

Spring Forward: Productivity Hacks for Success



E CONTRACTOR'S



COMPASS

EDITORIAL PURPOSE

The Contractor's Compass is the monthly educational journal of the Foundation of the American Subcontractors Association, Inc. (FASA) and part of FASA's Contractors' Knowledge Network. FASA was established in 1987 as a 501(c)(3) tax-exempt entity to support research, education and public awareness. Through its Contractors' Knowledge Network, FASA is committed to forging and exploring the critical issues shaping subcontractors and specialty trade contractors in the construction industry. The journal is designed to equip construction subcontractors with the ideas, tools and tactics they need to thrive. The views expressed by contributors to The Contractor's Compass do not necessarily represent the opinions of FASA or the American Subcontractors Association, Inc. (ASA).

MISSION

To educate and equip subcontractors and suppliers with the education and resources they need to thrive in the construction industry. Additionally, FASA raises awareness about issues critical to and about construction in the United States.

SUBSCRIPTIONS

The Contractor's Compass is a free monthly publication for ASA members and nonmembers. For questions about subscribing, please contact communications@asa-hq.com.

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EDITORIAL SUBMISSIONS

Contributing authors are encouraged to submit a brief abstract of their article idea before providing a full-length feature article. Feature articles should be no longer than 1,500 words and comply with The Associated Press style guidelines. Article submissions become the property of ASA and FASA. The editor reserves the right to edit all accepted editorial submissions for length, style, clarity, spelling and punctuation. Send abstracts and submissions for The Contractor's Compass to communications@ASA-hq.com.

ABOUT ASA

ASA is a nonprofit trade association of union and non-union subcontractors and suppliers. Through a nationwide network of local and state ASA associations, members receive information and education on relevant business issues and work together to protect their rights as an integral part of the construction team. For more information about becoming an ASA member, contact ASA at 1004 Duke St., Alexandria, VA 22314-3588, (703) 684-3450, membership@ASA-hq.com, or visit the ASA Web site, www.asaonline.com.

CONTENT TASK FORCE

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PRESIDENT'S LETTER



Dear ASA Members and Friends of ASA,

Springtime is finally here and hopefully you are all able to get your spring planting done, the camping trailers cleaned, the boats ready for the lake, and the baseball tickets bought. Unfortunately we continue to get hammered with severe weather and have to deal with tornadoes, flooding, winds and fire season. We have to keep on helping each other out, as that is the way that good people do things. And I know that our ASA family is always there to lend a helping hand to those in need. As subcontractors and vendors, when called upon to help with donating time, treasure and talent to those in need, please consider helping out.

Our country's political landscape has seen its share of challenges to say the least. Faced with many uncertainties, it is sometimes hard to balance our business practices. Labor issues/ shortages due to challenges with the migrant population have affected some of our businesses. Price escalations, in part due to the uncertainty of how the tariff wars are affecting the materials we install, have made for uncomfortable challenges. Material shortages and long manufacturing delays are, in part, still with us. Cut

backs in spending in both public and private sectors are affecting our work loads as well. The roller coaster of construction continues to bring us the highs and the lows. The good news is, that as an amazing association, ASA is ALWAYS there to provide the best support and information possible to help navigate through challenging times. And we can always reach out and rely on each other to share ideas on what works best in our different markets and disciplines. So please remember that as ASA members you are encouraged to tune into our webinars and the many educational resources we have to offer to make you as successful as possible in your businesses. Please take advantage of all that ASA has to offer.

One way in which we can get a good dialogue going among our chapter leadership is on May 5th at 6:00 PM EDT. I will be hosting the second Chapter *President's Forum*. The first one I hosted late last year was highly successful and there was a good sharing of information and ideas. It was a good start and we can expand our sharing of knowledge during the next one. It's Cinco de Mayo and close to the end of the day, so feel free to have a margarita or a cerveza in hand during the call.

