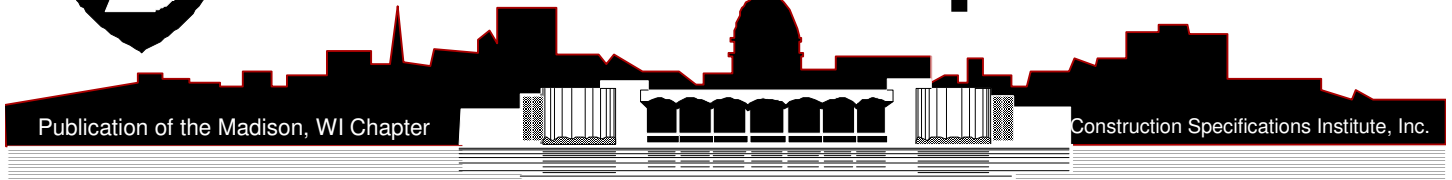




mad - spec November 2011



Madison Chapter Website: www.csimadison.org

How to Convert Profit Goals to Successful Bid Pricing Results

MEETING DATE: November 8, 2011

PRESENTATION TOPIC:

Got profits? Many contractors do not accurately calculate their burden when bidding. Inaccuracies in calculating burden leaves them either under or overpricing their products. The first can lead to massive losses; the second, massive losses. Yes, both take money right of their pockets. Our meeting program starts with the premise that to be successful, a contractor needs to understand its profit goals and work backwards to establish a budget and, thereafter, bid pricing to meet those profit goals. Sometimes easier said than done. But, techniques, principles, and other insights--including when to walk away from a project--are made simple by our presenter, Ted See of the TASCAN Group.

PRESENTER:

Ted is the President of the TASCAN Group, a business consulting firm located in Middleton, Wisconsin that specializes in business valuations and maximizing company profits through financial and operational analysis. Ted is a 1967 graduate of Purdue University's Krannert School of Business with a degree in Industrial Management, and a major in economics and finance. He is a licensed Board Certified Business Appraiser (BCBA) having completed all necessary courses, exams and demonstrations as required by The Real Estate Law Institute, Inc. He has authored the books *How to Price a Business* {featured in *Changing Times* magazine, a Kiplinger publication} and *How to Accurately Price Any Business*.

DATE: November 8, 2011

MEETING SCHEDULE:

Social Hour: 5:00 PM to 6:00 PM

Dinner: 6:00 PM to 6:45 PM

Program: 6:45 PM

LOCATION:

Vintage Brewing Co., 674 S. Whitney Way, Madison (Formerly JT Whitneys)

DIRECTIONS:

Exit north on Whitney Way from the Beltline (Hwy 12). It is on the left after the lights at Odana Road.

COST: \$20.00 per person. Students \$7.00

RSVP: Please RSVP to a Board Member

About CSI:

The **CONSTRUCTION SPECIFICATIONS INSTITUTE** is a National technical Society embracing the entire construction industry, including research and development, manufacturers, material suppliers, subcontractors, prime building contractors, as well as design and specifying Professional Architects and Engineers.

The Society is dedicated to continuing education through free interchange of information and experience among its members throughout the entire construction industry.

Information about CSI and applications for membership are available at Chapter meetings from the Membership Committee. Those interested in membership are urged to attend Chapter meetings and get to know us.

About mad-spec:

Mad-spec is the monthly newsletter of the Madison, Wisconsin Chapter and is distributed free of charge to all Chapter members and interested parties in the Construction Industry in the Southern Wisconsin area, other CSI Chapters in the North Central Region, and selected CSI Chapters nationwide.

Mad-spec does not approve, disapprove, sanction or guarantee the validity or accuracy of the data, claims, or opinions published in this newsletter.

Republication rights of any original article appearing in mad-spec is granted to other CSI-affiliated publications providing credit is given to the author and mad-spec.

Mad-spec advertising rates are based on 10 or 11 issues as follows:

1/9 page—\$75	2/9 page—\$110
1/3 page—\$165	2/3 page—\$285
Full page—\$375	

Rates are based on the advertiser providing electronic file compatible with Microsoft word processing software. The deadline for copy for the following month's issue is the third Wednesday of the month.

