 10 employees and a 700-square-foot office into a respected leader in construction. Soon after the company’s 20th anniversary, they received a LEED Gold certification for their 53,000-square-foot headquarters, one of the first buildings in Wisconsin with such a high rating. Throughout the first decade of the new millennium, the company opened offices in Texas and California, and launched their Nova Retail Group out of Portsmouth, NH.

“No matter how much Tri-North grows, we never lose sight of the founders’ ideals that Joe, Donald, and I had, of providing the highest level of quality and professional services to our clients and giving back to the communities in which we work,” stated President and CEO, Tom Thayer.

To Tom, extending compassion to his employees is central to his dedication to giving back to his community. “I’ve spent my career ensuring that the company’s culture is focused on family. Efforts have included an onsite daycare for employees’ children, substantial personal time off, and a concerted and consistent respect and understanding that members of the Tri-North team are not just employees, but human beings with families and other commitments and concerns,” explained Thayer.

Tri-North has been involved with many organizations, including, the United Cerebral Palsy of Greater Dane County (UCP), which serves over 1,400 individuals and families throughout southern Wisconsin; Variety – The Children’s Charity of Wisconsin, which ensures all children, regardless of physical or emotional ability, can be

Devote yourself to your community around you. Devote yourself to creating something that gives you purpose and meaning.

– Mitch Albom

Tri-North’s CEO Tom Thayer presents a check to Variety – The Children’s Charity of Wisconsin at Tri-North’s 30th Anniversary gala.

Tri-North’s Vice President Anna Stern and CEO Tom Thayer hand out goodie bags at KBW 2014.
active and involved members of their community; and the Urban League of Greater Madison, whose mission is to improve the social and economic conditions of the African Americans, other people of color, and the economically disadvantaged in Dane County. Tri-North Builders was selected to lead construction on the Urban League of Greater Madison’s $2.8 million headquarter building.

Tri-North Builders has taken a lead on the issue of the significant labor shortage in. Thayer said, “We attribute the shortages primarily to the aging workforce, the lingering effects of the recession on the image of our industry and the strong focus nationwide, and in Wisconsin, on young people obtaining 4-year college degrees as the best path to employment.”

Tri-North Builders proactively addressed this issue by developing and hosting the first annual Kids Building Wisconsin (KBW) in May 2014.

“The primary goal of the event was to get kids interested in the construction industry, improving general awareness of the many exciting and family-supporting careers in the industry, and bringing together the community to celebrate construction and how it truly touches our lives and shapes our state,” explained Thayer.

An outpouring of positive feedback from the industry and community, as well as the event’s inaugural success, including over a dozen exhibits run by local trades and industry professionals; demonstrated that KBW was filling a void. A 501(c)(3) nonprofit organization was formed, with board members from across the industry. Each year since its inauguration, the event has grown significantly. The 2016 event brought together over 30 exhibits and 50 sponsors from across the industry. “We love being a part of this event that unites our diverse industry in sparking the interest of future builders, engineers, skilled workers, and architects,” Thayer stated.

Thank you to Tri-North Builders for improving the communities of Wisconsin, positively promoting our industry, and making giving back your way of life.

RCA members, if you are interested in having your firm featured in this series, please contact Jennifer at jkilgore@singletonconstruction.net.
The Federal Aviation Administration (FAA) is seeing an increase in battery incidents involving spare lithium ion batteries packed in passenger-checked bags. If a passenger is linked with a business, then the business is liable for the violation.

Lithium ion batteries that provide power to drills and other small worksite equipment are regulated in all modes of transportation as hazardous materials. More importantly, spare lithium ion batteries are forbidden in checked bags when traveling by air. This prohibition includes carry-on bags checked at the gate or planeside.

Spare lithium ion batteries that are 100 watt-hours or below (160 watt-hours with airline approval) can be transported in carry-on bags as long as they are protected from short circuits.

The Transportation Security Administration (TSA) removes spare Lithium ion batteries from checked bags. The FAA may initiate enforcement action against businesses that permit their employees to travel with spare lithium ion batteries in their checked bags.

To get all the “facts” on traveling with lithium ion batteries and other types of hazardous materials visit the FAA public website at www.faa.gov/about/initiatives/hazmat_safety/ or web search the term “FAA Pack Safe.”
Why Contracts Matter to Your Bottom Line

By Brian Perlberg, Executive Director & Senior Counsel, ConsensusDocs.

Despite the fact contracts ultimately govern a general contractor’s performance on a project, they often are not read carefully. Studies by the Construction Industry Institute and other groups demonstrate that allocating risk unfairly damages project results. According to a recent study examining just five clauses, owners wind up paying a 20 percent premium for risk contingencies. This is not a good investment because the owner pays regardless of whether the contingency arises.