Coming up on June 9th and 10th is our <u>Annual ASA Legislative Fly in on Capitol Hill</u>. It is an amazing two days in which we get to walk the Halls of Congress and meet with our Nation's law makers to discuss the issues that affect us the most. I encourage you to register and attend. Mike Oscar and his staff do an amazing job setting it all up.

And of course I will remind you all again, that registration for SUBExcel is NOW OPEN!!! This is our annual convention packed full of educational opportunities, advocacy, networking,

the awards banquet and of course some "fun" activities as well. This is coming up on September 16th through the 18th in Oklahoma City at the Okana Resort & Waterpark. The OK City ASA Chapter, along with the SUBExcel Working Group has put in a lot of hard work, so that it will be a huge success and beneficial to us all. We will see you all there in September.

This month's issue of the Contractor's Compass focuses on productivity hacks, and to that end, there's something in this issue for everyone; from Payroll Productivity, Tariff Preparations and Safeguards, to Third Party Inspections to name just a few.

As I'm now in the last quarter of my presidency, I reflect back on how quickly this year has gone by. I have enjoyed meeting many of you, either in person or virtually. Last month I visited the Mississippi Chapter and enjoyed meeting with their leadership and members.

I would like for all of us to continue to pray and offer support to Mike Oscar and his family, as he lost his lovely wife, and a member of the ASA family, to cancer. Likewise we need to continue to offer our support and prayers to the family of Lloyd Spivey who we also lost last month. Lloyd was the Executive Director of the Mississippi chapter for many years. Their absences have definitely been felt.

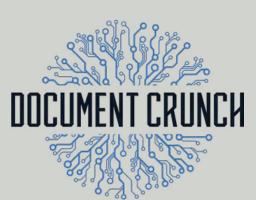
As always, please reach out to me with any questions, comments, suggestions, etc. I'm always here to listen and serve you in the best way possible. God bless you and your loved ones.

Ray Moya President, ASA - 2024-25 asapresident@asa-hq.com





CONTRACTOR COMMUNITY



We're proud to welcome Document Crunch as our newest sponsor of ASA! Document Crunch simplifies construction contracts by quickly identifying critical risk provisions and provides teams with guidance to make great decisions throughout the entire project lifecycle.

From General Contractors to Sub trades, Legal teams to Owners, Document Crunch helps make your life easier by making the contract review process a breeze. Document Crunch analyzes and summarizes your contracts, insurance policies, and project documents to make them easy to understand, negotiate, and execute by the book, ensuring better project outcomes.

- Simplified contract language
- Automated summaries
- Answers at your fingertips

What is happening with tariffs and the risks to ongoing construction projects is unprecedented. It is imperative that you understand what your current contracts say so you can be best prepared to manage through this extraordinary period of time. Knowledge is power.

As a result, Document Crunch has decided to make its <u>Tariff Risk</u>
<u>Assessment</u> product **free to all industry** stakeholders. You need to know what's in your contract now to make informed decisions for tomorrow. As a member, you'll receive 10 free contract reviews within 10 days of activation. This service comes at no cost to you, and there are absolutely no strings attached. We're construction professionals just like you, and we want to help you navigate these

challenging times.

Stop Work?

Troy Brown is an attorney member of the ASA's Chapter in Baltimore. On March 12th he led a webinar on your rights and responsibilities to stop work for non-payment, particularly in Maryland. It is worth a listen, not only to understand your rights, but also to see what is done in other areas to allow subcontractors to stop work for non-payment.

Slow Pay?

billd published <u>a report</u> that indicates most subcontractors know what they are doing and account for slow pay in their bids resulting in higher revenues, larger profit margins and more. But the bigger story is that Subcontractors are waiting an average 57 days on payment while fronting for materials and labor. In this survey of 696 contractors 71% said they are paid slowly by general contractors.

Smart Shipping, Big Savings. See the Impact!



Through the ASA UPS® Savings Program, you have access to exclusive discounts, reliable delivery, and enhanced shipping protection—all designed to

help you save time and money. In 2024, ASA members collectively saved \$233,084.57* on shipping. Whether you're managing personal or small business shipments, our program ensures cost-effective, hassle-free shipping.

