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AMERICAN SUBCONTRACTORS  
ASSOCIATION NATIONAL AFFILIATION

Please Join Us...

### ASA-MN Educational Event

**“How to Win the Fight! Change Orders and Claims”**

October 2, 2007, 7:00-4:00, Mendakota Country Club

Download registration form at [www.asamn.org](http://www.asamn.org)

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## ASA-MN Member Spotlight **tri-state drilling, inc.**

**Business Name: Tri-State Drilling Inc.**

Established: 1955, Employees: 80, [www.tristatedrilling.com](http://www.tristatedrilling.com)

Business scope: Drilled pier foundations for bridges, buildings, and primarily high voltage transmission line poles.

Overview: Nationwide service for drilled pier construction.

- Fleet of 17 drill rigs; truck, crane and crawler mounted.
- Specialist in power transmission line and PCS towers.
- Hard rock drilling for bridges and buildings.
- Downhole hammers and cluster drills from 5 to 48” diam.
- Master of difficult drilling situations involving wet holes, unstable ground conditions, slurry drilling, swamplands.
- Five equipment yards located in key areas of the U.S.
- Environmentally sensitive expert for drilling in flood plains, tidal flats, and marshlands.
- Management & employees offer 800+ years of combined drilling experience

Current projects of interest: 220 Mile transmission line in NW WI. Other projects for Nashville Electric and Northeast Utilities in Connecticut.

ASA—Giving *Subcontractors* the *EDGE* Since 1966

| ROUTING |  |
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## MARK Your Calendars 07-08 Events at a Glance

**National ASA Champions Academy** Oct 6-9, 2007 Alexandria, VA

**Education: How to Win the Fight! Change Orders and Claims**  
October 2, 2007 7:00-4:00 pm — Mendakota Country Club

**Education: Contracts and Negotiation**  
December 11, 2007 8:00-10:00 am — Mendakota Country Club

**8th Annual T.O.P.S. Award & Membership Excellence Dinner**  
January 24, 2008, 5:30 pm — Mendakota Country Club

**Education: General Contractor Panel Discussion**  
February 28, 2008 4:30-6:00 pm— Majors Sports Café, Roseville

**ASA National Business Forum & Convention 2008**  
March 6-8, 2008 Charleston, South Carolina

**Education: TBD**  
March 27, 2008 8:00-10:00 am

**Education: TBD**  
April 24, 2008 8:00-10:00 am

**10th Annual Golf Tournament**  
June 16, 2008 at StoneRidge Golf Club, Stillwater



Committed to Quality  
Subcontracting

# SUB-NEWS

## The Voice of Subcontractors

Volume 11, Issue 33

Quarter3, 2007



### Welcome New Members...

#### Erickson Plumbing Heating & Cooling, Inc.

Stacy Erickson, President  
1471 - 92nd Lane NE  
Blaine MN 55449  
763-783-4545 Fax 763-783-4566  
serickson@ericksonphc.com  
www.ericksonphc.com  
HVAC, Plumbing Electric

#### HLB Tautges Redpath, LTD.

Paul Longsdorf, Officer  
4810 White Bear Parkway  
White Bear Lake MN 55410  
651-426-7000 Fax 651-426-5004  
plongsdorf@hlbtr.com  
www.hlbtr.com  
CPA

### ASA-MN Board of Directors 07-08

#### Officers:

President: Patrick Kennedy, Kraus-Anderson Ins.  
Vice President: Ryan Miner, Fabyanske, Westra, Hart & Thomson, P.A.  
Secretary/Treasurer: Jami Anderson, H&B Specialized Products, Inc.  
Past President: Chris Lorsung, Willis of MN

#### Board Members:

Chapter Attorney, Moss & Barnett, P.A., Curt Smith  
Cedarleaf, Cedarleaf, & Cedarleaf, Inc., John Pribnow  
Donnelly Stucco, Chris Cariveau  
Haldemann-Homme, Ron Johnson  
Kremer Davis, Bill Roehrick  
John A. Knutson & Co., Jeff Meek  
Lloyd's Construction Services, John Lloyd  
Medina Electric, Julie Nielson  
Parsons Electric LLC, Jill Graven  
Saint Paul Linoleum & Carpet Co., D.J. Murzyn  
Schaefer Hardwood Floors, Amy Schaefer Lee  
VIRACON, Inc., Elaine Erickson

## ASA-MN 9<sup>th</sup> Annual Golf Tournament, Most Golfers Ever!

June 16, 2007—StoneRidge Golf Club, Stillwater, MN. ASA-MN held it's 9<sup>th</sup> annual golf event. Our best attendance ever. Over 100 golfers and volunteers joined in the effort to raise money for student scholarships and local advocacy efforts.

