September Program

Critical Trends Driving the Future of the Construction Industry

Program information on page 4 - register on aspedenver.org

**PLEASE NOTE THE NEW LOCATION THIS MONTH!**

MESSAGE FROM YOUR PRESIDENT

Heather Boulanger

Welcome back from summer “vacation”. If your business is anything like mine, you didn’t have any kind of break. Our estimating department has been busier than ever - if only these projects would just come to fruition.

The Board of Directors met twice this summer in order to plan this coming year. There are a few new items: First, join me in welcoming our new management team: Rocky Mountain Construction Alliance, LLC. With their assistance, I hope to grow our chapter and thus have a bigger impact in the construction industry. As a result of the change, our chapter has a new mailing address and phone number. Please see the cover of this newsletter or the website and make changes to your records.

Second, I am thrilled to report that we will be hosting the ASPE NW/SW Regional Conference this October 28th & 29th. I am looking forward to showcasing our chapter and showing off our great city of Denver. The conference will kick off with an educational seminar on Friday afternoon. We are offering only a half day educational program so that many more of you can get away from the office and take...

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An Overview of Unit Price Estimating

by Craig Tarr, CPE

How many times have you been asked what is a typical unit price for drywall, paint, tiling, framing etc.? As a subcontractor and general contractor in my past lives and currently a consultant that specializes in estimating, I have been asked these types of questions far too frequently. Unless I know the person and their intentions very well, I will not provide them an answer without qualifying and providing a caveat to my response.

To begin to answer such a question, however, we should start by asking what is unit price estimating? Unit price estimating is the use of unit prices or rates to develop an estimate of cost. Unit prices can be based on historical rates (such as previous project information), published rates (such as RS Means, Xactimate, Saylor etc.), or estimated rates based on assumptions and a number of varying factors.

Unit prices should typically consist of the following, expressed as an estimated cost per unit:

• Labor;
• Material;
• Equipment;
• Mark-ups for general requirements, insurances, overhead and profit.

As with all forms of estimating, there are many different factors that can influence the cost to perform work. The following are some, but not all, of the factors that can affect a unit price and the cost to perform work:

• Availability of labor (especially skilled labor) and cost of living can affect labor rates in a particular area or region.
• Productivity of labor is affected by many factors including: access, working conditions, availability of repetitive work, climate, safety requirements, availability of materials, quantity of work available, work hours per day, normal vs. overtime work, type of equipment etc., to name a few.
• Material cost is dependent on what the market will pay for a certain quality and quantity and is very influenced by its availability.
• Equipment cost is mainly affected by the availability of specific equipment needed to perform the work, interest rates, and fuel prices. The use of the right equipment for the job and its rates is important.
• Subcontractors can be used for a portion or all of a specific trade or work item and their cost should be evaluated based on availability, performance, quality, reputation, and financial ability.
• Mark-ups for general conditions, insurances, overhead and profit are largely dependent on the ownership and structure of the contracting business, the economic climate affecting that region, and the availability of companies with viable resources that are able to perform the work under job specific conditions and within a certain timeframe.

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Feature Article - Unit Price Estimating - Cont. from Page 2

Project type, size and risk are very important aspects affecting mark-ups to be estimated for unit rates and the estimate.

The basis and assumptions used to develop the unit rate should be evaluated by the estimator to confirm that they are reasonable and appropriate for the project being estimated. The unit price should be analyzed to confirm that labor productivity, labor rates, material pricing (including allowances for material coverage and waste), equipment productivity, ownership or lease rates, equipment operating costs, subcontract performed work, and markups for general conditions, overhead and profit are appropriate and realistic before using them in an estimate.

Reviewing the above makes it very obvious that particular attention must be paid to the use and application of unit pricing for the development of accurate estimates that can be relied upon for a competitive and profitable project.

So before you arbitrarily rely on any unit price for a certain item in your next estimate, I urge you to research historical and published unit rates for that particular item and evaluate them appropriately for the project for which you will be developing the estimate based on the specific factors affecting the cost to perform the work. As a professional estimator, one should always estimate your own unit price(s) based on the best available information and realistic assumptions for that project.

Craig Tarr, CPE is the Denver Regional Manager for a construction consulting company, Madsen, Kneppers and Associates, Inc. He is a consultant with over 20 years of experience in the construction industry that specializes in estimating and the analysis of construction costs.

Mark Your Calendar!

