Poor Internal Controls Could Debar Your AEC Firm From Government Contracting

You don’t want to be a statistic or one of those “Poor Bob” stories featuring the demise of your company because you were removed from government contracting opportunities.

Unfortunately, these stories are common, and the root cause is pretty consistent: lack of proper internal controls that contribute to inaccurate – and perhaps even fraudulent – overhead rate calculations and improper expense submissions.

It’s a scenario that can be readily avoided.

**5 Internal Controls That You Must Have**

With many FAR audits under our belts, we see a pattern when it comes to missing or inadequate internal controls that get contractors into trouble. The worst case: contractors submit unsupportable or improper overhead rates or continue a pattern of claiming unallowable costs that lead to being debarred. The best case of a bad situation: the contractor loses money because of lost billing opportunities related to allowable expenses.

Here are five “must have” controls that typically are missing or inadequate in contractors’ accounting policies:

1. A no exemption policy on time sheet submission, with a particular emphasis on time submissions by owners and managers
2. Processes and procedures for approvals of time sheet submissions and transfers
3. Processes and procedures for allocating and monitoring expenses to appropriate accounts
4. Processes and procedures for making and monitoring reconciliations of payroll and job costing systems
5. Ongoing staff training and communications supporting policies on proper procedures for time

Continued On Page 28
Making Maryland Magnificent

Beneath a dome of ornate plasterwork that once dazzled vaudeville audiences, Plano-Coudon Construction recently created an 8,000 square foot expansion of a contemporary work space to meet the needs of technology innovators.

Key Tech – a Baltimore company that transforms complex technical requirements into sophisticated electromechanical products for medical, industrial and consumer markets – had established offices in 2002 in the west half of the former McHenry Theater (1917 Vaudeville Theater) on Cross Street. As the company grew, however, Key Tech executives decided it was time to occupy the entire theater.

“We wanted people to come into this space and be in awe,” said Keith Lipford, vice president of operations. “So we worked hard to find the right team with the right experience and resources to achieve our lofty goals. Thanks in large part to Plano Coudon, all our goals were either met or exceeded. The reaction our clients have when they view contemporary floating mezzanines inside this beautifully ornate Vaudeville Theater, let’s just say there is a significant awe factor!”

“With our renovation, a lot of things had to come together in a short period of time and the folks at Plano-Coudon did a really great job at making that happen,” Lipford said.
I am not an architect. But I am a person who markets architects’ services. Sure, I write about the merits of aesthetic design, advantages of sustainability, and the strength of our portfolio in our marketing materials, but what clients really want is what I like to call “architectural seduction.”

Of course all clients need to trust they are in capable hands when developing multimillion dollar projects, but what I find intriguing is that what they really want lies in how the built environment is actually experienced. If you can stir a client’s impassioned desires by directly tapping into those desires, it is no doubt the beginning of a beautiful relationship.

Getting a firm’s marketing mojo going involves three things:

**Website**

Put your website to work as your most attractive and accessible asset! Don’t hide behind a corporate logo. Subtly reveal information about your company, and celebrate your expertise, your culture, your eye for design to the online world. In other words, let clients get to know you. This is your first kiss, in a way.

**Social**

Reach out and stay in contact. And like content marketing expert Melinda Emerson says, “You have to give to get.”

**Listen**

Architects pour countless hours into their work year round, year after a year on a single project.

The crafting of solutions for our clients always comes down to knowing the details (and of course the budget) and always listening to the client. But what most people don’t know about is the passion behind the scenes. Go ahead, be a little voyeuristic here. Never mind the community engagement meetings, continuing education credits, rigorous five-hour licensing tests or how architects endure inhuman hours in studio while in school…. It’s their passion.

And with passion, comes architectural seduction: a true expression of what the developers, clients, and peers that we work with really care about. After you conceptualize, design, and build a building, well, it just isn’t just a building. Therein enters marketing. To simply say the building has 121 units and a grand lobby that tends toward modernistic undertones is not enough! No way.

Instead, you might describe it like this: “The interior lines are clean and modern, drawing their inspiration from the profile of an Aston Martin. Hints of the old brick structure peek through the new art display niches in the lobby and act as a textural backdrop to the art. Boasting 121 units …”

Now, doesn’t that tell a better story? A good story has to be told, you want your audience to be engaged and feel like they have experienced the site firsthand. This is where you will begin to understand the passion architects put into their work, which in turn translates to what they put into their client’s projects.

Now for pillow talk… admittedly architects do have a way of describing the built environment like no one else. A few examples are: “undulating facades” (curvy front), “massing constrained by a tight urban site” (10 pounds of flour in a five-pound sack), “first touch point detailing” (door knobs), and of course “wood studs.” Don’t even get me started about interior designers: lighting, textures, layering, functionality, natural elements, and classic lines. Such zealous infatuation is a great thing to see in action.
Buildings including residential consume approximately 40% of the world’s energy followed by transportation and industry.

On January 1, 2015 the State of Maryland adopted the 2015 International Energy Conservation Code or IECC with adoption and enforcement on July 1, 2015. One tool to determine compliance is called COMcheck which allows the equivalent of ASHRAE (American Society of Heating Refrigerating and Air Conditioning Engineers) Standard 90.1-2013 Energy Standard for Buildings. Maryland and Vermont were the first two states which adopted this standard. As of this writing two additional states, Alabama and New Jersey have adopted this standard.

This baseline standard for high performance buildings has significantly changed how buildings are designed, constructed and operated over the past decade. While various types of buildings have different energy savings results, on average 30% energy savings were realized between ASHRAE 90.1-2004 and ASHRAE 90.1-2010 standards. An additional +7% energy savings is anticipated for buildings designed to ASHRAE 90.1-2013 standards.

It’s both a challenging time and exciting time for engineering innovative products and then applying them in a building design. Previous creative high performance building designs used in the past have been adopted by codes as requirements today. More than ever designing buildings to meet or exceed these code requirements is a holistic team approach.

There are several basic considerations and steps when designing buildings to optimize energy savings and comply with these mandatory requirements.

Reducing heat gains and losses through the building envelope (walls, windows, roofs) is easily accomplished by increasing the insulating values of materials used, the reflectivity and thermal mass of those materials as well as the solar orientation of the building.

Reducing internal heat gains also significantly affects energy savings. Energy efficient lighting and products not only reduces the energy these devices consume but it also reduces the air conditioning loads. Lighting power density limits alone have been reduced from 2.0 watts per square foot or more to .9 watts per square foot or less depending on the application. LED lighting systems are quickly becoming standard design practice. The most significant changes are the requirements for lighting controls utilizing daylight harvesting/automatic dimming, occupancy and vacancy sensors, etc. to be able to automatically turn lights on or off. Additional controls are also being implemented to de-energize receptacles during unoccupied/night times.

The reduction of heat gains and losses through the building envelope coupled with the reduction of heat producing equipment and lights allows the heating and cooling equipment capacities to be reduced thus also conserving energy.

