



Subcontractors Association of the Metroplex

PUNCH LIST

The voice of the Subcontractor's Industry



Subbie Sam Says.

A PROFESSIONAL SUBCONTRACTOR WILL NEVER BE CAUGHT SIGNING AN UNFAIR CONTRACT!



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CHANGES AND EXTRAS—WATCH OUT!

Change orders are inevitable - but getting paid for that work can be a challenge! Here are a few simple suggestions to improve your odds!

At Bid Stage

First, know what work is included in your base contract. Thoroughly review the plans and specifications you're bidding from, and list on the bid itself the specific plan sheets and specification sections (including date) you're basing your bid on, and exclude all others. Detail the work you propose to perform and the work you are excluding.

At the Contract Stage

Carefully review the stated scope of work, and the documents the general contractor lists in the subcontract. Ensure that the plans and specs have not been revised

since you bid the project, or that additional sheets or spec sections have not been sneaked into your scope.

Most subcontracts agreement written today requires a written change order prior to performing additional work on the project. For the unscrupulous, this requirement gives the general contractor an opportunity to get work performed on the jobsite for "free." Also, many subcontracts provide that only certain persons are authorized to request and approve change order work - so make certain your onsite workers know who to take directions from.

Watch for subcontract terms calling that you perform extra work without any assurance of payment by the contractor - a type of "don't worry, we'll work

this out later" term - just don't agree to this. Avoid agreeing that payment for extras depends on payment from the project owner - the work may not be Owner's work at all. Of course, a limited percentage for profit and overhead is a real "gotcha," too.

During Construction

Set expectations for the GC early on; let them know that you will hold them to their contract requiring written change orders before performing additional work. Once the job starts, the GC's superintendent will inevitably request extras, so that's when you remind the superintendent that his company procedure requires a written change order, and get a clearly defined scope for the change.

If time is tight and Change Orders can't be issued, get written work authorization signed before starting the extras; it need not be pretty - no points off for grammar or spelling - just get it in writing! Then, right away (within 24 hours), get it to the GC so a Change Order be prepared and issued, and follow up until you have it in hand. DO NOT wait until project end to sort out extras - at this point the GC is in a superior negotiating position and getting full payment on the extra work you have performed is much less likely.

Unpaid changes and extras can turn a profitable project into a real drag. Be sure you are ready to spot, and get paid for, extra work and you'll see the difference in your bottom line.



National Subcontractors Alliance Executive Director Lynne Black holds forth during the NSA's Spring Conference in San Antonio. A lot of work got done, it was not all work.!



Elias Vela, OSHA's Compliance Assistance Specialist

10 MOST COMMON OSHA VIOLATIONS

SAM's friend, Elias Vela, OSHA's Compliance assistance specialist presented our March program. Elias stressed the point that OSHA is there to prevent our employees from being injured or killed on the jobsite. He presented the statistics for the USA and Texas didn't fare too well as they led the nation in jobsite

deaths. He emphasized that the responsibility for keeping employees safe is the employer. He also pointed out that an employer that properly trains its employees in safety would be looked on kindly in the event that an employee did not follow the instructions that they were

given. He said that an employer should have a disciplinary program set up for their employees that do not follow the safety rules, and this would also help in the event that OSHA catches a worker not following the rules.

Thanks to Selena Zarate

TCA PAC CHALLENGE WILL MATCH 2:1



match, dollar for dollar, any SAM member's personal contribution, up to a total of \$5,000 from all SAM members. That's two dollars added to each dollar we contribute! The TCA is doing important work that benefits SAM Members. The SAM Board urges all our members to take advantage of this challenge and invest in better laws for Subcontractors.

Remember, PACs can only accept private donations. Company funds cannot be used. Use the link below to download the contribution form, then submit to Pete Snider for presentation to TCA.

This challenge ends on May1, 2016. Don't wait, help today!



For pledge forms contact Executive Director, Pete Snider at: execdir@sam-dfw.org.

At the March meeting, SAM Member Ricky Locke of Independent Insurance Group reported on the recent ASA/TCA PAC fund raiser. The money raised from this event will be used to support candidates for the Texas Legislature who will work with TCA on issues important to Subcontractors.

At the event, two ASA members offered a direct challenge to our members. The current ASA National President and the immediate TCA past chair have each agreed to separately



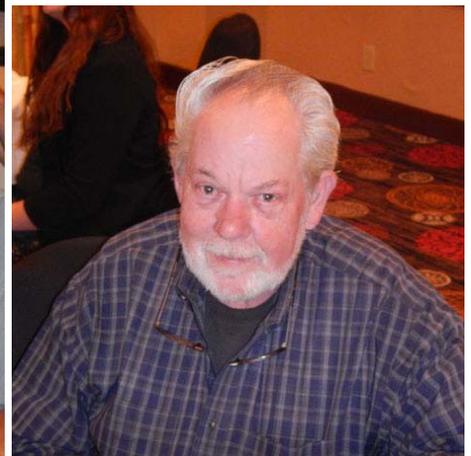
The rest of the story: Angela Zarate is expecting twins as a surrogate mother. What a wonderful gift!