Here's a look at the 2024 savings and activity for ASA members:

- 17,617 Number of Shipments*
- \$ 429,095.63 Spent on Shipping
- \$ 233,084.57 Savings through the UPS Program**

Member-Exclusive Savings Include:

- 65%* off Domestic Next Day / Deferred
- 42%* off Ground Commercial / Residential
- Up to 65%* off International Imports
 / Exports
- Savings starting at 75%* on LTL Freight shipping services

Learn How You Can Save Today!

If you're not enrolled yet, now's the time to start saving. Sign up for a new account or re-enroll to apply your member discounts.

Start Saving: <u>https://www.savewithups.com/asamembers</u>

Terms and Conditions: *Includes UPS Small Pack, UPS Freight, UPS GFP, and UPS SCS shipments for the full 2024 year. Savings calculation is based on discount amounts for service levels when compared to UPS 2024 daily rates.

**Insurance coverage is offered through UPS Capital Insurance Agency, Inc., a licensed insurance producer. If you elect protection for your shipment, it will be insured under a policy of insurance (the "Policy"), but you are not insured under the Policy. In the event of a loss covered under such Policy, any resulting claim payment will be directed to you as a loss payee. All insurance-related information is provided by UPS Capital and does not in any way alter or amend the terms, conditions, or exclusions of the Policy. Insurance coverage is not available in all jurisdictions or on all shipments. For a detailed explanation of program coverage *Click here*.

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Safety at the Forefront

Guides by Robert K. Tuman, Construction Risk Manager and Safety Consultant

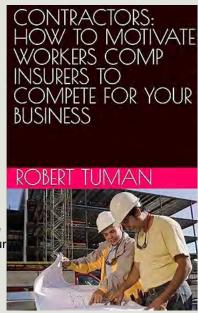
Contractors: How to Motivate Workers'
Compensation insurers to Compete for Your
Business

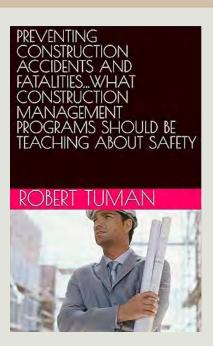
Having trouble finding affordable workers comp insurance? Cancelled or non-renewed? Risk being thrown into the workers comp Assigned Risk Pool with no discounts, no credits, no dividends? Sticker shock from your sky-high renewal premium and increased Experience Modification Rate? Anxious about how this will impact your ability to bid future work?

This guide will assist you to prepare for your next renewal and motivate workers' compensation insurers to compete for your business.

Preventing Construction Accidents and Fatalities...
What Construction Management Programs Should Be
Teaching About Safety Guidelines for Construction
Management Programs

According to the National Safety Council's "Injury Facts", construction accounted for 1075 fatalities in 2023, the most in 12 years. In the same year, construction accounted for 144,480 "Non-fatal" injuries, a whopping 61,000 more than the previous high of 82,760 and making construction the second most dangerous industry.





These "Injury Facts" point to the need for enhanced safety training and learning by doing. So why are Construction Management training programs still offering just one construction safety course in 4 years of study?

This eBook is intended to provide detailed information on how to add much needed education, tips to "learn by doing", and realworld experience to enable future construction managers to prevent accidents and fatalities.



Sip, Paint, and Be Awesome

Pennsylvania Women in Construction Get Creative

The Paint (& Wine) night at Color Me Mine in March brought together women working across various roles in the construction industry for an evening of creativity, connection, and conversation. Held in a relaxed and welcoming atmosphere, the event featured a guided painting session paired with a wine tasting, allowing attendees to unwind while expressing their artistic side.

In addition to the creative experience, the evening provided an opportunity for networking and peer support, fostering camaraderie among women - both members and non-members! Conversations centered on shared challenges, successes, and strategies for growth, reinforcing the value of building community and mentorship within the industry.