While significant changes have occurred through the type and control of lighting systems, the current code requirements also significantly changes how Heating, Ventilating and Air Conditioning (HVAC) systems are designed since these systems are the largest consumers of energy in a building. There are two primary components which affect energy usage, the generation of the heating and cooling medium and the transportation of the medium to where needed in the building. While manufacturers are responsible for developing energy efficient equipment that complies with the minimum efficiencies required by code to generate the heating or cooling medium it’s still the responsibility of the design engineer to apply this equipment in a system to maximize its performance at peak and part load conditions. The code has also become more stringent in limiting the energy consumed by building systems to distribute the energy, by fans and pumps, through the building. Pipe and duct sizes are larger today to meet reduced frictional pressure losses.
Meet & Greet

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Incentive-Based Safety Programs: Benefits And Risks

Every contractor knows the importance of job-site safety. Some construction companies, typically smaller ones, can manage safety informally through stated rules, trust and accountability. But, as a business grows, a more formal approach may be warranted.

Many contractors eventually consider an incentive-based safety program. By offering rewards for working safely, goes the thinking, the company will really gain momentum on staying mishap- and injury-free. Yet, on closer inspection, these programs can present risks many contractors didn’t see coming.

**Incentives vs. Injuries**

The concept here is relatively simple and well intentioned. The contractor sets up a number of safety objectives and, as employees (or sometimes teams of employees) reach these goals, they receive a reward. The objectives can be time-based, such as “30 days without incident or injury,” or structured around project phases.

By way of rewards, you might initially offer something as simple as companywide recognition on an office bulletin board or in an email. As employees accomplish more objectives, the rewards may increase in value to apparel and electronics to gift cards, cash or additional time off. Some construction businesses even host awards banquets.

Incentivizing employees in this manner can help them focus on safety. In turn, your company will more likely:

- Avoid compliance issues with OSHA and other regulatory agencies,
- Minimize expenses related to workers’ compensation claims,
- Improve employee morale and teamwork, and
- Drive productivity, potentially speeding project completions and boosting your bottom line.

Many insurers and bonding providers also look favorably on a formalized safety program.

**Unintended Downsides**

The benefits are there for the taking, no doubt. But, as mentioned, construction companies can run into trouble with incentive-based safety programs if they don’t know what they’re getting into.

For starters, as the old saying goes, accidents happen. And when they do, one of these programs can actually worsen the productivity and morale hit taken by the company. Suddenly, employees aren’t only demoralized by the mishap itself, but also by the fact that their potential rewards are now either delayed or eliminated. This is why such programs often best suit construction businesses with established strong safety records. These companies typically need only a little boost to get them to a truly elite level of safety compliance. Struggling businesses may find incentives frustrate workers more than they inspire.

Another risk is the “grin and bear it” syndrome. Let’s say an employee is hurt in an on-site accident. To preserve eligibility for a reward, he or she may not report the incident or injury. This can be particularly problematic when rewards are team-based. In some cases, employees may not want to let down their teams. In others, injured workers may be under direct or implied threats from others to keep quiet.

**A Culture Call**

Ultimately, an incentive-based safety program is a culture call. If you believe your construction company’s culture would support such a program, it may be worth pursuing. But, if you’re unsure, don’t rush into anything. Discuss the idea with your managers and financial advisor, and determine whether the risks outweigh the benefits.

*Rivka Bier*

*Senior Manager*

*Hertzbach & Company, P.A*

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QuickBooks For Contractors

Keeping track of the myriad of details necessary to run a successful contracting or construction business can seem to be a daunting task. Specialized software tailored for the construction industry is available, although many of these packages can run well over $10,000. Fortunately for smaller companies that can’t afford such an expense, QuickBooks can be a very viable solution. QuickBooks has numerous features and reports, and can be customized to fit each contractor's unique situation. Knowing what these features are and getting the most out of QuickBooks can make a significant impact towards your success.

What Can QuickBooks Do For The Contractor?

Generate Profit and Loss Statements and Balance Sheets tailored for your business and put you in the best light for banks and sureties

Extensive reporting on job profitability
• P & L by job
• Summary job profitability reports
• Detail job profitability reports including estimate to actual

Allow you to prepare detailed estimates for presentation to customers

Job costing of all elements of cost – payroll, fringes/burden, subcontractors, materials, equipment, insurances and overhead

Compare actual job costs against estimated costs with variances as jobs progress

Complete payroll processing
• Track/charge employee time to jobs
• Import time from third party time clock systems
• Generate paychecks and direct deposits
• Charge jobs for payroll taxes, fringes, and overhead
• Tracking of workers compensation – by state and class code
• Prepare weekly certified payroll reports
• On line tax filings and payments
• Emailing or online availability of deposit advices

for employees, eliminating the need to hand out paychecks
• Generation of year end W-2's

Billings to customers and tracking of collections – deposits, progress billings, retention

Processing purchase orders and paying payables for subcontractors and vendors

Prepare 1099's for subcontractors at year end

Tracking equipment costs by piece of equipment and allocation of costs to jobs

Inventory management and accounting, charging materials to jobs and tracking quantities on hand

For government contractors, creating cost “pools” of indirect costs for allocation to jobs

About The Author – Craig Kershaw, CPA/MBA is the managing partner of The CFO Source, which provides CFO/Controller services, tax preparation and planning, and bookkeeping and payroll services to small and medium size businesses. A QuickBooks Pro Advisor, Craig is the author of QuickBooks for Contractors and QuickBooks for the Advanced User. Craig is also a QuickBooks instructor for the Maryland Association of CPA’s.

An error doesn’t become a mistake until you refuse to correct it.

~ Orlando Aloysius Battista

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Want More Sales & Revenue In 2016?
Increase Your Selling Time!

The best part of increased selling time? You can increase your sales without improving any other sales activity. Be it sales skills, coaching, managing, sales process, closing skills, your paradigms, and more.

With the economy still in distress; sales productivity and efficiency become more important than ever.

Do you really know how you’re spending or investing your selling time? Is it productive? Is it in the right area?

And yes, you read the question correctly. Investing denotes an opportunity for a ROI. Spending doesn’t. Look at the graphic below: The further left - “Low Risk” - the more spending. The further right - “High Risk” - the more investing.

It’s no surprise that top producers spend a high percentage of their time in High Risk activities. You know, the ones that produce sales and revenue. The rest are necessary activities enroute to the sale. Even then, some are outdated, needing updating or removal while others can be automated or reassigned.

Increasing your time in “High Risk” alone will yield dramatic results by increasing the effectiveness of customer face time and, as a result, moving more sales to closure.

I have created an exercise titled “Daily Sales Time Analysis” that you can download to assist you with this endeavor. It’s self-administered and obtained at http://www.ultimatesellingsolutions.com/documents/USS_Time_Analysis_Tool.pdf. Once in hand, print out extra copies and do a self-analysis for the next week on a daily basis. Determine where you maximize your time. Is it Low? Medium? Or High risk?

Once armed with this data, it’s time to create a plan of action to change the dynamics and increase sales ratios for more sales. How you ask? By changing your behaviors.