Mad-spec will publish personal ads, help wanted, positions desired, office equipment for sale, announcements of new appointments and assignments, and other notices of interest from Chapter members, advertisers and others (at the discretion of the Editor and space available) free of charge on a one-time basis. Contact the Publications Chairperson for extended time rates.

Another service provided is the option of the advertiser providing a 8-1/2 by 11 camera-ready advertisement in which it will be printed and mailed as an insert into the mad-spec at the rate of \$100 per month of publication.



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About Madison Chapter:

BOARD MEMBERS:

President.....	Kent Calloway
	Phone: 608-831-3752
	E-mail: calloway@chorus.net
First Vice President.....	Dan Maki
	Phone: 608-240-9110
	E-mail: dan@facilityengineeringinc.com
Second Vice President:	Karl Kraemer
	608-516-9300
	E-mail: 1775honeycreek@gmail.com
Third Vice President	Alan G. B. Kim, Jr.
	Phone 608-661-3964
	akim@vonbriesen.com
Secretary.....	Todd Lewis
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	E-mail: toddalewis@earthlink.net
Treasurer	George Keehn
	Phone: 608-273-0552
	E-mail: gkeehn@aol.com
Director	Lynn Javoroski
	608-232-4372
	E-mail: ljavoroski@flad.com
Director	Sar Schnucker
	Phone: 608-273-6380
	Email: sar.schnucker@meadhuntcom
Immediate Past President.....	Curt Norton
	Phone: 608-576-7108
	E-mail: cnortoncsi@aol.com

COMMITTEE HEADS:

Education.....	Richard Wandschneider
	608-246-6746
Academic Affairs.....	Curt Norton
	608-576-7108
Technical.....	Steven Schatz
	608-222-4991
Membership	Alan Kim
	608-661-3964
Certification.....	Sar Schnucker
	608-273-6380
Golf Outing.....	Ross Mori
	608-837-7899
Publications	Curt Norton
	608-576-7108
Advertising	George Keehn
	608-273-0552
Awards.....	George Keehn
	608-273-0552
Website.....	Steve Schatz
	608-222-4991

PAST PRESIDENTS:

Roger E. McMullin.....	1958-1959
Ronald Starkweather (D).....	1959-1960
Harold L. Olsen.....	1960-1961
Robert C. Cashin.....	1961-1962
Norman Kenny	1962-1964
Stanley Anacker (D).....	1964-1966
Robert C. Kendall.....	1966-1968
Howard R. Steinmann.....	1968-1970
Harold R. Ames.....	1970-1972
Dwight D. Zeck.....	1972-1975
Anthony P. Pawlowsky.....	1975-1978
William T. Gray (D).....	1978-1982
Eileen K. Bey.....	1982-1986
James C. Gaskell.....	1986-1987
Larry W. Ryan.....	1987-1989
Al Martinson.....	1989-1992
H. Steven Schatz.....	1992-1996
Thomas E. Irvin.....	1996-2000
Noel Valdes.....	2000-2002
Ross Mori.....	2002-2006
Curtis D. Norton.....	2006-2010

FELLOWS OF THE INSTITUTE:

Ronald S. Starkweather, FCSI
Harold L. Olsen, FCSI
William P. Vickers, FCSI
Howard R. Steinmann, FCSI
Lynn Javoroski, FCSI, CCS

NC REGION DIRECTOR:

Ross Mori, CSI
Phone: 608-837-7899
E-mail: rmori@trachte.com

Meeting Schedule:

2011

Nov. 8 - Job Pricing w/Ted See
Dec 13 - Holiday Party

2012

Jan. 10 - (Joint meeting w/AIA)
Feb. - Engineers Week
Mar. 13 - TBD
Apr. 10 - TBD
May 8 - Tour TBD
Jun. 12 - Social event TBD

CSI Dates to Remember

The CSI Academies

March 1-3, San Diego

[Learn more.](#)

NCR Conference

April 19 - 21, 2012; Omaha, NE

CSI - Madison Golf Outing 2012:

August 7, 2012

MEMBER FORUM:

Mad-Spec is **YOUR** newsletter. Local news is always of interest to our members. If there is anything going on with you or your company, let me know. Articles on technical issues are needed also. Writing from local talent is what will make our newsletter shine.