The event was a success, with 12 women taking home their creations, and especially in promoting both professional bonding and personal enjoyment, leaving participants inspired and more connected to one another.

Thanks to DE Gemmill, Women Building Women Annual Sponsor.













Construction Data & Figures



Dodge Momentum Index Declines 7% in March.

The Dodge Momentum Index (DMI), issued by <u>Dodge Construction</u> <u>Network</u>, receded 6.9% in March to 205.6 (2000=100) from the revised February reading of 220.9. Over the month, commercial planning declined 7.8% while institutional planning fell 5.0%.

"Increased uncertainty around material prices and fiscal policies may have begun to factor into planning decisions throughout March," stated Sarah Martin, associate director of forecasting at Dodge Construction Network. "While planning data has weakened across most nonresidential sectors this month, activity remains considerably higher than year-ago levels and still suggests steady construction activity in mid-2026."

On the commercial side, weaker planning activity for warehouses, data centers and retail stores drove this month's decline. Meanwhile, hotel and office planning continued to accelerate.

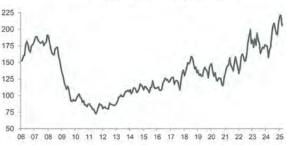
DODGE MOMENTUM INDEX

(2000=100, Seasonally Adjusted)

	Mar-25	Feb-25	% Change
Dodge Momentum Index	205,6	220,9	-6.9%
Commercial Building	256.6	278.2	-7.8%
Institutional Building	142.6	150.0	-5.0%
Source: Dodge Construction Network			

DODGE MOMENTUM INDEX

(2000=100, Seasonally Adjusted)



On the institutional side, planning activity slowed for education, healthcare and government buildings. In March, the DMI was up 30% when compared to year-ago levels. The commercial segment was up 32% from March 2024. The institutional segment was up 27% over the same period, following a very weak March last year. The influence of data centers on the

DMI this year remains substantial. If we remove all data center projects between 2023 and 2025, commercial planning would be up 4% from year-ago levels, and the entire DMI would be up 12%. While momentum decelerated for data centers this month, levels of activity remain very high.

A total of 25 projects valued at \$100 million or more entered planning throughout March. The largest commercial projects included the \$400 million Logistics Land Investments Data Center in Bessemer, Alabama, the \$340 million expansion to the Ontario Convention Center and Hotel in Ontario, California, and the \$300 million Project Cinco Data Center (300 MW) in Natalia, Texas. The largest institutional projects to enter planning were the \$500 million ambulatory care building at Scripps San Marcos Medical Center, the \$165 million Roanoke

High School in Roanoke, Virginia and the \$135 million Milken Community School expansion in Los Angeles, California.

The DMI is a monthly measure of the value of nonresidential building projects going into planning, shown to lead construction spending for nonresidential buildings by a full year.

Construction Data & Figures

The construction industry added 13,000 jobs on net in March, according to an Associated **Builders and Contractors analysis** of data released by the U.S. Bureau of Labor Statistics.

On a year-over-year basis, industry employment has risen by a mere 143,000 jobs, an increase of 1.8%. Nonresidential construction employment increased by 22,300 positions on net in March, with growth in 2 of the 3 subsegments. Nonresidential specialty trade added the most jobs, with a monthly increase of 19,300 positions, while heavy and civil engineering added 3,400 jobs. The nonresidential building subsegment lost 400 positions.





The construction unemployment rate decreased to 5.4% in March and is unchanged from one year ago. Unemployment across all industries rose from 4.1% in February to 4.2% last month.

"At first glance, this is a perfectly fine jobs report for the construction industry," said ABC Chief Economist Anirban Basu, "The details, however, give cause for concern. With downward revisions to the January and February numbers, the industry added just 8,000 jobs per month during the first quarter of 2025. Construction employment is up

Construction Employment Statistics: March 2025

just 1.8% since March 2024, the slowest year-over-year growth in four years.