So, set some goals, block time in your calendar to achieve them, and just do it! All you need now is the discipline to just do it.

If raising the bar in 2016 is your objective, then it’s time for you to invest money, time, and effort in these areas to accelerate your sales outcomes.

Table:  
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<th>Low Risk</th>
<th>Medium Risk</th>
<th>High Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Work, Planning, Reading, Prioritizing Activities, Decision To Work, Looking Up Phone Numbers, Getting Ready, Etc. (Plans &amp; Admin)</td>
<td>Proposals, Networking, Getting Referrals, Research, Talking With Support Teams, Gathering Competitive Information, Etc. (Necessary Activities Before Sale)</td>
<td>Prospecting, Qualifying Prospects, Any Face-To-Face ‘Interactive’ Selling, Presenting, Fact Finding, Negotiating, Closing / Connecting, Etc. (i.e. Getting The Sale)</td>
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While Maryland Construction Network’s “Sales & Business Development Roundtable” is one source, reach out to other providers of choice to ensure it becomes your reality. In the end, it’s about doing something beyond hopes and wishes.

Here’s wishing you a strong finish for 2015 and a Banner Year in 2016.

Jim Martin, the “ultimate seller”, is working with Maryland Construction Network facilitating MCN’s Sales & Business Development Roundtable Program. For additional information about Jim’s qualification or the Sales & Business Development Roundtable, contact Verna Regler at 443.982.7329 or click here.

Article Content Attributions: (Excerpts “Ultimate Selling, The Art & Science of Sales Success”)
Biz Basics Q & A

Question: Are your “subcontractors” actually “employees?” Don’t misclassify.

Answer: Do you use independent contractors? Are they really employees? The test: Are they economically dependent upon you? The feds are getting ever more clear that there is no excuse for incorrect classification of employees as independent contractors. Investigating misclassifications is a federal priority. Reckless business owners beware.

This past summer, the Department of Labor (“DOL”) issued an Administrator’s Interpretation (“AI”), AI 2015-1, which made it much harder to contend that workers are “independent contractors.” The focus of the AI is the “economic realities test,” meaning “whether the worker is economically dependent on the employer or in business for him or herself?” As a result of the emphasis on this test, most workers are now employees. AI 2015-1 lists six factors:

- Is the work an integral part of the employer’s business?
- Does the worker’s managerial skill affect the worker’s opportunity for profit or loss?
- How does the worker’s relative investment compare to the employer’s investment?
- Does the work performed require special skill and initiative?
- Is the relationship between the worker and the employer permanent or indefinite?
- What is the nature and degree of the employer’s control?

The AI provides useful and specific examples of the application of each of these six factors which I strongly encourage you to review if you need clarification.

In the past, the focus was on employer control, the last factor above. This AI shifts gears, stating that all of the factors are to be applied, and no one factor is unilaterally determinative of the issue. The AI also states that the factors should be applied “with an understanding that the factors are indicators of the broader concept of economic dependence.” As always, the label that the business owner gives the worker is irrelevant, as is any contract, if the relationship between the business and the worker is contrary to the guidelines.

Under Maryland law, the DLLR raises the ante. The Workplace Fraud Act creates a legal presumption of an employment relationship in the construction and landscaping industries. It becomes the business owner’s burden to overcome the presumption, which can be very difficult. Employers in these industries that knowingly misclassify their employees as independent contractors may be liable for up to four times the amount owed plus attorneys’ fees and costs.

Employment litigation can be very costly, regardless of whether it’s initiated by the state (DLLR), the feds (DOL), or an individual employee. Often times, once one employee sues, others follow. In light of these harsh rules, some of which have recently developed, you should be speaking to your labor attorney about eliminating risks in your business.

Kate Lawrence is a full-service corporate attorney with a focus in the construction industry. She has comprehensively represented businesses throughout Maryland. Every year since 2013, Maryland Super Lawyers Magazine has selected Kate as a Rising Star. Known for her credibility and professionalism, Kate is dedicated to achieving the most favorable results for each of her clients.
In 1980 the HCECA partnered with Harford Community College (HCC) to give the apprenticeship program a source of validation. This partnership has been a rewarding collaboration between the HCECA and HCC. With this partnership all graduates upon completion of their apprenticeship with HCECA will receive from HCC, 20 college credits which can be used at HCC toward a degree or transferrable to another college or university of their choice to further their education. This encourages an incentive and an environment to learn.

Approved by the Maryland State Apprenticeship and Training Council and the Federal Committee on Apprenticeship the HCECA apprenticeship program located on the HCC campus at 401 Thomas Run Road, Bel Air Maryland 21015 offers its member's employees training in state of the art classrooms and lab for a rewarding career in a highly skilled trade. Not only does this improve the lives of the employee but provides a means to better the lives of those around them and in doing so improves the community with skilled tradespersons performing work that is highly technical and at times dangerous.

In conjunction with the Apprenticeship, HCECA also offers and provides continuing educational seminars throughout the year for individuals seeking to obtain professional licensing or for the renewal of those license's which are required by local and state governments. Advanced seminars for training above the journeyperson level and for those seeking additional training are also offered. With the completion of each seminar a certificate from Harford Community College will be awarded attesting to the completion of the seminar and that the individual has met the minimum requirements.

Continued On Page 26
Who Is Your Buyer?

"I've come to learn that my initial investment is more about the person versus the product that I am buying into."

Daymond John, Investor

One of the first questions every seller needs to think about is - who is my buyer?

Let us describe some buyer groups we are working with:

Group 1 - buyers had 20+ years of experience with backgrounds in accounting and operations/manufacturing looking for a business with minimum $350,000 cash flow, prefer manufacturing, assembly, distribution or wholesale

Group 2 - buyers had 20+ years of experience with national corporations, backgrounds in product sales and service looking for an opportunity in construction / service, cash flow $250,000 - $400,000

Group 3 - buyers had 15 years' experience in banking/finance looking for a business, mid-Atlantic market, looking for an opportunity in health care, public safety, security or education

Group 4 - an investment group with an interest in acquisitions that could include real estate and industries including manufacturing, retail (multiple) and logistics

The typical group investment criteria:

1. Revenue, $2 Million - $15 Million
2. Profit, $300,000-$5 Million
3. Established businesses, not startups or high technology
4. A preference for manufacturing, wholesale, distribution, service, business-to-business and business-to-consumer
5. Good people and processes

These are buyer groups. We also are regularly being contacted by highly qualified individual buyers. Buyers are clearly in the market.

Many owners may be trying to time the market. Namely, reap profits now, hold on a little longer (and a little longer) and hopefully sell before the next recession. That could turn out to be folly. Unfortunately, it usually does turn out badly. As many sellers found out in 2009 too late is too late.

Therefore, it is not only "Who is your buyer?" but also "When do I sell?"

Buyers with available financing are in the market now. Additionally, the market is not flooded with sellers trying to beat a impending downward swing in the economy.

If you are a business owner perhaps you should ask yourself - What am I waiting for?

