



Subcontractors Association of the Metroplex

PUNCH LIST

The voice of the Subcontractor's Industry



Subbie Sam Says

- Don't forget that you're bound to the terms of the contract that you sign.
- If you don't read the contract that you sign, the odds are that you'll have to read it in the future
- Most contractors will modify the language that is not fair, and if they don't, do you really want to work for them?

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Hot Air Blog - NSA's Attorney Council and ConsensusDOCS

One of the benefits of your SAM membership is the connection with the outside world away from your cloistered business environment. Your membership in SAM gives you ears and a voice in your industry. It connects you with subcontractors around the country, State and Federal legislators, and industry coalitions.

One of these industry coalitions is ConsensusDOCS. **ConsensusDOCS** is a family of standard contract documents written and endorsed by a coalition of 35 leading construction industry organizations (the ConsensusDOCS Coalition). ConsensusDOCS offers more than 90 different construction contract documents covering all methods of project delivery. The DOCS in ConsensusDOCS is an abbreviation for the Design Design, Owner, Contractor, Subcontractor and Surety organizations represented in the ConsensusDOCS Coalition. The ConsensusDOCS mission is to advance the design and construction industry by identifying and utilizing best practices and fairly allocating risks to all parties.

You, as a member of SAM are part of this ConsensusDOCS coalition through SAM's membership in the **National Subcontractors Alliance (NSA)** and NSA's membership in the **Associated Specialty Contractors (NSC)**.

NSA has an Attorneys Council where we are represented by our own Spike Cutler, that meets regularly and discusses and tries to solve legal problems that face our industry.

One of the problems that we all face is unfair contracts. The coalition to develop ConsensusDOCS is trying to solve this with a set of contracts that will bring fairness and accountability to the construction industry.

ConsensusDOCS has developed 8 series of documents consisting of more than 90 specific contracts and forms to address this issue. Our Attorneys council is in the process of reviewing these to make recommendations to the coalition and also to endorse the documents that we feel are fair to our members.

At this time our Attorneys council is reviewing:

- 235 Standard Agreement Between Owner and Constructor (Cost of the Work)
- Exhibit A to ConsensusDOCS 235 Description of the Work
- Exhibit B to ConsensusDOCS 235 Existing Contract Documents
- 450 Standard Agreement Between Design-Builder and Subcontractor
- 460 Standard Agreement Between Design-Builder and Sub

contractor (GMP)
702 Standard Purchase Order for Commodity Goods

There are two more documents up for review that we probably won't review. They are:

- 415 Standard Agreement Between Owner and Design-Builder (Lump Sum)
- 421 Design-Builder's Qualification Statement for a Specific Project

The feeling among the Attorneys on the council is that we may not see these contracts used much, if ever. They are just too fair! The benefit to us as members is that we will have access to these documents that have been approved by every leading construction industry organization. We can use them as a substitute to the bad contracts that the General Contractors try to sucker or bully us into signing, or can use them as a negotiating tool to bargain for better terms on a contract that we've been offered. They are also very valuable to cite when you are bidding a job. For example:

"This quotation is based on the use of ConsensusDOCS 450 standard agreement"

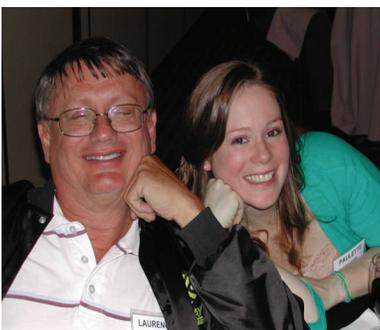
If you qualify your quotes you have a leg to stand on when negotiating a contract, or refusing to sign it.



President James Mayhew with Speaker-member Kerry Johnson (top) Ian Buchanan (Bottom)



Agnes Faire—good to see Agnes back at SAM



New Members Laurence Otto and Paulette Cervantes from Midway Sealcoating and Striping

KERRY JOHNSON—Year end preparations

SAM's lucky to have such good talent in its group.

As Subcontractors, we often get so wrapped up in our industry that we often forget that we're business men and women too.

Kerry Johnson gave us an entertaining and informative program at our November meeting to get us prepared for the end of the year.

Kerry gave us a check list of things we need to do to finish our our financial year so we could maximize our profits.

He had a way of making our business financial planning easy to listen to and easy to remember. Those of us that heeded his advice are much better off going into the new year.

Kerry is a CPA with Fox, Byrd & Company, and has

many Subcontractor clients.



SAM says: Don't forget, We're businessmen and women.

BILL DENDY— Scheduling, the last frontier in Competitiveness

Bill Dendy is a consultant, an experienced project manager and a subcontractor. Bill grew up in construction and has made it his passion. Bill spoke to our October meeting about the least used tool for sales, scheduling.

Bill pointed out that price and quality are the most

often areas of discussion in sales negotiating. If a Subcontractor would come armed with scheduling information and assistance for the General Contractor, he would be proposing some added value and therefore have a better chance at getting the job.

Bill woke us up to our op-

portunities



Banks are lending, but are small businesses benefiting?

After falling in 2009 and 2010, total outstanding bank loans increased nearly 3% between July and September. "We saw modest improvement in our [small-business] optimism index in the last three months, so this lending data may be an illustration of that," said NFIB/Pennsylvania State Director Kevin Shivers. But loans have typically been going to larger firms, said Marilyn Landis of Basic Business Concepts. "Who's getting these loans?"

