



Subcontractors Association of the Metroplex

PUNCH LIST

The voice of the Subcontractor's Industry



Subbie Sam Says.

Instituting an Apprenticeship program will insure that your company and the industry has a good supply of qualified tradesmen.

SAM is your best source of Subcontracting related information.

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HAPPY NEW YEAR!

The new year is upon us, and with it, a "clean slate" upon which to write your story of success!

The construction industry in North Texas, and North Texas subcontractors, had a record-setting year in 2015. By every possible measure, including construction volume and (for most contractors) profitability, 2015 was a banner year. The challenge, then, is to make sure that you build on your success.

OCIP/CCIP CHANGES

SAM members may recall that, through the effective advocacy of SAM's legislative advocacy affiliate, the Texas Construction Association, the Texas legislature passed a bill calling for improvements in the way Controlled Insurance Programs are handled. Most important: construction project participants are entitled to be told if they are expected to participate in a OCIP or CCIP, and the general provisions of those programs.

The law now requires that, if you are required to participate in a CIP, the sponsor must provide key information about the CIP no later than 10 days before the date for the contract to be entered into. In particular, you should be provided information regarding the

coverages provided by the insurance program, and other requirements, so that you can compare the CIP coverage with your base insurance coverage. CIPs have been characterized as the "wild west" of insurance coverage, so a little clarity will be useful.

Since this law is new - it took effect January 1, 2016 - plan sponsors (both owners and contractors) are likely not yet up to speed on compliance. Here's where we subs can help! When notified that a project is subject to a CIP that you are supposed to be participating in, immediately request, in writing, a copy of the insuring agreements by which the CIP is implemented, along with a listing of procedural requirements (CIPs are notorious for having details of participation, including coverages, deductibles, charges and other aspects ambiguous or downright hidden until after the contractors are enrolled).

If, after requesting information about a CIP, you find you're not getting the information, be very suspicious, indeed. CIPs do not exist for the purpose of improving insurance

coverage for plan participants; they exist as a substantial profit center for the plan sponsors, a way for owners and contractors to take more money out of the pockets of subcontractors.

MUSICAL CHAIRS?

We are beginning to see signs that some project owners, and some general contractors, are cracking under the strain of the remarkable volume of work they been doing; slow-pays are increasing, and lien and bond claim volumes have been increasing as well. Don't let yourself be so busy that you neglect performing proper due-diligence on new contractors (and there are lots of those coming into the state), reviewing and aggressively negotiating contracts and, of course, protecting your rights through appropriate lien and bond claim notice filings.



Spike Cutler is SAM's general Counsel, and king of the last minute articles.



CONTRACT BONDING AGENCY
Partners in construction. Bonded by trust.

Clem Lesch of PCL Contract Bonds, board member and co-sponsor of our seminar



Ricky Locke of the Independent Insurance Group, co-sponsor of our seminar



NOVEMBER'S LIEN AND BOND CLAIM SEMINAR

SAM had a record attendance of over 70 at their November Lien and Bond Claim Seminar.

Thanks to the generous sponsorship of PCL Contract Bonds and the Independent Insurance Group, SAM was

able to keep the price down to an amazing \$25 / each attendee! This compares with seminars that typically cost \$200 or more.

Spike Cutler presented this comprehensive seminar and Cutler-Smith donated the

printed materials. The seminar covered the notices and schedules that we need to follow to submit a valid lien or bond claim and to insure that we will receive payment for the labor and materials (and a bit of profit) that we have provided to build a project.

SAM PRESIDENT'S COMMENTS

Happy New Year 2016 to all new and longtime members of SAM! For those of you I have not met, I am Paul Holden, the current President of SAM. I am one of the owners and managers of Facility Construction Services, Inc. (FCS), a Drywall & Woodwork subcontractor working primarily in the DFW area. 2015 was a good year for FCS and we are hoping 2016 will be even better for us and all SAM members. It appears that the economy is beginning to rebound, so all of us in the construction industry should benefit from this. I am excited to be involved with the SAM group and appreciate your support by electing me President of the Association. I am honored to serve the Association as President and be your representative in Austin on the Texas Construction Association (TCA) board, our subcontractor lobbying group at the Texas State Capitol.

I would like to take the time to highlight a few of the member benefits that your SAM dues bring you and your company:

- Monthly SAM Dinner & Networking meetings with professional speakers discussing important industry topics. Go to www.sam-dfw.org for more information.
- Annual Lien & Bond, Subcontract language and OSHA seminars for SAM members.
- Twice a year SAM "Happy Hour" networking get together for a less formal way to get acquainted.
- Membership in the Texas Construction Association (TCA) which provides access to Workers Compensation insurance, Fuel & Office Supply discounts and full-time subcontractor issue lobbying in Austin. Go to www.texcon.org for more information.
- Membership in the National Subcontractor Alliance (NSA) a national subcontracting Association. Go to

www.nationalsubcontractors.com for more information.