Ed Davis, CPA, CVA, Partner, Harvest Business Advisors located in Columbia, Maryland.

Ed has a lifetime of experience helping business owners create, measure, and unlock company value. www.harvestbusiness.com, edavis@harvestbusiness.com, 301.325.7687.

Regard it as just as desirable to build a chicken house as to build a cathedral.

~ Frank Lloyd Wright
Christmas Toy Drive

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And
The Maryland Construction Network
In Our First Annual

CHRISTMAS TOY DRIVE!

Share the gift of giving this holiday season!

Many families in the Baltimore area are in need of help this Christmas. Bring a smile to the face of a child in need by making dreams and wishes come true! Donate a new, unwrapped toy to help us help those less fortunate and celebrate the meaning of Christmas!

Location

Waverly Construction & Management
1515 Sulphur Spring Road
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(Located at the intersection of Sulphur Spring Rd. & Waelchli Ave. Entrance is on Waelchli Ave.)
M-F, 8am to 5pm

Donations must be received by Friday, December 11, 2015.
Deliveries will be made the week of December 14th.

Have questions?
Contact Pam Hundley at 410.536.2010 or at phundley@waverlyconstruction.com
Or
Verna Regler at 443.982.7329 or at verna@mdconstructionnet.net

GIFT IDEAS: Toys for all ages! — Dress-up sets, games, books, puzzles, craft sets/supplies, hats, scarves, gloves, backpacks, soft children’s throw blankets
Winter Driving Safety – 5 Things to Know

Despite a mild fall, it is safe to assume we will have some inclement weather between now and next Spring. Winter-related automobile incidents can have a serious impact on a company in many ways. Now is the time for your company to prepare your employees and your vehicles for inclement weather.

Here are 5 Things to Know:

True Cost of an Accident

- An auto accident can result in a number of things that adversely impact a company:
- You may have a cost to repair or replace your own vehicle (or at least a deductible amount), the loss of use of the vehicle while it is under repair.
- The loss or productivity for staff associated with accident investigation, claim reporting, etc.
- The loss of an employee due to injury, which creates both a workers’ compensation claim and loss of productivity.
- Liability, on your part, that caused injuries or damage to a 3rd party.
- Negative impact on insurance costs (both auto and workers’ compensation)

Training Every Company Should Do

- Provide training to ALL employees on safe driving in winter weather. Many companies make the mistake of training only drivers of company vehicles. You can suffer a productivity loss if any of your employees have an accident, whether in personal or company vehicles.
- This should include information on defensive driving, proper preparation of your vehicle before driving in winter weather, and information on braking and skid recovery.

Required Maintenance on all Company Vehicles

- Make sure recommended winter maintenance is done including fluids, wipers, lights, brakes, and tires. Tire inflation guides may suggest a different amount than under warmer conditions.
- Provide emergency kits and claims reporting instructions in every vehicle.
- Make sure employees know the proper braking procedures for the vehicle they drive (anti-lock brakes vs. power brakes).

Teach Defensive Driving

- Most insurance carriers and some brokers have defensive driving classes (both in-person and on-line) that are great for winter weather driving.
- Many claims are when a vehicle brakes suddenly and the vehicle is struck from behind. Your employee can be hit by another vehicle or hit another vehicle. In either case, it can be preventable. A driver needs to be aware what is in front and behind them.

Workers’ Compensation Covers Both At-Fault & Not-At Fault Accidents

- If your employee is injured and it is deemed compensable, your workers’ compensation coverage will respond, even if it was someone else’s fault. Even if your vehicle is hit by someone else, you will have claim on your workers’ compensation loss experience.
- Recovery from subrogation may not be available or may not fully reimburse the insurance carrier. Whatever remains stays on your loss experience.

So many accidents can be prevented. Make sure your company is ready for winter.

Richard Shaw is a Senior Client Executive with RCM&D with over 25 years of experience working with clients to help them manage their risk. You can contact Richard at rshaw@rcmd.com.
Attendees network, learn, and grow with Maryland Construction Network!

In just nine months; MCN built 3 very well attended and very well received “Where’s The Work” Economic Forecasts. Developer - Builders, County Executives, Economic Development Officers, Public School Officials, and State Delegates discussed upcoming work in Cecil, Frederick, Harford, and Howard Counties. The Governor's Ombudsman To Small Business discussed “The Role Of The Governor’s Ombudsman – Helping Your Small Business Succeed”. Average attendance: 190.

Then There's Why.

Your success truly is our success. Recognizing the value and importance of creating new relationships, while cementing established relationships, MCN wants you to expand your network and grow your business. Yes; we're social media savvy. You can follow Maryland Construction Network on LinkedIn. All the same; face-to-face networking remains a vital component to relationship building.

Maryland Construction Network is not geographically pigeon-holed as a County chamber, a Chesapeake chapter, or a Baltimore association. Events were held in 6 Maryland counties in 2015. We’ll visit 7 counties in 2016. Join us next year in Anne Arundel, Baltimore, Carroll, Frederick, Howard, Montgomery, and Worcester Counties. MCN - the momentum is growing!

Football & Mom-isms: Do They Apply?

A penny saved is a penny earned. Although the outlook for the construction industry is finally relatively optimistic; contractors continue to face a number of significant challenges. Most budget conscious companies are focused on quality, service, and return on investment as they consider 2016 association memberships. If a penny saved is a penny earned is a
Mom-ism you cherish; perhaps you’ll consider MCN. Why pay $1,000 a year for membership alone? Custom-built membership packages are available for $160, $500, and $1,000 a year.

Never too old to learn.
“Tell me and I forget. Teach me and I remember. Involve me and I learn.”
- Benjamin Franklin

With primary focuses on education and networking; MCN offers relevant industry education. In addition to educational programs, a “Sales & Business Development Roundtable” provides a peer-to-peer small group environment for sales professionals committed to achieving the highest level of sales excellence. A one-on-one mentoring and CEO advisory platform is also available. Regardless of how you learn, Mom was right. We’re never too old to learn.

Getting along well with others. As children we were taught the importance of building friendships, getting along well with others, and the positive effects and outcomes of team-building. MCN has taken this Mom-ism to heart. We have partnered with 11 area construction-related associations this year; hosting 2 joint association project tours/educational events. We also co-sponsored 2 construction and real estate events and participated in 4 construction industry trade shows.

Busy is as busy does and practice makes perfect. Theodore Roosevelt said, “When you are asked if you can do a job, tell ‘em, - Certainly I can! Then get busy and find out how to do it.”

Then there’s– practice makes perfect. While I remain reluctant to disagree with Mom, practice does not always make perfect. The Ravens practice. They’re not quite perfect…

Did Albert Einstein (a dad) really get it right? “Insanity: doing the same thing over and over again and expecting different results.”

Back To Why.

MCN is not your stereo-typical association. We are an independently owned and operated, small business building a service-oriented, affordable yet effective, construction industry association representing the entire construction community throughout the state (and beyond). With a do unto others mindset; Maryland Construction Network is preparing for a new year and a record breaking season.