After a short rain delay, the golfers hit the course and stayed dry for a great day of golf at the beautiful StoneRidge Golf Club in Stillwater. The tournament was made possible by the generous participation of companies (see inside) who provided golfers, sponsorships and volunteer support.



The course was in great shape as was the facility which also provided a fabulous buffet dinner. Team and individual skills were rewarded with cash and prizes.



ASA-MN would like to thank all our volunteers, picture 1, Glenn and Jody from John A. Knutson & Co., #2 Elaine Erickson, Viracon, Inc, #3 Ryan Miner, Fabyanske Westra Hart & Thomson and Rich Volovsek, Structural Wood Corp, not pictured, Marilyn Klopp, Minuti-Ogle Co. along with all the participants of the golf event whose generous participation helped raise significant funds benefiting student scholarships and local advocacy initiatives.





## Thank You Participants of ASA-MN's 9th Annual Golf Event!

Action Overhead Garage Door Co.  
**Advance Shoring Companies\***  
 B&B Sheetmetal & Roofing  
**Cedarleaf Cedarleaf & Cedarleaf, Inc.\***  
 Cemstone Products Co.  
**Cobb Strecker Dunphy & Zimmermann\***  
**Collins\***  
 Electronic Design Company  
**EnviroBate Metro**  
 Fabyanske, Westra, Hart & Thomson, P.A.\*  
**Frattalone Companies\***  
 Goldleaf Financial, Ltd.  
 Golf Zone  
 H & B Specialized Products, Inc.\*  
 Harris Companies\*  
**HLB Tautges Redpath, LTD.\***

**John A. Knutson & Co., PLLP\***  
 Kennedy Recognition Marketing  
 Klein Agency, Inc.  
**Knutson Construction Services, Inc.**  
**Kraus-Anderson Insurance\***  
 Kremer & Davis, Inc.\*  
 Lloyd's Construction Services, Inc.\*  
 Lon Musolf Distributing  
 Mavo Systems, Inc.\*  
**McGough Construction Co., Inc.**  
**Medina Electric, Inc.\***  
**Metro Communication Serv., Inc.**  
 Minneapolis Concrete Recyclers  
**Minnesota Elevator, Inc.\***  
**Minuti-Ogle Company, Inc.\***  
**Molin Concrete Products Co.\***  
**Moss & Barnett P.A.\***  
**National Fire Sprinkler Assn.\***  
 NewMech Companies, Inc.\*

**Parsons Electric LLC\***  
 Principal Financial Group  
**Ramsey Excavating Co., Inc.\***  
 RJF Agencies, Inc.\*  
 Ryan Companies US, Inc.  
 Saint Paul College  
**Schaefer Hardwood Floors\***  
 Shaw-Lundquist Associates, Inc.  
 St. Croix Architectural Sales  
 St. Paul Linoleum & Carpet Co.\*  
**Stahl Construction Company**  
 Structural Wood Corporation\*  
 Ungerma Construction  
**VIRACON, Inc.\***  
 W.L. Hall Company  
 Welsh Companies  
 Willis of Minnesota, Inc.\*  
 Zurich Construction  
 \*Members, **Bold indicates Sponsor**



## ASA Chapters in Action...Making Change Happen!

### ASA of Colorado Secures Long-Awaited Victory as Governor Signs Anti-Indemnity Reform Bill

Years of advocacy by ASA of Colorado (ASAC) finally paid off this week as Gov. Bill Ritter (D) signed a sweeping indemnity reform bill into law that will prevent the contractual transfer of liability and close the additional insured loophole. At a signing ceremony on Wednesday, April 11, Rep. Randy Fischer (D), a sponsor of the legislation, stated, "S.B. 87 is about fairness and equity in the business environment and that is good for business and good for consumers and therefore good for Colorado."