Email: cnortoncsi@aol.com

Thank you,
Curt Norton, CSI, CCS, Editor

Deadline for next issue is
October 19, 2011

The Prez Sez....

They say time flies when you're having a good time, but lately for me time is flying if I am having a good time or not. Time management is becoming more important as technology makes it seem like it is easier to do and get things done. So we pack in more activities in a day than we should. One of those activities that is easy to make time for is our monthly chapter meeting November 8th which is coming up fast. We have a great meeting planned for you, "How to Convert Profit Goals to Successful Bid Pricing Results" Ted See of the TASCAN Group will be presenting this important topic.

The other event that will be presented at the November Chapter Meeting is a special membership campaign. Beginning on November 8th CSI is offering new members 50% off of national dues and our local dues which is a great deal. This offer is good for 14 days. This is one of those times that will pass quickly, so if you or someone you know is interested in joining CSI, do it during this membership campaign, just 14 days, remember time flies when you're having a good time and CSI has a special membership offer.

I would like to thank our members and guests for all of the kind comments on the meetings we have had this year. As always we are looking to you for ideas for future meetings. If there is any topic and speaker you would like us to have in a future chapter meetings please contact any of the board members we would be happy to hear from you. I look forward to seeing you at the next Chapter meeting.

Kent Calloway, CSI, CCS, AIA
Madison Chapter President

Limestone Restoration Seminar

Sponsored by: International Masonry Institute (IMI)

WHERE

International Masonry Institute Training Center
17125 West Cleveland Ave
New Berlin, WI 53151
Enter thru glass doors in back of building (south side)

WHEN

Wednesday, December 7, 2011
7:30 am Registration, Continental Breakfast
8:15 am Seminar Begins
12:00 pm Adjourn

COST

\$25 per person.

Click on the link for details:

<http://www.imiweb.org/calendar/Limestone%20Restoration%20Seminar%20Flyer.pdf>

When An Owner Wants Nothing for Something

Beauty is in the eye of the beholder and it may be necessary from time to time to give a stupid or misinformed beholder a black eye.

-Miss Piggy

To err is human. But despite our best intentions and efforts, errors in construction sometimes occur. Often, the error is minor and neither impacts structural safety nor detracts from project quality, value or aesthetics. Still, an Owner may demand what could be an expensive and unnecessary correction. On the one hand, the Owner wants to get what they paid for. On the other, the Contractor would like to avoid the costs

of an unnecessary and impractical repair. Wisconsin's Economic Waste Doctrine can be used to break the stalemate.

Wisconsin's basic contract damage rule is that a party is entitled to have what they contract for or its equivalent in money. In the construction context, defect damages are measured either by: (1) the cost to repair; or (2) the diminished value of the project due to the defect (the difference between the value of the structure as contracted for and its value as built). But this rule does not apply if repairing the defect would result in "economic waste." The Economic Waste Doctrine says that an Owner can recover the cost of repair or the diminished value of the property with the defect, whichever is less. In practice where there is little or no diminution in value, the Contractor could be found to have breached the contract but not be obligated to pay much or even, any, damages.

There is no hard and fast rule as to what constitutes "economic waste." But caselaw is instructive. In a recent Wisconsin case, a homeowner sued because they were dissatisfied with the appearance of the brick used on their new home. The Homeowner demanded replacement of all of the brick, arguing that they were entitled to get what they paid for. The Contractor felt that removal and replacement of the brick was wasteful especially because staining the brick to give it the correct appearance was possible and far less expensive. In deciding the case, the Court recognized the Homeowner's subjective feelings about the brick but ruled that the brick was not structurally defective and did not lessen the property's value to any degree. Despite acknowledging that the brick provided was not what was contracted for, the Court felt that tearing all of the brick out and replacing it with other brick was economically wasteful. This was because the cost

(Continued on page 5)



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Attention AIA Members

CSI Madison Chapter is registered with the American Institute of Architect's Continuing Education System (AIA/CES) and is committed to developing quality learning activities in accordance with AIA/CES criteria.

Most programs Madison Chapter CSI conducts will meet the AIA/CES criteria for acquiring learning unit hour credits. The number of learning units received depends on the length of the program.