Touchdown Mom! Touchdown Ravens! Touchdown MCN!

Verna Regler
Partner
Maryland Construction Network

Whatever you are, be a good one.
~ Abraham Lincoln
Ward-Boland offers commercial gas monitoring solutions from Honeywell Analytics.

E³Point
Toxic/combustible gas monitor that makes a commercial operation run more intelligently to protect people, property, and the bottom line.

Features
- Standalone, standalone with remote (dual gas mode), or network versions available
- Saves energy through Demand Control Ventilation
- Advanced sensing technology detects CO, NO₂, O₂, H₂, H₂S, CH₄, C₃H₈.

To learn more about E³Point and other innovative solutions, contact Ward-Boland Associates today.

Ward-Boland proudly represents Honeywell and other leading HVAC manufacturers.

The American Express® Corporate Card for Vendor Payments
As your dedicated Card for paying select vendor invoices, the American Express Corporate Card can positively impact your bottom line.

- Earn points through the Corporate Membership Rewards® program¹
- Improve cash flow by gaining 30-60 days additional cash float²
- Reduce the number of checks cut³
- Experience efficient online program administration and data integration with American Express @ Work⁴

Use the American Express® Card for business spend in a variety of vendor categories, including:

<table>
<thead>
<tr>
<th>Category</th>
<th>Business Services</th>
<th>Charities</th>
<th>Computer Equipment</th>
<th>Industrial Supplies</th>
<th>Temporal Labor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td></td>
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<tr>
<td>Construction</td>
<td>Corporate Gifts</td>
<td>Education</td>
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</tr>
<tr>
<td>Office Supplies</td>
<td>Shipping</td>
<td>Telecom</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

¹ The Corporate Membership Rewards program is for eligible Commercial Card Clients. Terms, conditions and restrictions apply; for a copy or for more details, call 1-888-290-2554.
² Actual float time will vary based on the date of the charge, the billing cycle cutoff date, and the payment date.
³ The number of checks cut will be reduced based on converting suppliers to card payments.

For more information on this effective and efficient member benefit, contact MGN’s Verna Reiger at 443-982-7329 or at verna@wardboland.com.
Are You Linked In Or Just On LinkedIn?

It's one thing to hang a shingle and another to build a house. The same applies to using LinkedIn.

Many of us fill out a profile and then stop there. The assumption — if you build it, they will come. But is that really the case?

LinkedIn has become a replacement for the resume. A few simple steps can make a big difference in how you communicate your professional background and goals.

SET STRATEGIC GOALS

When creating your profile, start with strategic goals in mind. Are you looking to develop new clients? Are you building your brand? Searching for a job? Looking for key people in a particular industry? Your goals should be the driving force behind how you fill in your profile.

Take the line directly under your name. It's usually where you list your current job. This space is editable. Edit it to convey what you bring to the market. I've seen people put “looking for a job” in this slot. Use the space to your advantage and have a creative phrase about your skillsets. Make people want to learn more.

YOUR HEADSHOT

Most people want to see what you look like. Admit it — you want to see what they look like too.

Make sure you have a photograph that conveys a professional image. I can't tell you how many times I've seen shots with a family pet or someone showing off a new car. Do you want to work with a cat or a car? It's called a headshot for a reason. Leave the full body reveal for the job interview and those pet, car, and night out on the town shots for Facebook.

A BILLBOARD WITH UNLIMITED SPACE

Think of your profile as a billboard with unlimited space and possibilities. The best profiles link to additional content. Link to your website, social media pages, blogs, published articles, videos, etc. But, at the same time, a cluttered billboard will not achieve results. Limit your links to relevant content.

You can also edit and control the skills and endorsements sections of your page. Only, list the skillsets that you want those reviewing your profile to know. For endorsements, once you reach 99+ for a given skill, consider moving it to the bottom of the list so you can move up other skills and help get more endorsements for them.

CONNECT, CONNECT, CONNECT

If you're just starting out, you can import all of the contacts from your email accounts and have LinkedIn invites sent to them. From there, keep building. When you meet people at networking events, connect with them as soon as you can, but do not connect with everyone. Connecting to everyone will make it difficult to manage your connection list. Only connect with those you think will be legitimate connections and or connectors for you. If you ever need to remove a connection, go to the person's profile, click on the send a message box, click the down arrow to the right, and click the last option to “remove connection.”

You can also use LinkedIn to run searches for companies and industries you want to reach. By clicking on a company's profile, you can see all the employees there with LinkedIn accounts. If you share connections with the employees, reach out and ask your connection to make an introduction.

Join groups that relate to your industry and will help you achieve your goals. As you interact with members of the group and comment on posts, you'll gain recognition, credibility, and become a thought leader in your area of expertise.

Now for your homework: How about challenging yourself to spend 15 minutes on LinkedIn three times a week? We just may connect there…

Allan Hirsh is an Executive Coach at Allan Hirsh Advisors and the host of AHA Business Radio on CBS Sports Radio 1300AM Tuesdays at 6-7 pm. Allan also leads Maryland Construction Network’s Executive Forum. Visit ahabusinessradio.com to podcast the shows.
Year-End Financial Planning Strategies

With the New Year approaching, it is time to take advantage of year-end opportunities to boost your after-tax returns and improve your financial position.

**Harvest losses**

No one likes losing investment value, however, losses can be a blessing in disguise. For example, capital losses can be used to offset capital gains. If capital losses exceed recognized gains, you can deduct up to $3,000 in ordinary income ($1,500 for married couples filing separately). Losses in excess of the gains can be carried over into future tax years. High income earners will benefit most because of the increased capital gain rates in the top bracket and the 3.8% surtax on net investment income. Be careful, wash sale rules prohibit recognizing losses on sales or securities that are repurchased within 30 days.

**Make the most of tax-advantaged accounts**

You may be able to get your asset allocation back on target without incurring taxes by rebalancing tax-deferred retirement accounts like IRAs or 401(k)s.

**Take advantage of your employee retirement plan**

Review how much you have contributed to your 401(k); at least to the point of any employer match opportunity. If you are under the age of 50, the salary deferral limit is $18,000; it is $24,000 if you are age 50 or older. If you are just starting out in your career, consider the Roth 401(k) option to let your investment experience a lifetime of tax free growth.

**If you’re self-employed**

Consider adding a small business retirement account such as a SEP, SIMPLE-IRA, Individual 401(k) or other qualified retirement plan. Contributions are tax deductible and grow tax-deferred. Some plans may be opened by December 31st or the return due date. Certain plans allow you to make this year’s contribution by the due date of your tax return; including extensions in some cases.

**Social Security planning**

Two Social Security filing strategies that you may have previously used for retirement planning are coming to an end soon. The strategies being eliminated – known as file-and-suspend and a restricted application for spousal benefits – have made it possible for both members of a couple to delay claiming benefits based on their own earnings records while one pockets a so-called spousal benefit based on the other’s earning. There is a six-month window for those who are at full retirement age, as well as partial reprieve for some others, to take advantage of. This is extremely important if you and/or your spouse are at full retirement age and are currently planning for retirement.