AGC
“Building the Foundation Event”

A fundraiser to support Construction Career Days, Scholarships, Career Programs for Schools, Educator Workshops, AGC Student Chapters, and Professional Development

Date: September 22, 2011

Time: 5:00 – 7:00 p.m.

Where: Governor’s Residence Carriage House & Garden; 400 East 8th Ave

Registration: [http://www.agccolorado.org/events/all-events.html?event_id=14301](http://www.agccolorado.org/events/all-events.html?event_id=14301)
Critical Trends Driving the Future of the Construction Industry

Although the recession is not over for the construction industry, it does appear to have reached the bottom of the cycle. We also project that the recovery will be long and slow, with indications that it will be 2014 before we reach the levels of construction put-in-place of 2007. By identifying the underlying trends that drive the industry, firms can anticipate and mitigate those risks that are critical to the future success (or failure!) of any company. We will draw on FMI’s extensive research capability to explore a number of factors that are driving these issues.

About the Presenter: Kevin Kilgore is a principal with FMI, management consultants to the engineering and construction industry. He works with contractors in the areas of financial management, business and strategic planning, marketing and business development, human resources development, business continuity, and project management. Kevin is FMI’s Peer Group Discipline team leader.

Kevin works with contractor senior management teams to improve performance and results. His flexibility, extensive personal experience and diverse business background yield creative solutions for the construction industry.
The Constructors and Designers Alliance (CDA) invites you to attend the 2011 Fall Social at Translations Gallery in Denver. Enjoy food and drinks with other industry leaders in a casual and fun atmosphere!

**Thursday, October 20, 2011**
5:30pm to 8pm

**Translations Gallery**
1743 Wazee Street, Denver, CO 80202

**Cash Bar Available!**

*As an added bonus, many of Colorado’s top legislators have been invited and are expected to be in attendance that evening (details to be announced shortly.)

CDA is represented by the following 23 construction and design-related associations:
ABC, ACEC, AGC, AIA-C, AIA-D, ALCC, ASA, ASPE, AWCI, CCA, CFMA, CAMPC, CFPA, CMAA, DBIA, HCC, IECRM, NECA, RMMI, SDA, RMC-SFPE, SMACNA and SMPS

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*Make Checks Payable to CDA (Constructors & Designers Alliance)

Attending ___ x $45 = $ _______
1) ___________________
2) ___________________
3) ___________________
4) ___________________

FAX this form to 303-318-0534
c/o Hughes, Wedgwood & Co

MAIL this form back to CDA
c/o Hughes, Wedgwood & Co:
789 Sherman St., Suite 575
Denver, CO 80203
**President’s Article Continued…**

...advantage of a superb opportunity for growth. Please keep your eye out for the flyer coming out soon.

Third, we are kicking off this season at a new venue. On September 13th we will be meeting at the **Hotel VQ at Mile High, 1975 Mile High Stadium Circle, Denver, CO 80204**. This centralized spot should make it easier for more of you to attend. I’ve been told it has great views of downtown. Come see for yourself. Last, but certainly not least, I am happy to announce that we took home several awards from the National Convention that was held in Nashville in July. Please look for David Morgan’s excellent report in the newsletter. As always, If I may ever be of assistance, please give me a call at (303) 659-7861, ext 112, or email me at: heather@rollingplains.com

**Membership Statistics (as of August 4, 2011)**

**Current Membership Count** 99

**Chapter Membership Classifications:**

27.27%  27  Certified Professional Estimator (CPE)  
56.57%  56  Estimator (E)  
8.08%  8  Associate Member (ASM)  
1.01%  1  Constructor (C)  
0.00%  0  Student (S)  
5.05%  5  Affiliate Member (AF)  
0.00%  0  Member Emeritus (ME)  
0.00%  0  Honorary Member (HM)  
2.02%  2  Fellow (FCPE)  
100%  99  TOTAL
The convention began on Wednesday night, July 13th with the Welcome Reception and Regional Awards. Our Denver Chapter made a great showing with the following five regional awards: “Chapter Retention by Count for Chapters with More Than 20 Members”, “Best Chapter Program”, “Best Chapter Fundraiser”, “Best Chapter Educational Activity”, and “Best Chapter Newsletter”.