### Kansas Governor Signs Legislation - Prompt Pay Requirement Applies to All Projects

Subcontractors in Kansas will be assured of payment on all projects following Gov. Kathleen Sebelius' (D) signing of the Fairness in Public Construction Contract Act (S.B. 333), a comprehensive prompt payment law that requires public owners to pay contractors undisputed amounts due within 30 days of receiving a proper invoice and contractors to pay subcontractors within seven days of receiving payment from owners. The April 21 signing represents a major victory for ASA-Greater Kansas City (ASA-GKC), which helped secure the passage of similar legislation for private work two years ago. "Fairness is our goal - and was from the start," said ASA-GKC Secretary/Treasurer Ken Keller, Western Extralite Co., Kansas City, Mo., regarding the new law's seven-day requirement, which applies to all tiers of construction. The law addresses no-damage-for-delay and other critical issues as well. The advocacy effort was bolstered by a recent Subcontractor Advocacy Grant from ASA.



## The Hidden Costs of Accidents that Affect Your Bottom Line

*How many additional hours of work are required to pay for a \$1,000 accident?*

When an accident happens, a whole string of events are triggered that can have an enormous impact on a company. From a financial standpoint, an accident results in significant costs and expenses. Managers and leaders need to be aware of this; after all, they are the ones who are responsible for handling the "pocketbook".

An accident on the jobsite costs money. These costs fall into two categories: direct costs and hidden costs. Direct costs are those expenses that are easily measured and immediately relate to the actual accident. An example would be the 'deductible' we pay if our car is in a collision. That \$250, \$500 or \$1000 is subtracted directly from any insurance claim payment. It immediately comes right out of our pocket!

Hidden costs are more subtle and harder to measure, but actually add up to far more than the direct costs. In fact, studies of workplace accidents reveal that for every \$1.00 paid on an insurance claim, there can be as much as \$4-5.00 in hidden costs that must be absorbed by the company. Good grief!

Examples of hidden costs include: lost production time by employees helping an injured worker, jobs that are late or unfilled due to the interruption, and costs associated with replacing injured workers. There are also costs to replace equipment or materials not covered by insurance, potential OSHA fines, increased insurance premiums, and time lost by supervisors filling out paperwork related to the accident. The list goes on and on...

So, how many additional hours of work are required to replace the lost profit of an accident? Consider this scenario: An accident has a direct loss of \$1,000. The estimated hidden cost of that accident is \$4,500. If the company operates at a 3% profit margin, then there must be additional sales of \$150,000 to make up for the lost profit. If the average hourly wage is \$80.00, then an additional 1,875 hours need to be produced to make up the costs associated with this \$1,000 accident. That's almost a whole year of work. Can you even imagine how many additional jobs would have to be completed to pay for a \$10,000 back claim? Scary.

The bottom line is that accidents cost money. Those companies with good safety records enjoy greater success and have a higher profit margin than those with frequent accidents. In addition, employee morale is higher and operations run smoother. Everyone wins! I encourage you to keep this in mind and think of it when you see safety hazards at your jobsite or thinking of canceling your next safety committee meeting or safety training because you are too busy. Safety pays!

Written by: Laura Moore, Risk Management Consultant, ASA-MN Member RJF Agencies, Inc. 763-746-8252



## ConsensusDOCS coming in September

ConsensusDOCS is a new family of model contract documents was involved in the development and is being endorsed by many several owner, design and contractor groups to include ASA and AGC. The documents will be published this September. ConsensusDOCS owner-contractor model contract helps establish subcontractor rights, responsibilities and remedies, enabling subcontractors to manage risk and succeed. Document's outline terms for payment, indemnification and insurance, delay damages, design responsibility, dispute resolution and general conditions. Learn more about these new documents during an ASA webinar.

### Learn More About ConsensusDOCS With ASA's 2007-08 Webinar on Sept. 11

Participate in this webinar, titled "New Directions: Navigating the Stage Set by the ConsensusDOCS Owner-Contractor Agreement," presented by Russell O'Rourke, Esq., O'Rourke and Associates Co., Cleveland, Ohio. Scheduled for Sept. 11, from 11:30 a.m. to 1:30 p.m. EDT, To register for this and any of ASA's upcoming distance-learning events, call (703) 684-3450, Ext. 1304, or visit [www.asaonline.com](http://www.asaonline.com).