These are just a few helpful year-end tax strategies. Remember, financial planning is a process that spans a lifetime. As always, I am here to help.

Securities offered through Triad Advisors Member FINRA/SIPC. Investment advisory services offered through The Prosperity Consulting Group, LLC. The Prosperity Consulting Group, LLC is not affiliated with Triad Advisors.

William C. Martin, Jr., CPA
Financial Advisor
The Prosperity Consulting Group, LLC

Bill Martin can be reached at 410.363.7211 or at wcm@prosperity-consult.com.

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**What’s Being Said About MCN’s Sales & Business Development Roundtable?**

“Maryland Construction Network’s Roundtable has been invaluable in bringing order, structure, and accountability to our business vision.”

Allan Riorda
President/Principal
Lee & Associates Chesapeake Region, LLC
Maryland Construction Network
Not Just Another Construction Industry Association

MCN Is Affordable | Effective | Efficient
Providing Education, Premier Industry Networking,
Unique Marketing Solutions & Immediate ROI

As You Consider Your 2016 Association Memberships, Consider MCN

Why would you pay $1,000 a year for membership alone? MCN offers custom-built membership packages for $160 a year, $500 a year, and $1,000 a year. Save money, build relationships, and grow your business. Enjoy a partnership with Maryland’s fastest growing construction industry association.

Quick Connect Membership Package

Includes:
✓ A 50 word description of your company in our on-line Alphabetical & Categorical Membership Directories.
✓ A hyperlink from your listing on our well-trafficked website to your firm’s website.
✓ Your firm’s logo next to your Alphabetical & Categorical Listings.
✓ Two Categorical Listings in our on-line Categorical Membership Directory.
✓ Your company name bolded in both Directories.
✓ Notable discounts, for all employees, to all MCN events.
Cost: $ 160 Annually For The Firm***

The Hard-Wired Basic Web Advertising Package

Includes: The Quick Connect Membership Package + a yearly 125 x 125 pixel website advertisement on MCN’s extremely well-trafficked website. Cost: $ 460 Annually For The Firm***

Hard-Wired Basic Plus Website Advertising Package

Includes: The Quick Connect Membership Package + a yearly 180 x 150 pixel website advertisement on MCN’s extremely well-trafficked website. Cost: $ 660 Annually For The Firm***

Hard-Wired 1/2 Skyscraper Website Advertising Package

Includes: The Quick Connect Membership Package Plus a yearly 160 x 300 pixel advertisement on MCN’s extremely well-trafficked website. Cost: $ 1,060 Annually For The Firm***

***A 15% Discount Will Be Offered To Companies Joining MCN Prior To December 23rd, 2015.
A 5% Discount Will Be Offered To Companies Joining MCN From 12/23/15 -1/15/16.

Of Value & Interest

• 350 companies have joined in 33 months.
• Average attendance at our “Direct Connect Networking” events: 175!
• “Networked & Connected”, our electronic newsletter, is chock full of relevant industry content.
• Project Tours showcase Maryland’s finest and often offer Continuing Education Credits.
• MCN’s website enjoyed 1,843,177 real hits in the first 9 months of this year.
• Numerous other affordable marketing options are available (network sponsorships, newsletter advertising, blog authors, educational presentations, podcast opportunities, etc.)

To join, or for additional information, please contact Verna Regler at verna@mdconstructionnet.net or at 443.982.7329.
Learn more at www.mdconstructionnet.net.
MCN = So Much More For So Much Less!
Distribution equipment needs to be strategically located to reduce the most critical pressure drop path so as to minimize pump and fan motor brake horsepower. Together the design of the water and air distribution systems have to meet these power limitations.

Another way the code has significantly changed over the years and is a result of changes in technology is the use of variable speed drives (VSD) and electronically commutated motors (ECM) to vary the speed of motors. For example, a 10 HP fan operating at 50% capacity uses 1.25 HP of energy. ECM’s have burst on the scene replacing inefficient shaded pole and permanent split capacitor fractional horsepower motors typically used for fan coil units, heat pumps, exhaust fans, in-line circulators, etc. and are becoming available in larger horsepower motors. ECM motors can also vary in speed based on load (temperature sensor signal).

The mandatory use of heat recovery is becoming more stringent in each update of the code as well and we see that trend continuing in the future. Air side heat recovery uses building relief or exhaust air stream to pass through a heat recovery device to reclaim and reuse energy to precondition outside air for code required ventilation before wasting it to atmosphere. While air side heat recovery has been predominate the past decade, new equipment and system designs are incorporating water side heat recovery. Water side heat recovery can capture and reuse waste heat from air conditioning equipment to make useful heat for heating the building when both mechanical cooling and heating are needed. All in all, the codes are directing the system design to reuse every possible BTU of energy before wasting it to the atmosphere or ground heat sink.

As with lighting systems much is dependent on automatic controls to maximize energy savings for the equipment applied to an engineered system that is unique to each building. Carbon dioxide sensors are being required in smaller assembly spaces to control how much outdoor air is being introduced into the building to meet ventilation requirements. Robust weather sensors to determine ambient air conditions, devices controlling speeds of large motors and meters used to measure flow all play an important role to sequence equipment in the operation of the system while meeting all code setpoints and reset requirements.

Most importantly however is selection of system type, its associated equipment, and the system design for a building. There is no silver bullet solution as each building is unique to itself. Geothermal systems are a popular choice since for every one BTU of energy consumed, on average three BTU’s of useful energy are free. Central heating and cooling systems using boilers, chillers and air handling equipment have long been the system of choice. A relatively new system to the US market, a variable refrigerant volume (VRV) or variable refrigerant flow (VRF) offers a new energy efficient choice. This system is refrigerant based, uses a variable speed compressor to transport energy and has the fewest amount of heat exchangers which increases the efficiency of a system.

The use of energy modeling at the earliest concept stages of design and through life cycle cost analysis can help in determining the type of system.

Industry standard equipment, building design, conventional design and operating parameters and how systems are controlled are in the state of change. Today’s building design engineers need to be innovative and creative in the development of systems while using the laws of engineering to maximize the coefficient of performance (COP) for each building.

Alban Engineering is a Mechanical/Electrical/Plumbing Consulting Engineering firm specializing in LEED Certified and High Performance design for Public and Educational Facilities. Jeff Alban has won several Regional ASHRAE Technology Awards for innovative designs which incorporate ASHRAE standards.
Construction Industry Blueprint For Suicide Prevention: A Call To Action

The National Action Alliance for Suicide Prevention\(^1\) created its Workplace Task Force to help address suicide prevention in high risk industries in the United States. The Workplace Task Force is co-chaired by Dr. Sally Spencer-Thomas, Co-Founder and CEO of the Carson J. Spencer Foundation\(^2\). The Workplace Task Force is developing and deploying industry-specific informational and interventional resources for high risk industries.