Thursday, July 14th started with the General Session and the first speaker was Jon Cummins of the Hutton Hotel. Jon gave a very interesting presentation on how the Hutton Hotel was originally converted from an office building into one of the top hotels in Nashville. Next, Henry Ferguson of Viewpoint Construction Software discussed how “Going to the Cloud” is becoming the next evolution in computing and what this new technology means for the estimating world. Then, the “Economic Outlook for the Construction Industry: 2012 and Beyond” was presented and the primary takeaway from this presentation was the fact that it appears that real recovery in the construction industry will not happen until 2012/2013, since we are now in a four-year cycle rather than the traditional two-year business cycle.

Following lunch on Thursday was a session on “Personal Branding”, which discussed ways to promote yourself, such as utilizing “squarespace.com” to build your own website with your own blog or Google Plus “Hangout”, which allows for conducting video conferences with up to ten friends or business associates at any one time. Also presented was how you can promote your expertise to your industry by answering some of the “Q & A” questions on Linkedin and if you have the best answer on the point system, you become recognized as an expert in that particular subject. Next in the afternoon was the “National Estimator’s Roundtable” which featured a panel of several very seasoned estimators answering some tough questions that are important to estimating and construction. Of particular interest was how particular companies would go through a “decision matrix” to decide on which projects to bid and how much margin they expected to earn and risk they expected to incur for the various types of projects and contracting methods (CM at Risk, Design-Build, Design-Bid-Build, etc.). Then Thursday evening, everyone boarded buses to head downtown to the Wildhorse Saloon. There was a great-tasting barbeque buffet meal and an engaging performance by Phil Vaught and his band, along with plenty of line dancing “on the floor”.

Friday morning, July 15th, began with the session “Overview of Chapter Officer Responsibilities”, which was particularly informative and pointed out the importance of good communication with your members and having high-quality programs that attract both...
members and potential members to attend the meetings. It was mentioned that chapters can even “steal ideas from other chapters” by looking at other chapter’s newsletters or websites and the like. Also, chapters were encouraged to obtain board of directors insurance and bond their treasurers. Friday afternoon’s session was about “Communications” and mentioned how to use the social media sites such as Facebook, LinkedIn, Twitter, Flickr, YouTube, etc. to promote both yourself and your company to potential customers. It was also mentioned that employers use Facebook extensively for conducting research on both prospective and current employees and how this has become rather controversial as of late. In addition, it was pointed out that if you blog extensively, you will come in the top five listings in any Google search on that particular subject.

“Membership” was also discussed on Friday afternoon and, on a nationwide basis, there was a net loss of members for the 2010-2011 year, since more members were lost than recruited. It was suggested to choose one program per year to invite high school and/or college students and promote ASPE to them. Also, it was mentioned to have at least one joint meeting per year with another local society (DBIA, CCA, AGC, etc.). Friday night was the National Awards Banquet and again, Denver Chapter 5 was well represented with the following three national awards: “Superior Chapter”, “Best Chapter Newsletter” and “Superior Chapter (25 Activities)”. This was a great honor and congratulations and thanks to all of you who have contributed to our chapter’s success.

Saturday morning, July 16th was the joint Northwest and Southwest Regional Caucus Meeting. This was a great session and good progress was made by most of the regional committees this past year. The goal for the upcoming year is membership growth and attracting new members with quality programs. The upcoming Regional Meeting will be hosted by our chapter in Denver on October 28th and 29th. On Saturday afternoon, the National Council Business Session was conducted and each of the officers and regional governors gave their reports. Next came voting on three proposed revisions to the Bylaws.

Proposed Amendment No. 1 was for the purpose of establishing the designation of “Lifetime Certified Professional Estimator” with the initials “LCPE”. After much debate on both sides, this proposed amendment narrowly failed to pass by a 2/3 vote of the delegates. Next, Proposed Amendment No. 2 regarded the payment of annual dues and stated that Annual Dues are due on August 1 at the Society Business Office and that new members will pay the full year dues upon joining with the first year renewal dues being prorated to bring them into compliance with the Annual Dues. This proposed amendment passed. Then, Proposed Amendment No. 3 dealt with the duties of the technical committees and stated that the Certification Committee was responsible for assigning the...
**Education Committee Update**

SAVE THE DATE! Our first educational event of the year will be a half-day estimating academy the afternoon of Friday, October 28th. The topics will include:

- “How to Integrate 3D Models to Aid in a Reliable Estimate”

- “Trends in Estimating, A Roundtable Discussion”

This event is put on in conjunction with the ASPE Fall Regional Conference for the Northwest & Southwest districts being hosted this year by your very own Denver chapter. More information to come!