"March's labor market data is a lesser concern in light of the sweeping tariffs announced on April 2," said Basu. "What amounts to the largest tax hike since 1968 will reduce construction activity due to rising input costs, shaken business confidence and potentially higher-forlonger interest rates. While contractors were sanguine about the outlook as of last month, according to ABC's Construction Confidence Index, industry expectations are likely to worsen in the coming months."



Business conditions remained soft at architecture firms in

February. Architecture firm billings continue to decline. February marked the first time since 2020 that inquiries into new projects have declined, and the value of new design contracts has decreased for 12 months. This indicates ongoing uncertainty and hesitation among clients.

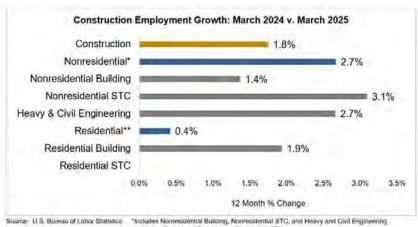








March 2025	February 2025	March 2024	1-Month Net Change	12-Month Net Change	12-Month % Change
	Employn	nent			
8,313,000	8,300,000	8,170,000	13,000	143,000	1.8%
4,962,900	4,940,600	4,833,900	22,300	129,000	2.7%
916,700	917,100	904,300	-400	12,400	1.4%
2,865,800	2,846,500	2,779,800	19,300	86,000	3.1%
1,180,400	1,177,000	1,149,800	3,400	30,600	2.7%
3,350,000	3,359,800	3,336,000	-9,800	14,000	0.4%
957,900	954,800	939,700	3,100	18,200	1.9%
2,392,100	2,405,000	2,396,300	-12,900	-4,200	-0.2%
Av	verage Hourly	/ Earnings			
\$36.00	\$35.91	\$34.67	\$0.09	\$1.33	3.8%
\$39.24	\$39.14	\$37.75	\$0.10	\$1.49	3.9%
	verage Weel	dy Hours			
34.2	34.2 34.2 34.4 0.0 -0.2		-0.2	-0.6%	
39.3	38.7	39.3	0.6	0.0	0.0%
	Unemployme	ent Rate			
4.2%	4.1%	3.9%	0.1pp	0.3pp	
5.4%	7.2%	5.4%	-1.8pp	0.0pp	
	8,313,000 4,962,900 916,700 2,865,800 1,180,400 3,350,000 957,900 2,392,100 At \$36.00 \$39.24 4.2%	2025 2025 Employn 8,313,000 8,300,000 4,962,900 4,940,600 916,700 917,100 2,865,800 2,846,500 1,180,400 1,177,000 3,350,000 3,359,800 957,900 954,800 2,392,100 2,405,000 Average Hourly \$36.00 \$35.91 \$39.24 \$39.14 Average Week 34.2 34.2 39.3 38.7 Unemployme 4.2% 4.1%	2025 2024 Employment 8,313,000 8,300,000 8,170,000 4,962,900 4,940,600 4,833,900 916,700 917,100 904,300 2,865,800 2,846,500 2,779,800 1,180,400 1,177,000 1,149,800 3,350,000 3,359,800 3,336,000 957,900 954,800 939,700 2,392,100 2,405,000 2,396,300 Average Hourly Earnings \$36.00 \$35.91 \$34.67 \$39.24 \$39.14 \$37.75 Average Weekly Hours 34.2 34.2 34.4 39.3 38.7 39.3 Unemployment Rate 4.2% 4.1% 3.9%	2025 2025 2024 Net Change Employment 8,313,000 8,300,000 8,170,000 13,000 4,962,900 4,940,600 4,833,900 22,300 916,700 917,100 904,300 -400 2,865,800 2,846,500 2,779,800 19,300 1,180,400 1,177,000 1,149,800 3,400 3,350,000 3,359,800 3,336,000 -9,800 957,900 954,800 939,700 3,100 2,392,100 2,405,000 2,396,300 -12,900 Average Hourly Earnings \$36.00 \$35,91 \$34.67 \$0.09 \$39.24 \$39.14 \$37.75 \$0.10 Average Weekly Hours 34.2 34.2 34.4 0.0 39.3 38.7 39.3 0.6 Unemployment Rate 4.2% 4.1% 3.9% 0.1pp	2025 2025 2024 Net Change Net Change Employment 8,313,000 8,300,000 8,170,000 13,000 143,000 4,962,900 4,940,600 4,833,900 22,300 129,000 916,700 917,100 904,300 -400 12,400 2,865,800 2,846,500 2,779,800 19,300 86,000 1,180,400 1,177,000 1,149,800 3,400 30,600 3,350,000 3,359,800 3,336,000 -9,800 14,000 957,900 954,800 939,700 3,100 18,200 2,392,100 2,405,000 2,396,300 -12,900 -4,200 Average Hourly Earnings \$36.00 \$35,91 \$34.67 \$0.09 \$1.33 \$39.24 \$39,14 \$37.75 \$0.10 \$1.49 Average Weekly Hours 34.2 34.2 34.4 0.0 -0.2 39.3 38.7 39.3 0.6 0.0