New SAM website to be introduced in the next 30-45 days. The new website will allow online meeting registration and payment as well as allowing more member interaction and information dissemination. An announcement of the launch will be forthcoming.

Thank you all again and I look forward to meeting each and every member of SAM. Please bring a fellow co-worker or potential new company member to each meeting. One of our 2016 goals is to grow the membership of SAM. The first meeting is complimentary for potential new members.
Paul Holden, FCS



A packed house at SAM's November Lien and Bond Claim Seminar



Spike Cutler, SAM Chapter Attorney and premier educator presenting at the Lien and Bond Claim Seminar

THE LOST ART OF APPRENTICESHIP

According to a 2012 [study](#) by the McKinsey Global Institute, a management consulting firm, we may face a shortage of about 40 million high-skilled workers and 45 million medium-skilled workers by 2020. At the same time, analysts predict that there will be a surplus of 95 million workers who do not have the training to fill most vacant jobs.

It's a bleak assessment of the [ever-widening skills gap](#) in today's workforce. Business leaders are scrambling to find solutions to address the skilled worker shortfall and secure the top talent needed to ensure the future success of their companies.

Bridging the Skills Gap

In light of the current situation, one long-held practice of building the next generation of skilled workers has seen resurgence in recent years.

Apprenticeship has a long history, with roots going back to the Middle Ages and earlier. Craftsmen often employed young people as laborers who, in addition to living arrangements, [received training](#) in their craft. Starting as young as 10, apprentices would live with their master craftsmen teachers for years, learning their trade and honing their skills before eventually striking out on their own, and continuing the cycle by taking on an apprentice of their own.

Today, driven by factors like the skills gap, the rising cost of higher education, and an increased emphasis placed on STEM education in schools, many young workers are finding apprenticeships to be an affordable and rewarding path toward meaningful careers. Developing apprenticeship programs makes great business sense. Instead of spending

time wading through the talent pool looking for workers who already have the skills you need, it may make more sense to find people who are less qualified, but willing to learn.

So, what makes a good apprenticeship?

Just as all businesses have their own individual characteristics, no two apprenticeships will be exactly alike. However, there are some broader core concepts and practices that will help set the stage for success. **Set expectations** Before taking on an apprentice, you must first and foremost set expectations. From outlining the training you will provide to setting a framework for what you expect from your apprentice and establishing milestones, both master and apprentice have to be prepared to [make a commitment](#) to each other.

1. Lead by example Anyone who's been in a profession long enough has undoubtedly picked up a few shortcuts along the way. However, in an apprenticeship, it's important to stay away from "do as I say, not as I do." It's hard to know where you're going if you don't know where you've been. Being meticulous about the process, every step of the way, builds greater understanding and respect for the craft and helps develop a more well-rounded apprentice who will be more capable of one day becoming a master.

Let them fail

Hands on experience is imperative to a successful apprenticeship, but the hands of a novice are especially prone to failure. Although it's inevitable that apprentices will have their [fair share of failure](#).

1. the key is to help ensure they always fail forward, understand their mistakes, and use the knowledge of what went wrong to more confidently get back on the horse.

2. Don't sugar coat it Be upfront about the good, the bad, and the ugly of the job. Painting too rosy of a picture about the work they're banking their career on can create false expectations. If an apprentice is going to have a successful career, they have to be willing to deal with potential pitfalls and be confident that they'll be able to work through them while looking at the bigger picture and understanding that sometimes you have to suffer for your craft.

Don't lose touch Although an apprenticeship will eventually come to an end, it doesn't mean the relationship should. Stay in contact with your apprentice and be active in following their career. Let them know you are there if they need help along the way. There may even come a point when the student becomes the master and returns the favor by teaching you a thing or two.

Credit: Jared Box and

Express Employment Professionals.



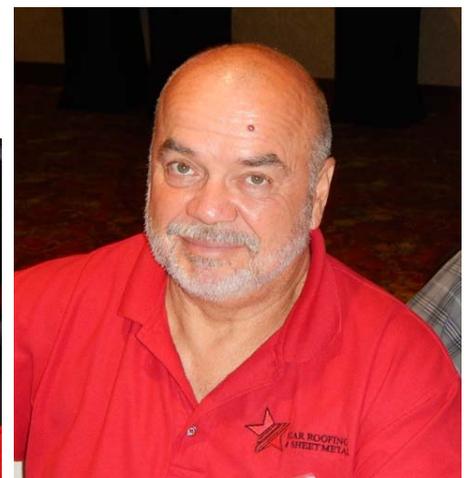
SAM is your best source of information for the Subcontracting industry



This was a really great seminar



SAM charter member Billy Neu of Neuco. Billy lost his Rowlett house in the December tornadoes.



Steve McDaniel of Star Roofing still suffering with multiple surgeries to repair a broken foot. You can reach Steve at: star1@yayoo.com



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 a member of the Texas Construction Association, the unifying voice of the trades in the Texas Legislature and as such all SAM members have access to 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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**SUBCONTRACTORS—
THE ONES WHO
REALLY BUILD
THE BUILDING**