The CSU Student Chapter is starting up again. Very soon we will be setting up a few meetings and programs with the chapter, and could use some volunteers to help. Thanks in advance to **Barry Masser** for joining the Education Committee and to **Craig Tarr** for volunteering to put on a program for the students. If you would like to join these wonderful folks, and are interested in being on the committee or volunteering, we could use your help. Committee members and volunteers are needed to meet students, help with securing speakers or being a presenter, and helping secure “Student Sponsorships” to underwrite the cost of bringing students to our chapter meetings and educational activities at a discounted rate. If you can help, please contact the Education Chair - Kye Holtan-Brown at khb4111@gmail.com.

**National Convention Recap cont. from page 9**

classifications of “Certified Professional Estimator” and “Lifetime Certified Professional Estimator”. This amendment passed with the revision that any reference to “Lifetime Certified Professional Estimator” be deleted, since Proposed Amendment No. 1 did not pass.

The convention concluded with the President’s Party on Saturday night. A fun time was had by all with the entertainment being provided by a professional hypnotist who did a comedy show. It was quite entertaining and amusing watching fellow members “perform” under hypnosis. Next year’s convention will be held in Reno, Nevada at the Silver Legacy Resort and Casino.

**ASPE 2011-2012 Meeting Schedule**

- September 13, 2011
- October 11, 2011
- November 8, 2011
- December 13, 2011
- January 10, 2012
- February 14, 2012
- March 13, 2012
- April 10, 2012
- May 8, 2012
The ASPE Certification Program

If you’re interested in the certification program and becoming a CPE, I encourage you to read the following article and then visit the national website http://www.aspenational.org/Certification_CertificationBoard.aspx. Oh, almost forgot … you need a minimum of 5 years of estimating experience to qualify for the program.

ASPE certification is a two part process. The candidate is required to write a 2,500 word technical paper and take two examinations.

The first exam is a General Estimating Knowledge Exam (GEK) consisting of over 500 questions across a broad variety of construction topics, including AIA documents such as the Instruction for Bidders and the AIA 201 Contract Between the Owner and Contractor. The candidate has four hours to complete the test.

The second exam is the Discipline Specific Test (DST). This exam is a test of the candidate’s specific area of expertise. Currently ASPE has Discipline Specific Tests in seven categories. Each exam is an eight hour test with true/false and multiple choice questions as well as estimating problems that are mini-estimates. As an example, a General Estimator is asked questions across all 16 CSI Divisions and estimating problems on Earthwork, Concrete, Wood Framing, and Structural Steel estimating.

Upon successful completion of the program the candidate receives the designation of Certified Professional Estimator, (CPE). The CPE must renew his certification every three years by accruing 30 points over the previous three years. The CPE is then required to earn points for the Continuing Certification program through activities such as continuing education, professional contributions, and teaching.

A candidate can participate in either one of two cycles per year. The cycles are labeled the Winter and Summer cycles. The Winter cycle starts about now. The Summer cycle starts around May. As a candidate your first task is to download the Certification Application from the National website, http://www.aspenational.org/userfiles/file/Prof_Eval_App_110109A.pdf. You have two application choices, the Member or Non-member. Choose the one that fits your need. Review the application and then call me. You need some direction before you can correctly complete the application and submit it to me for verification. If you don’t receive good direction on completing the exam, you run the risk of making mistakes and missing your intended cycle due to a resubmittal. It takes some time to fill out the voluminous application so get started early. Once you complete the application and have submitted it to me with the application fee. You have to have the

Quote of the Month

“Real integrity is doing the right thing, knowing that nobody’s going to know whether you did it or not.”

~ Oprah Winfrey

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ASPE Certification Program Cont…
application to me by December 1, 2009. I need time to validate the application information. If you don’t submit your application in time you won’t be enrolled in the Winter cycle. National is very strict about the deadlines. No leniency about not having the applications to them by January 1, 2010. Once your application is submitted you sit and wait until approximately the middle of February or the middle of August. At that time you will be informed that your application is accepted (if you completed it correctly) and you are eligible to take the Certification Workshop. This is an on-line program that must be completed within 30 days of your receipt of application acceptance. Then it’s off to write your paper. The paper needs to be completed within 100 days of completing the Certification Workshop and to National by July 13 and September 13. Within 20 days of National receiving your paper you will be informed if your paper is acceptable and you can continue with the process. Now it’s time to take the two previously mentioned tests. Once the tests are completed the National committee can take up to August 4 or February 8 to inform you if you have completed the process and you are deemed a CPE. Just one more little caveat, this entire process must be completed within the cycle you have signed up for. Gone are the days of allowing an extension into the next cycle. If you interested and have more questions contact me. I’ll be glad to help.