Construction Data & Figures



Prices for Nonresidential Construction Materials and Services Increase for Third-Straight Month in March, Even Before Most Tariffs Kick In

The price of materials and services used in nonresidential construction rose 0.4 percent in March, the third monthly increase in a row, according to an <u>analysis</u> by the Associated General Contractors of America of government data released today. Association officials noted that the flurry of tariff-related announcements in recent weeks has been contributing to a series of announced price hikes from a range of materials suppliers.

"Lumber and metals prices shot up in March, while contractors' inboxes are bulging with 'Dear Valued Customer' letters announcing further increases for many products," said Ken Simonson, the association's chief economist. "Rapid-fire changes in tariffs threaten to drive prices higher for many essential construction goods."

The producer price index for inputs to new nonresidential construction—a weighted average of all materials and certain services used in new construction—rose by 0.4 percent in March, following increases of 0.6 percent in February and 0.8 percent in January. That was the first time since September 2023 that input prices had risen for three consecutive months, and it followed more than a year of stable or falling prices, Simonson said.

Metals and lumber prices were the major contributors to the increase in March. The index for steel mill products soared 7.1 percent in March. Aluminum mill shapes jumped 5.1 percent in price for the month and the index for lumber and plywood rose 2.7 percent.

Prices used to calculate the indexes were collected around March 11, Simonson noted. Since then, the administration has imposed new tariffs of 25 percent on steel and aluminum imports, 25 percent on many goods from Mexico and

Canada, 145 percent on imports from China, and 10 percent on most other countries. Additional tariffs on copper and lumber are under review and much higher tariffs on many countries were imposed on April 9 but then suspended for 90 days.

Association officials noted that new and planned tariffs will not only increase costs for many construction materials, but are likely to lead to higher costs for many private and public sector construction projects. They urged the Trump administration to consider delaying imposing new tariffs until there was greater market certainty about the impacts of those that have already been put in place.

"Our members are trying to deliver the best value for the public and private sector clients they serve," said Jeffrey Shoaf, the chief executive officer of the Associated General Contractors of America. "But it is hard to deliver that best value when you have no idea how much you are going to have to pay for many of the materials required to build projects."

View producer price index data.

2025 Top Glass Fabricators Report

A softening market and higher costs threaten sales for leading fabricators

Top Glass Fabricators, and likely glass fabricators more broadly, are facing challenging times. Only 32% of reporting companies this year said they experienced higher sales in 2024, compared to 70% the previous year, a milestone in what has been a downward slope in year-over-year gains since 2022.

The number of reporting companies included in the Top Glass Fabricators report is not static and shifts from year

to year. Even so, this statistic seems significant, especially given other pain points shared by fabricators.

The market insights for this report are compiled from survey responses completed by Top Glass Fabricators.