At each meeting, CSI will provide an AIA/CES Sign-Up Sheet for you to provide your name and AIA membership number—please print clearly! If you can't find it, please ask. CSI will send in the form to AIA within 2 weeks.

Kent A. Calloway, AIA, CCS



George Keehn, CSI
District Sales Manager
Phone: 608-273-0552
gkeehn@jwcbldgspec.com

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to stain the brick to the proper appearance was far less expensive than replacement. At the end, the Court awarded the Homeowner the cost to stain the brick--\$11,000--and not the hundreds of thousands of dollars needed to replace it.

In retrospect and to try to avoid this result, the Homeowner could have clearly identified the type and appearance of the brick desired. The Homeowner could also have clearly stated in the contract the importance of the type and character of the brick desired. Importantly, if this had been a remodeling project, Wisconsin ATCP 110 would have required the Remodeler to specifically identify and describe the brick to be provided if it was considered "a principal product or material to be used." Failure to do so could have lead to substantial penalties as were imposed in the Stuart v. Weisflog case.

We always want happy Owners. Yet, on the other hand, doing what an Owner requests is not always practical. But, as with knowing what tools are available to efficiently complete a project, Contractors should also know that the Economic Waste Doctrine can be a tool to help them efficiently resolve a project dispute.

Comments? Questions? Feel free to write or call me at akim@vonbriesen.com, (608) 661-3964. Thanks also go to attorney Eileen Kelley for her assistance with this article, especially its snappy title.

Alan G. B. Kim, Jr.
von Briesen & Roper, s.c.
akim@vonbriesen.com
608-661-3964
Three South Pinckney St., Ste 1000
Madison, Wisconsin 53703

BOARD OF DIRECTORS MEETING MADISON CHAPTER – CSI


DATE: October 7, 2011

PLACE: Vintage Brewery


CALL TO ORDER: 12:05pm

ATTENDANCE: Present: Kent Calloway, George Keehn, Sar Schnucker, Curt Norton, Lynn Javoroski Absent: , Alan Kim, Karl Kraemer, Todd Lewis, Dan Maki, Guests: None

Henry J. Predolin Humanities Center – Edgewood College, Madison



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Potential CSI Members:

Want to know more about CSI?

Call **Alan Kim, CSI** (608) 246-8500 or any Board Member (See Page 2).

MINUTES OF LAST MEETING:

Approved

TREASURER'S REPORT: George Keehn presented a financial statement and was approved

CORRESPONDENCE:

--Kathy Rabb Monthly Report and Invoice #1019 - Approved (Invoice needs to be more detailed on activities)
--CSI 50/50/ Membership Form: Program has been implemented and will be announced at the November meeting. The membership offer is good for 14 days from November 8th.

COMMITTEE REPORTS:

CERTIFICATION: Institute sent out survey to fill out

MEMBERSHIP: No Report

PLANNING/MEETING TOPICS:

PRODUCT REPRESENTATIVES

Would you like the opportunity to do an inexpensive sales pitch to our professional members? If so, I would like to remind you, that we do offer tabletop presentations at our chapter meetings. The cost for doing a tabletop presentation is \$50.00 for chapter members, and \$75.00 for non-members. Your fee includes a table set up for you to display your products, and a chance to do a brief (10 minute max.) introduction for yourself and your products.

To reserve a space at one of our upcoming meetings, please contact:

Curtis Norton
(608) 576-7108
cnortoncsi@aol.com

September: Off
October 1, 2011: CSI Promotional Meeting featuring possibly Walter Marlow Executive Director National CSI
November 8, 2011: How to Convert Profit Goals to Successful Bid Pricing Results (Alan)
December 13, 2011: Holiday party (George)
January 10, 2011: Joint Meeting with AIA (Kent)
February 14, 2012: Engineers Month Possible Joint meeting with ASHRAE (Ross)

PUBLICATIONS: Next deadline October 15, 2011

OLD BUSINESS: None
NEW BUSINESS: None
DATE/TIME/LOCATION FOR NEXT BOARD MEETING: Friday, November 4, 2011 at 12:00pm at Vintage Brewery

ADJOURNMENT: Meeting adjourned at 1:05pm

Respectfully submitted,
Kent A. Calloway, CSI, CCS, AIA
President, CSI Madison Chapter

Click [here](#) for more information about MasterFormat 2011.