Bruce Thompson, Certification Chair, 303-353-3658

PROJECT SPOTLIGHT

Submitted by Weifield Group

LEED Platinum Certification While Preserving Historical Value
Wayne N. Aspinall Federal Building and U.S. Courthouse
Grand Junction, Colorado

Weifield Group Contracting is providing electrical services to a building project that is being described as “the first of its kind in the entire nation”. Upon completion in 2013, the Wayne Aspinall building is expected to be the GSA’s first Site Net Zero Energy building on the National Register of Historic Places. This remodel will transform the 92-year old structure into a sustainable facility, becoming Weifield’s third Net Zero project. Weifield plans to match and redesign historical fixtures while pursuing the highest LEED efficiency for this first GSA historic Net Zero remodel.

The three-story building is named after Wayne Norviel Aspinall, a Coloradan lawyer and politician. He served as a Democrat from 1949-1973 from Colorado’s Fourth District in the US House of Representatives. The Wayne Aspinall Federal building originally functioned as a post office and courthouse in 1918, then a large extension was added in 1939. Designed by renowned architect James Wetmore, the professional office building currently houses the U.S. District Courts with plans to host nine federal agencies after completion. The multi-tenant building will be fully occupied throughout the modernization project. Building physics analysis has been used to study space thermal comfort, natural ventilation and daylighting potential, envelope thermal performance, renewable energy potential, and whole building energy performance. A 115 kW roof and canopy mounted photovoltaic

Continued on page 12…
The following is a list of companies who are represented at ASPE Chapter 5…

Acoustical Concepts
Acoustical Services Corp.
Adolfson & Peterson Construction
Akima Construction Services, LLC
Alutiiq, LLC
ARC Integrated Program Management
Assoc. Construction Consultants
Buckles & Associates
Building Tech Consultants, Inc.
Catamount Constructors
CDM Constructors
CFC Construction Company
CH2M Hill Constructors, Inc.
CLC Associates, Inc.
Coblaco Services
dcb Construction Company, Inc.
Demand Construction Services, Inc.
Douglas Roofing
Drake Williams Steel
Duro Electric Company
Eastcliffe Construction LLC
ETG Systems, Inc.
Fransen Pittman General Contractors
Golden Triangle Construction
Heartland Acoustics & Interiors
Heggem-Lundquist
Howell Construction
Hyder Construction, Inc.
Insituform Technologies, Inc.
Interior Alterations, Inc.
J.E. Dunn
Jacobs Engineering Group
J.R. Huston Consulting
Kellogg, Brown & Root, Inc.
Landtech Contractors Inc.
Ludvik Electric
Madsen Kneppers & Associates
Main Electric
Management Computer Controls
Maxwell Builders
Merrick & Company
Metro Steel Fabricating
Mortenson
MWH Constructors
Northern Electric Inc.
PA Consulting Group
Palace Construction Co.
Pasterkamp Heating & Air Conditioning
Pinkard Construction

Project Spotlight Cont...

array, DC micro-grids, GeoExchange, and variable refrigerant flow systems are proposed.

Energy produced in excess of the building’s needs will be exported to Grand Junction’s electrical grid. The building will also feature state-of-the-art florescent and LED light fixtures with wireless controls and storm windows with solar control film to reduce demand on heating and cooling. The building will also get energy efficiency upgrades for its shell, space conditioning (with variable-refrigerant flow), ventilation, and wireless controls.

The building project goals possess nothing short of creating a template of construction marvel that will make a mark in history. To preserve and maintain the unique aspects that a historic building holds while integrating modern cost and energy efficiency will set new standards on engineering design for the future.

Member companies cont…

Piper Electric
R.D. Simmermon & Company
RFP Consulting, Inc.
Rider Levett Bucknall
Roche Constructors
Rolling Plains
Shaw Construction
SL Mechanical Consulting, Inc.
Solutions Before Solutions After
Spears Manufacturing
Starr Painting and Drywall
Sturgeon Electric
Sunstate Equipment
T.P. Enterprises, Inc.
Tetra Tech
The Blue Book
Total Plumbing, Inc.
Trautman & Shreve, Inc.
Universal Forest Products
Vertex Construction Services, Inc.
Weifield Group Contracting
West Electric
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