Top Glass Fabricators Report

You can *view the whole report* or jump to these sections:

- The List | Industry ranking of leading fabricators who supply the North American market
- Sales and Challenges | Regional market growth, company sales and industry challenges

- <u>Products</u> | Fabricator product and design trends
- Investments | Manufacturing innovation and capital investment

Visit the World of Glass and download the Fabricator Database

For more information about the North American fabrication market, visit our updated fabricator map with newly-added recycled glass locations. The map's database was updated in March 2025 and is available in the National Glass Association store. Free to NGA members.



ASA Attorneys' Council 2025 Annual Retreat

by Mike Oscar, Director of Government Relations

On March 28-29, 2025, about 20 Attorneys' Council members from law firms and ASA chapters nationwide attended the annual retreat in Park City, UT. We appreciate their dedication and contributions to improving the Association.

At the conference, we introduced the 2025 updates to two key ASA documents: ASA Prompt Payment Laws in 50 States, and Lien and Bond Claims in 50 States. ASA Counsel and attorneys from participating states spent months updating these resources. Access them on InfoHub via your ASA portal. The Council also approved the final draft of the ConsensusDocs 500 CM@R document.



Martin Press, ASA Board Member, addresses the AC



SLDF Event at the Fox School of Wine

Efforts to integrate the relationship between Council members and Subcontractor members at ASA were also discussed at our meetings. The Council will continue to pursue educational opportunities that combine with members' interests and aim to be more present within the membership whenever possible. We invite feedback on how we can best provide advice and

counsel on issues important to your business. You can contact me directly at <u>moscar@asa-hq.com</u> with any thoughts or input.

The Council discussed legislative topics regarding budget reconciliation related to the reauthorization of the Tax Cuts and Jobs Act (TCJA), specifically focusing on the importance of preserving Section 199A. Additionally, they reviewed

and edited topics such as tariffs, immigration, and ASA's draft unpriced change order legislation.

Additionally, the Council addressed these key legislative challenges in the business and regulatory environment with some practical and proactive solutions. They suggested the idea of developing an ICE Checklist and immigration check card, aiming to provide clarity and guidance during investigations or site visits, which could be a helpful tool for ensuring consistency and compliance. On tariffs, drafting contract language to address recovery time, compensation, price escalation, and force majeure could provide much-needed flexibility and protection for members navigating uncertain market conditions. A white paper would serve as a valuable resource for educating and preparing members to deal with tariff-related complexities.

The Council also began preparations for ASA's legislative fly-in on Capitol Hill scheduled for June 10-11, 2025. In addition, the Council raised \$5,000.00 at the SLDF Fox School of Wine, which provided education on high-altitude wines.

CONSTRUCTION/

POWER THROUGH PARTNERSHIP

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Supporting Responsible Growth for Contractors

by Jason Dettbarn, Merchants Bonding Company



For contractors actively pursuing growth, one of the most important strategies they can employ is to assemble a team of trusted advisors, including a surety. A surety's in-depth understanding of the opportunities and challenges facing contractors can be invaluable. Contractors should take the time to understand their growth goals, and select a surety whose philosophies align with their own. Because while explosive growth may seem impressive, it's also extremely risky. A more measured and responsible approach usually leads to profitable growth.

Best practices for companies pursuing responsible growth

Build your balance sheet

 Add capital prior to rapidly taking on more work.

Be cautious and diligent about

- expanding into new geographic territories.
- making large leaps in job size.
- taking on new job types.

Be aware of high fixed-debt ratios

 This can be seen as a negative by sureties, especially if coupled with low liquidity or working capital/cash flow concerns.

Review contracts

 Don't immediately accept boilerplate language. A surety's claims department can be an excellent resource to successfully leverage contract clauses.

Implement a robust WIP reporting system

 Investing in software can improve internal controls by ensuring accurate and timely project information and financial information is available, which leads to better decision making.

Assemble a strong team of advisors including:

- Construction-oriented CPA
- Attorney
- Banker
- Surety
- Agent

Invest in your own team

Having the right amount of people with the right skills, along with strategies to retain them - especially at management level - is key to stability and continuity to support growth.