U.S. Construction Industry is “High Risk” for Mental Health and Suicide

The U.S. construction industry was identified as a target industry given the workforce demographics and other risk factors. In fact, the U.S. construction industry is one of the top nine highest industries vulnerable to suicide among its workers\(^3\). Suicide is also a major concern within the global construction industry. The incidence of suicide among construction occupations has been reported in many countries, including: Australia, Canada, Ireland and the United Kingdom.

The Construction Industry Blueprint: Suicide Prevention in the Workplace

In September of 2015 the Carson J. Spencer Foundation, National Action Alliance for Suicide Prevention, and RK, a leading mechanical contractor, released the Construction Industry Blueprint: Suicide Prevention in the Workplace\(^4\). This guide is a call-to-action to construction executives around the world to make suicide prevention a health and safety priority. This Blueprint provides construction leaders and managers with clear guidelines on healthy approaches and prevention measures.

The Construction Industry Blueprint: Suicide Prevention in the Workplace is offered as a free downloadable PDF resource from www.WorkingMinds.org\(^5\). The Blueprint is intended to assist construction industry workplaces build their capacity to promote mental health awareness and better prevent suicide. Working Minds is affiliated with the Carson J. Spencer Foundation. A comprehensive Suicide Prevention Toolkit\(^6\) exists on the Working Minds website. The toolkit is designed to help leaders, managers and supervisors understand how to address and manage suicide prevention communications and interventions in the workplace.

Conclusion

Construction leaders are admonished to read and share Construction Industry Blueprint: Suicide Prevention in the Workplace. Given the prevalence of mental health and suicide risk factors among the construction workforce the time is now for action. There is a need for increased awareness, advocacy and action on mental health and suicide prevention in the construction industry. The Construction Industry Blueprint for Suicide Prevention in the Workplace is more than a call to action; it is guide for taking personal and organizational action to create a caring culture in the construction workplace.

Resources:


Both Dr. Sally Spencer-Thomas and Cal Beyer are members...
of the Workplace Task Force of the National Action Alliance for Suicide Prevention. Sally serves as the Co-Chair and Cal is the Construction Industry Representative to the Workplace Task Force. The National Action Alliance for Suicide Prevention is the public-private partnership advancing the National Strategy for Suicide Prevention. More here: http://actionallianceforsuicideprevention.org/

Dr. Sally Spencer-Thomas sees the issues of suicide prevention from many perspectives: as a clinical psychologist, mental health advocate, faculty member, and survivor of her brother’s suicide. Currently, Dr. Sally Spencer-Thomas is the CEO and Co-Founder of the Carson J. Spencer Foundation, an award-winning organization leading innovation in suicide prevention. She is also the past Director of the Survivor of Suicide Loss Division with the American Association of Suicidology, and is the Co-Lead of the Workplace Task Force with the National Action Alliance for Suicide Prevention.

Within her role as CEO of the Carson J Spencer Foundation, Dr. Sally Spencer-Thomas has established and founded Working Minds, the nation's first comprehensive suicide prevention program exclusively dedicated to suicide prevention in the workplace. She has received wide recognition for her work and has been an invited guest to the White House Briefing on Mental Health and Suicide Prevention in DC and to the World Health Organization's World Suicide Report Launch in Geneva.

Sally Spencer-Thomas
Phone: 303-219-5042
E-mail: Sally@CarsonJSpencer.org
Twitter: @sspencerthomas
www.CarsonJSpencer.org
www.WorkingMinds.org

Cal Beyer is the Director of Risk Management since 2014 at Lakeside Industries in Issaquah, WA. Lakeside is a 3rd generation family-owned business in hot mix asphalt production and paving with 650 employees and 18 production facilities in three states. Cal has over 27 years of professional experience in safety, insurance and risk management serving the construction industry in various capacities. He has extensive experience in strategic risk improvement and risk management best practices for the construction industry.

Cal speaks regularly at national and regional construction industry conferences on risk management and safety leadership topics. He is an established author for the Construction Financial Management Association's (CFMA) Building Profits and Heavy/Highway newsletter. He has written previously for the Maryland Construction Network’s Networked and Connected newsletter, as well as the Associated Building Contractor’s Construction Executive, the General Building Contractors Association of Philadelphia’s Construction Today, the former Mid-Atlantic Builders Exchange online newsletter, and the Associated Pennsylvania Contractor’s Highway Builder among others.

Cal Beyer
Phone: 425.313-2611
E-Mail: cal.beyer@lakesideindustries.com
Twitter: @RiskLeadership

Continued From Page 3

So, the next time you walk or drive down any city street realize that each brick, each window, each and every element of a building you pass by has an architect's touch.

Yes, that thing you are feeling is architectural seduction.

More fun things to know:

Stair Porn: Yes, it is a real website

The Little House: A sweet little book about architectural seduction by Jean-Francois Bastide

Tectonic Visualization: An interesting little essay

Denise Guillory, Senior Marketing Coordinator at WBCM. If you'd like to learn more about WBCM’s architecture studio and capabilities, she can be reached at dguillory@wbcm.com.
The Top 10 list of OSHA’s most-frequently cited violations for fiscal year 2015 may look similar to last year’s, but change is happening behind the scenes.

One year ago, OSHA began collecting additional data from employers on amputations and hospitalizations; the resulting information has led to the agency “engaging with every employer” involved in the reported incidents as stated by Patrick Kapust, deputy director of OSHA’s Directorate of Enforcement Activities. In September, OSHA announced it will move away from tallying each inspection equally and instead will use a weighted system based on how complicated the inspection may be. The new system is intended to place greater value on complex inspections and allow for easier strategic planning on OSHA’s part.

Additionally, the agency is continuing other efforts – including focused inspections across the country – to mitigate high-hazard threats, such as those related to ergonomics and working at height. Employers who want to avoid being cited for one of the “Top 10” violations need to be proactive. Mr. Kapust stated, “We continue to encourage employers to abate hazards before an OSHA inspection and, more importantly, before a worker gets hurt.”

Top 10 “Serious” violations for fiscal year 2015

A “serious” violation is defined by OSHA as “one in which there is substantial probability that death or serious physical harm could result and the employer knew or should have known of the hazard.”

<table>
<thead>
<tr>
<th>Standard</th>
<th>Total Violations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Fall Protection (29CFR1926.501)</td>
<td>6,173</td>
</tr>
<tr>
<td>2. Scaffolding (29CFR1926.451)</td>
<td>4,281</td>
</tr>
<tr>
<td>4. Lockout/Tagout (29CFR1910.147)</td>
<td>2,739</td>
</tr>
<tr>
<td>5. Ladders (29CFR1926.1053)</td>
<td>2,512</td>
</tr>
</tbody>
</table>

Top 10 “Willful” violations, fiscal year 2015

OSHA defines a “willful” violation as one committed with an intentional disregard of or plain indifference of the OSHA requirements.