New member, Andrew Craft of Titan Fence



Program Chair Selena Zarate with husband Frank, both of Groves Electric.



Robin Bust of BSB Construction, back from a hiatus in St. Louis.

PROPOSED FLSA CHANGES



The Department of Labor's (DOL) proposed changes to the overtime regulations under the Fair Labor Standards Act (FLSA) but have not been officially approved by the President.

In the meantime, please review the list below to prepare for what may lie ahead:

1. Significant Impact.

Employees and employers across every industry and sector will be impacted. Most employers covered by the FLSA will need to analyze employee classifications and make other changes. According to DOL, 11 million employees will be impacted.

2. Salary Level Will Increase.

To be exempt currently, workers must make more than \$455/week (\$23,660 annually). The proposed rule sets the standard salary level at the 40th percentile of weekly earnings for full-time salaried workers which for 2013 was \$921 per week, or \$47,892 annually. If the 40th percentile approach is adopted, the 2016 level is projected to be \$970 a week, or \$50,440 annually. This will impact all sectors including the non-profit and service sector industries as well as certain geographic areas of the country.

3. For the First Time Ever, DOL Proposes to Automatically Raise the Salary Lev-

The Department is proposing to automatically update the salary level (including for highly compensated employees) on an annual basis, either based on percentiles of earnings for full-time salaried workers or based on changes in inflation.

4. Changes to Highly Compensated Employees (HCE).

The Department is proposing to set the HCE annual compensation level equal to the 90th percentile of earnings for full-time salaried workers (\$122,148 annually), or based on changes in inflation. Currently, in order to come within this exemption an employee must earn at least \$100,000.

5. Feedback Sought on Duties Test and Nondiscretionary Bonuses.

While no changes have been proposed yet, the regulation acknowledges challenges associated with the duties test and seeks additional examples regarding specific occupations. Similarly, the Department of Labor wants to hear from employers about the possibility of including nondiscretionary bonuses to satisfy a portion of the standard salary requirement.

6. State Law Application.

Employers in states with wage and hour laws that are more restrictive in their application (for example, California) will need to review their coverage requirements under federal law in light of these proposed changes.

Workplace Flexibility Will be Impacted.

Changes will require employers to reclassify a significant number of employees from exempt to non-exempt status, requiring tracking of hours worked, resulting in the workplace flexibility policies.

Reference: SHRM.org 8 Things to Know about Proposed Overtime Regulations



Michelle Smith of MasterThink



Ricky Locke of the Independent Insurance Group. Ricky brought us the 2:1 PAC match for the TCA

WORKPLACE PREDICTIONS



Experts in Business (Future of Work Symposium) have several predictions for the next few years that may change the face of the workplace. Here they are:

Technology – will be positive for business because it facilitates communication and collaboration on a daily basis. This can result in a more engaged and productive workplace.

Freelancers – the rise of the contingent workforce will change the old employer-employee relationships. Freelancers will work the "gig economy" to build skills and experience while determining whether they are interested in a company employment situation. People are looking to supplement their incomes, consider themselves entrepreneurs and are searching for flexible work arrangements. In fact, according to a study by Elance-oDesk, [Freelancing in America: A National Survey of the New Workforce](#), 53 million Americans are now freelancing. And 69 percent say technology is aiding their ability to do so.

Business intelligence – currently 39% of organizations are doing some form of business intelligence analytics. Data-driven insights are imperative for organizations to remain competitive.

Emerging economies – Asian and Middle Eastern markets continue to increase, and global talent will be a shortage due to the aging workforce. Companies will be looking to upskill workers to maintain competitive advantage, and those skilled employees can expect to see wages rise as talent shortages in certain regions drives salaries up.

Millennials – the Gen Y factor is a live and well. It is anticipated by 2020, 50% of the Global Workforce will be Millennials. This will change the face of the workforce and well as the markets. The Gen Y'ers are already changing the workplace but will do so by the sheer momentum of their numbers.

Leadership – leaders have traditionally been selected based on experience, company knowledge, and loyalty. This will not be the 21st criteria for organizations. Organizations are looking for more inspirational and collaborative leaders. Leaders will be expected to communicate (both in person and through technology) more with employees and have less hierarchical management style.

Reference: Wright, A.D. (12/21/2015) Tech Predictions. SHRM.org



Subcontractors Association of the Metroplex



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The Subcontractors Association of the Metroplex was founded with the purpose of creating an affordable forum for Subcontractors to exchange information and learn from each other how to be better business men or women.



Sam is a member of the National Subcontractors Alliance, the largest Subcontractors association in the USA, through whose Association of Specialty Contractors affiliation we have a National Legislative voice. The Texas Construction Association, is SAM's unifying voice of the trades in the Texas Legislature, and SAM members have all the benefits of the TCA.

Sam is also allied with the National Federation of Independent Business who has a voice in the Texas Legislature on small business issues.

Your Source for Subcontractor's information.



Visit us at:

<http://www.sam-dfw.org>



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If you're not a member of SAM, you should be.

Call Pete Snider for a membership application.

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