

Press Release
April 29, 2010

Subcontractor Associations Join Forces

The Boards of American Subcontractors Association of Minnesota (ASA-MN) and the Minnesota Association of Residential Subcontractors and Suppliers (MARSS) have agreed to join together. Discussions at a number of meetings related to the union of the two Associations have been underway for several months as members analyzed advantages and implications of the action. In the end, nearly identical needs and objectives led to approval of the unification.

Both groups represent construction subcontractors; MARSS members tend to work in the residential construction market but some of their members perform commercial work as well. ASA-MN members tend to work in commercial construction but some members started with, and continue to do residential work.

A chapter of ASA national, headquartered in Alexandria, Virginia; ASA-MN has represented subcontractors in Minnesota since 1992. With over 60 members, ASA-MN advocates on behalf of subcontractors and provides educational and networking opportunities for members. Its primary advocacy issues are subcontractors and supplier's payment matters. ASA works cooperatively with many other construction groups; it is an active participant with the Building Jobs Coalition and coordinates the Contractor's Bill of Rights Coalition (CBRC). ASA also salutes preeminent general contractors at its annual TOPS award ceremonies.

MARSS is an energetic home-grown association that was formed in 2008 due to payment issues residential subcontractors and suppliers were having with home builders. The organization quickly grew to include over 80 members and was the leading force in the enactment of 2009 legislation that removed the exemption residential builders enjoyed from prompt pay requirements in Minnesota Statutes. The ASA and the CBRC had included the same change in its model legislation.

The CBRC is an alliance of over 20 subcontractor trade organizations. In mid 1990's the coalition successfully worked for enactment of a statute that is referred to as the Contractor's Bill of Rights (337.10) which became effective August 1, 1997. It affects (1) the location of litigation or arbitration and the law governing them, (2) lien waivers, (3) prompt payment to subcontractors and material suppliers, and (4) progress payments and retainage. Continuing concerns with payment issues led the ASA to revive the CBRC in 2008. The same trade associations came together again to address subcontractor's issues and shortcomings in the statute. The CBRC introduced a bill in 2009 that would prohibit the pay-if-paid provision found in many construction contracts. A separate section of that same bill required lenders to give notice of default on projects. The ASA also introduced another bill in 2010 that would require that retainage be placed in an interest bearing account and be released to the contractor within 30 days of substantial project completion.

As stated earlier, the two associations have nearly identical objectives and even use the same lobbyist, Remi Stone. The combined resources of the two groups will increase ability to work

on legislative and regulatory issues; it will also improve financial standing and ability to attract members. It is the goal of the groups to increase visibility as the primary voice of subcontractors on issues such as payment, retainage and fairness in construction documents. The ASA will continue to offer education programs (understanding contracts, negotiations, credit, financial management etc.) and will develop programs tailored to meet the needs of residential subcontractors.

With this unification MARSS members will become members of ASA-MN with full rights of membership in the ASA National Association. The effective date of the change is May 1 but steps are already underway to ensure that MARSS members have access to ASA national member benefits. It is anticipated that current MARSS Board members will join the ASA board for the year beginning on July 1, 2010.

Mike Schmaltz, Executive Director for ASA-MN will continue as Executive Director for the combined group.

ABOUT ASA-MN

The American Subcontractors Association, Minnesota (ASA- MN) is a non-profit trade Association and has represented specialty trade contractors and suppliers in the construction industry since 1992. ASA-MN is the only construction association that concentrates exclusively on the business issues affecting subcontractors. Its members include both union and non-union firms from every trade specialty. More than 90% of all construction is performed and financed by subcontractors.

ASA-MN represents members with local and state issues and works in tandem with the ASA in Alexandria, VA. on national issues. Its focus is on needed reforms with retainage, prompt payment, lien rights, bidding practices and hold-harmless agreements. Together with its national office, the association offers robust education programs, professional information and support systems for subcontractors.

By advocating fairness as the bedrock principle; the ASA goal is to establish the best possible public and business environment to enable success of all parties in a construction transaction

For more information please contact:

Mike Schmaltz
Executive Director
American Subcontractors Association MN
16112 Wake Street NE
Anoka, MN 55304
Office: 763-413-0669
Fax: 763-413-1131
Info@asamn.org
www.asamn.org