An owner and those higher up in the contractual chain have the power to transfer risk to a weaker party. Generally, the stronger party can get a smaller party to sign a contract so it can get the job. However, industry-wide efficiency ultimately suffers. Contracts are part of the problem.

The ConsensusDocs coalition of more than 40 leading organizations, including Associated Builders and Contractors, Construction Users Roundtable, Construction Owners Association of America and National Association of State Facilities Administrators, is committed to improving the contractual environment by identifying and publishing best practice contracts that are fair to all parties.

More than 100 standard contract documents address all major project delivery methods, including design-build, construction management at-risk, integrated project delivery (IPD) and agency construction management, in addition to the traditional method.

The purpose of the coalition is simple: Build a better way through better and fairer contracts. Rather than repetitively fighting over the same egregious contract clauses, the goal is to build a better contractual foundation from the national level, and then tailor it to each project’s needs.

The initial results using the contracts are promising, and usage continues to increase significantly, with 2015 showing the largest growth. One owner, the Department of Administrative Services (DAS) for the state of Iowa, switched to ConsensusDocs contracts from contracts based on American Institute of Architects (AIA) A201, along with making other improvements. Previously, DAS experienced formal claims on almost every single project. Since moving to ConsensusDocs contracts in 2011, DAS obligated under contract more than 120 projects and has not faced a formal claim.

Several general contracting companies, such as WAR Construction in Tuscaloosa, Ala., use the ConsensusDocs subcontract agreement and purchase orders as their company’s standard documents and issue an addendum for state- and company-specific provisions. They post the documents on a password-protected site and have used ConsensusDocs successfully on more than 1,000 projects.

Financial Information
Payment flow is the lifeblood of a contractor. Because margins are so thin, waiting until nonpayment to learn that project financing is gone is too late. ConsensusDocs contracts address this by allowing a contractor to request project financial information during the life of the job. The provision has teeth because the contractor may stop work if the owner doesn’t respond.

Moreover, Guidelines for Obtaining Financial Information (ConsensusDocs 290) and a Standard Questionnaire (290.1) are available as an off-the-shelf solution to get needed information without harassing an owner. By comparison, the AIA A201 requires a contractor to make a showing to request financial information once dirt on a project is moved.

Retainage
Holding money on a project helps protect an owner from getting ahead of paying for work, but it shouldn’t be used as a hammer hovering over one’s head. Again, payment flow, and the cost of carrying increased capital expenditures, impacts the bottom line. Excessive retainage unnecessarily adds costs that have to be passed on to owners.

Under ConsensusDocs, no additional retainage is held once a project is 50 percent complete. Contingent upon the owner’s release upstream, early finishing trades receive released retainage rather than wait possibly years for final payment for their work. This is a great example of how offering fair contract terms really helps attract the best contractors and the best prices.

Change Orders
Contractors are in the business of building projects, not financing them. Construction is unique in that material changes are actually expected to arise before project completion. In construction, this doesn’t negate the contract. Unfortunately, other standard contracts place 100 percent of the financial burden of disputed change work upon the contractor. If an owner directs a change, but disputes that the work is out of scope, the contractor is stuck paying for materials and labor without any payment. Even the mere threat of this can intimidate a contractor on legitimate claims for changes in the work. It is extraordinarily hard to price out this kind of risk.

ConsensusDocs takes an even-handed approach to this difficult issue. The contractor gets paid half its estimate for the disputed change work and...
100 percent of undisputed work. The owner retains its claim against disputed work and the contractor’s financial solvency is not sucked dry. Also, there is an obligation to convert directed changes into mutually agreed to changes as other change orders are processed.

**Scope of Work**
A fundamental issue in any contract is articulating the project scope in the contract and the contract documents. Contractors typically have an affirmative contractual obligation to review the plans and specifications, owner-provided information and apparent site conditions. However, the contract shouldn’t try to turn a contractor into an uncompensated inspector, nor a mind-reader of the designer of record. ConsensusDocs takes balanced approach of requiring the contractor to report errors it actually knows that are reasonably inferable, but doesn’t go down the fuzzy path of speculating on errors it should have discovered. Other standard contracts require the contractor to intuit an architect’s “intended results.” Pricing out the risk of someone else’s errors is close to impossible.

In addition, a good contract should help organize the interpretation of potentially conflicting contract documents by providing an order of precedence clause. Conflicting documents often impact project scope, and without a precedence clause, a contractor may unintentionally be following a modified golden rule (i.e., the one with the gold makes the rule, or whichever option is more expensive shall by required of the contractor). ConsensusDocs provides an order of precedence clause that generally gives more recently created contract documents precedence over older documents.

At the end of the day, the contract determines a company’s rights and obligations on a project. Neglecting to select the right standard construction contract and which clauses to negotiate will make the risky business of construction even riskier.
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