<table>
<thead>
<tr>
<th>Standard</th>
<th>Total Violations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Fall Protection (29CFR1926.501)</td>
<td>161</td>
</tr>
<tr>
<td>2. Asbestos (29CFR1926.1101)</td>
<td>47</td>
</tr>
<tr>
<td>3. Excavations (29CFR1926.652)</td>
<td>44</td>
</tr>
<tr>
<td>4. Scaffolding (29CFR1926.451)</td>
<td>38</td>
</tr>
<tr>
<td>5. Lockout/Tagout (29CFR1910.147)</td>
<td>37</td>
</tr>
<tr>
<td>7. Permit-Required Confined Spaces (29FR1910.146)</td>
<td>22</td>
</tr>
<tr>
<td>8. Specific Excavation Requirements (29CFR1926.651)</td>
<td>12</td>
</tr>
<tr>
<td>9. Fall Protection – Steel Erection (29CFR1926.760)</td>
<td>11</td>
</tr>
</tbody>
</table>

So after you just read through both of these lists you are thinking – So what does this mean for me and my company? As you know whenever there is a serious or willful citation written it comes with a monetary penalty. In the past a serious citation can carry a penalty of up to $7,000.00 while a willful citation can carry a penalty of up to $70,000.00. Those numbers will be good for the next year. For the first time in a quarter of a century fines will be increasing. The Federal Civil Penalties Inflation Adjustment Act of 1990 exempted OSHA from increasing it penalties to account for inflation. The new budget signed into law on November 2, 2015 by President Obama contains an amendment that strikes that exemption.

OSHA has directed to issue an interim final rule increasing its penalties to account for current inflation
levels, which would raise proposed fines by about 80 percent. This would mean the maximum penalty for a willful violation would rise to about $127,000 from the current $70,000. The adjustment must occur before Aug. 1, 2016. In subsequent years, OSHA also will be allowed – for the first time – to adjust its penalties levels based on inflation.

At this rate:
- an other than serious violation at an average of $1,000.00 will now be $1,800.00
- a serious violation with a maximum of $7,000.00 will now be $12,700.00
- willful or repeat violations with a maximum of $70,000.00 will now be $127,000.00.

Let me just take this one step further. In 2014 the following took place:

Company: Campbell Construction and S&R Contracting
Location: Philadelphia (OSHA Region 3)
Business Type: Demolition contractors
Inspection Trigger: Wall collapse
Event: During the demolition of a four-story building, a wall collapsed on an adjacent Salvation Army store, killing six people and injuring 14. OSHA investigators later found that Campbell Construction had removed critical structural supports from that wall.
Major Citations: Campbell Construction was cited for three willful violations for each day the wall was without sufficient lateral support; two willful violations for failure to demolish the building from the top down and for a lack of an engineering survey; and several serious violations for failure to provide employees with hard hats, fall protection and fall hazard training. S&R Contracting received one willful violation and two serious violations for failure to protect employees from falling through holes and to provide fall hazard training.
Total initial fines for this inspection - $397,000.00. Under the new budget this fine would increase to $714,600.00.

In today’s economy the average company would be devastated with just one willful citation let alone two or three. It is your responsibility as a company representative or owner to evaluate and monitor your job sites for both potential and existing hazards and to correct them before anyone is injured or worst yet, killed.

Note: These fines represent proposed penalties issued by federal OSHA between Oct. 1, 2013, and Sept. 30, 2014. Dollar amounts may be reduced as part of a settlement agreement or litigation.

Stay safe,
Terry L. Foy
President
Foy Safety Consulting, Inc.
www.foysafety.com

Continued From Page 12
Standards set forth for the training received.

Current industry information, networking, training, continuing education, apprenticeship and a voice in what matters to you. We are the Harford County Electrical Contractors Association. For more information visit us at Harford Community College http://www.harford.edu/ or contact:

Ronn Blaney, HCECA Electrical Apprenticeship Training Director
c/o Harford Community College
401 Thomas Run Road
Bel Air, Maryland 21015
410-879-5824 or email to rblaney@harford.edu

Merry Christmas
MCN invites you to our first Direct Connect Network of 2016! In addition to the tremendous networking opportunities afforded at MCN events, we have included a special pre-network presentation at no additional charge. Great food and beverages, easy access via main arteries, and covered parking makes this a must attend event to kick-off your 2016 business development efforts!

Location: Pessin Katz Law, P.A. (PK Law)  
901 Dulaney Valley Road, Suite 500  
Towson, MD 21204  
Cost: $45 Member Early | $60 Non Member Early  
$60 Member Late | $70 Non Member Late  

Receive Early Registration Pricing With “Free Parking” If Registered By January 13th 2016. After 1/13/16; Parking Vouchers Can Be Purchased For An Additional $10 To The Late Registration Fee.

Format/Time/Itinerary:

3:00 – 3:30 p.m. - Registration  
3:30 – 5:00 p.m. - Buying & Selling Understanding & Determining The Value Of Your Business  
5:00 – 7:30 p.m. - Direct Connect Networking Extravaganza

Presentation Is Included At No Additional Charge With Your Paid Network Registration.
Continued From Page 1

submission and expense claims

Let’s Get this Problem Solved – Before Your Next FAR Audit

You don’t want to wait until your auditor shows up and discovers that you have an internal control problem that’s affecting your overhead rate or allowable costs. That’s a slippery slope toward debarment and/or losing money.

My recommendation is that at least six months before your audit, meet with your accounting firm and have them do a review of your internal controls to discover gaps and make recommendations for reducing your risk profile. They can give you guidance on crafting the right policies, monitoring your progress towards implementing controls and even helping train staff.

There’s no reason why you should put yourself and your company at risk when preventative steps, policies and procedures are readily available!

Need Help?

Diana DeWitt, CPA, CCIFP, is a principal at Gross, Mendelsohn & Associates, a Maryland-based CPA and consulting firm. Known for her expertise in conducting overhead audits, Diana works closely with construction contractors, architects, engineers and other government contractors to help them understand how overhead rates work and how to maximize compensation. Contact her ddewitt@gma-cpa.com or call 800.899.4623.

Coming Soon

January 21st, 2016 – Direct Connect & Seminar
PK Law - Towson, MD
Program - “Buying & Selling - Understanding & Determining The Value Of Your Business”
Host: The Prosperity Consulting Group, LLC
Sponsors: Enoch Office, Hertzbach, PK Law, RCM&D, & WBCM
3:30 p.m. – 7:30 p.m.

March, 2016 – Direct Connect & Program
Frederick County
Details Coming Soon!

April 13th, 2016 – Direct Connect & Program
Union Jack’s - Columbia, MD
Details Coming Soon!

May 12th, 2016 – Direct Connect & Program
Hillendale CC - Phoenix, MD
Details Coming Soon!

July, 2016 – Direct Connect & Program
Anne Arundel County
Details Coming Soon!

September 29th, 2016 – Direct Connect & “Where’s The Work” Economic Forecast
Montgomery County
Details Coming Soon!

November 17th, 2016 – Direct Connect & “Where’s The Work” Economic Forecast
Player’s Fun Zone - Carroll County
Details Coming Soon!

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