It's the larger companies, and it's in larger loan amounts," said Marilyn Landis, president of Basic Business Concepts, a small business consulting firm on the North Shore that specializes in finance.

Figures from the Federal Deposit Insurance Corp. for the level of commercial and industrial loans of \$1 million or less tend to support her claim. Such loans to small businesses from the nation's banks have receded from an

aggregate \$336.4 billion at year-end 2008 to \$279.9 billion as of Sept. 30.

"Banks are continuing to tighten lending standards, even though they say they are not," said Landis, a former chairwoman of the National Small Business Association.

Source: NFIB Smart Brief and the Pittsburgh Tribune-Review

Healthcare law misses the mark with small business

The tax credit included in President Obama's health care law may be too small and too temporary to encourage small business owners to insure their employees, ac-

ording to industry representatives. The complex rules for the credit create a barrier to small businesses using it, and some conclude the cost of prepar-

ing the return would be larger than the credit they'd receive, says Robert F. Graboyes, senior healthcare advisor at the National Federation of Independent Business (NFIB).



Stewart Jones of Texas Specialties, listening intently.

How would Robert De Niro answer an e-mail?

"What Would Robert De Niro Type?" Here's how it works: You get an e-mail. You read that e-mail. You respond to the e-mail as if you were Robert De Niro. You will find that your e-mail responses will involve messages like "Sure" and "Great" and "Yes" and "No" and "Perfect" and "Come on" and "Sorry." Warning: Do not confuse the man with the

characters he has played. Otherwise you might find yourself typing things like "Sit there. Don't move. Let it bleed."

You will also find that you might actually get on the phone with someone if the response requires too much typing. Bobby De Niro is

not going to sit there and type a long e-mail. He's going to pick up a phone and figure it all out. Or, if the person you're e-mailing is in the office, you might find that you actually get up from your desk and go talk to that person face to face.

Source: Entrepreneur Magazine



Jesse Abercrombie, a new face in the crowd.

Start 2012 on an organized note by Rhonda Abrams

As a small-business owner, I like to start the new year right.

So I have a long-standing tradition: Once a year, during the slow period between holidays, I clean up my desk.

Normally, I'm a person who piles, not files. But that means sometimes it's hard to see my desktop, not a good way to begin a new year.

In a small business or when you're self-employed, you gather a lot of clutter during the course of a year. When I worked by myself, all this stuff could become paralyzing. I learned I had to make sure that at least once a year -- at the beginning of the year -- I felt organized. So I slip into the office when it's closed, on a holiday or weekend, turn up the music, and seriously get down to decluttering my work space.

Please join me in my small-business tradition, especially if you keep saying to yourself, "One day, I have to clean up this mess." Let's get ready for the new year. Here's how. First, get the right tools handy. Here's what you'll need:

- **Comfy clothes.** You're going to get dusty and perhaps get down on your knees to clean out files.
- **Two trash cans,** one for trash and a bigger one for recycling. You're going to be throwing a lot of paper away.
- **A shredder.** It's not safe to throw some stuff into a recycling bin, such as papers with personnel or financial information; pre-approved credit card offers; job applications from people you didn't hire, especially if they have their Social Security numbers on them. (Legally, you're required to shred documents with this kind of information).
- **File folders,** file drawers, and a label maker. Believe it or not, you're going to put stuff away.
- **A contact management system,** business card reader, or some method to turn info on physical cards into digital data. If you're like me, you have a stack of business cards from people you've met in the past year. Either enter them into a database, add them to your email newsletter list or throw them out. Next, you'll need an attitude adjustment.

You don't need to hold on to absolutely everything unless you want to end up on an episode of that TV show, "Hoarders."

As you pick up each piece of paper, make a decision: Is this something I really need? If it is, decide what you're going to do with it. If not, toss it NOW.

OK, so now we're going to get down to the hard work of making decisions about what to keep and what to toss.

Here's the basic rule: When in doubt, toss it out. Most of the stuff on and in your desk is clutter. You're never really going to use or need it again.

Those stacks of industry trade journals? Out! The agendas for staff meetings? Out! Anything printed that you have an electronic version of on your computer? Out!

Get rid of most of it, and you'll feel much better. Believe me. Of course, some things you need to hang on to, especially when you're self-employed or own a small business. Here's a guide of some stuff to keep:

1. Financial documents. I've got a pile of taxi and parking-lot

receipts. Do I really need those? Actually, yes.

My accountant told me to keep supporting documents for business expenses for at least five years. Many documents you may want to hold on to indefinitely, such as tax returns, stock and investment statements (to establish your basis for taxes once you sell these assets).

But get a locking file cabinet, and put them away.

2. Legal documents. Hold on to any contracts, business licenses or incorporation papers, critical correspondence with suppliers or customers, and anything that might involve a legal action on which the statute of limitations has not run out.

3. Personnel records. Payroll records, insurance documents, performance reviews.

4. Bids. Hold on to suppliers' bids until the work is finished. It's also useful to retain bids for the past year or two to keep track of pricing. But then toss them out.

So join me. Clean off your desk, and you'll feel ready to face 2012 with a fresh start

Source NFIB Smart Brief.



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, and also a member of the Association of Specialty Contractors where we have a voice in National Legislation.

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>



Our Association Officers

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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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**SUBCONTRACTORS—
THE ONES WHO
REALLY BUILD THE
BUILDING**