From a surety's perspective, one of the most important things a company can do to support responsible growth, is to build a solid relationship with their surety. When contractors communicate their goals, along with their challenges and obstacles to those goals, the surety can help mitigate risks on the road to success.

How do I get a Surety Bond?

Surety bonds are issued by Merchants Bonding Company (Mutual) through insurance agents. Contact your local insurance agent or use our *Find an Agent* tool. They will guide you through the process, informing you of what documents and information are needed by the surety (Merchants Bonding Company (Mutual)) to underwrite your bond.

About the Author

Jason Dettbarn is Sr. VP, National Contract Surety Leader at <u>Merchants</u> <u>Bonding Company</u>. With more than 25 years of surety experience at Merchants Bonding Company, Jason built his career in contract underwriting.



LEGALLY SPEAKING

Diversity, Equity and Inclusion(DEI): Executive Order Overview

by James Yand, Miller Nash LLP



The January 21, 2025, Executive Order (EO), titled "Ending Illegal Discrimination And Restoring Merit-Based Opportunity" was released and carries significant implications for federal contractors. Some of the implications for federal contractors include:

- Pay applications will now require certification that the general contractor does not operate DEI programs that violate federal antidiscrimination laws.
- Rescission of the long-standing
 Executive Order 11246 of 1965,
 which mandated affirmative action programs for federal contractors and created much of the DEI requirements in current federal contracts. The affirmative action requirements and reports are expected to no longer be

- required in the next 90 days, absent court action.
- The Office of Federal Contract Compliance Programs (OFCCP)
 has been directed to stop enforcing diversity promotion and affirmative action requirements in federal contracts. This is consistent with other directives across other federal agencies.
- Federal agency heads are directed to include in every contract or grant award the following:
 - "A term requiring the contractual counterparty or grant recipient to agree that its compliance in all respects with all applicable Federal anti-discrimination laws is material to the government's

- payment decisions for purposes of section 3729(b)(4) of title 31, United States Code."
- "A term requiring such counterparty or recipient to certify that it does not operate any programs promoting DEI that violate any applicable Federal anti-discrimination laws."
- Most importantly, Federal contractors had a safe harbor to adapt to these new requirements until April 21, 2025, when enforcement began. The process for federal contractors to assess if existing policies are in compliance with this Executive Order should have already begun.

Implications for Contractors Performing Federal Work

All federal contractors and subcontractors should consider the following immediate actions:

- Identify Diversity Equity and Inclusion (DEI), affirmative action, and similar policies that may not align with the letter or spirit of this new Executive Order.
- Consider that women-owned and minority-owned business status may be rendered redundant in the near future. This has not been explicitly stated to date, but it is a reasonable inference from this Executive Order. Additional Executive Orders are expected to follow in the coming weeks and months expanding on this issue.
- Pay applications will require compliance with the Executive Order, opening the door to potential claims of fraudulent certification against federal contractors, subcontractors, and their owners who are found not measuring up to the new standards. The Executive Order also allows for whistleblowers to file lawsuits seeking recovery for illegal or fraudulent activities in federal projects under the False Claims Act. For this reason, all federal contractors and subcontractors should consult their insurance broker or agent to determine whether such claims are or can be covered under existing or available insurance. Generally, violations of law are not covered under many policies at intentional acts.
- Certification of compliance with this Executive Order will be required as a condition to perform federal work across all federal programs.
- The Executive Order contains exceptions for the Vietnam Era Veterans' Readjustment Assistance Act (VEVRAA) or the Rehabilitation Act so those obligations remain.
- Compliance guidance is expected within 120 days from various federal

agencies, including the US Attorney General and Secretary of Education.

Considerations for Contractors Without Federal Work

- The Executive Order does not directly impact private or state/local government funded projects.
- Contractors engaged in jointly trusteed apprenticeship programs (JATCs) should be aware that 29 CFR Part 30, which enforces equal employment in apprenticeships, has not been addressed in the Executive Order. Obligations under the Employment and Training Administration (ETA) remain intact for now.
- The Executive Order highlights a federal policy change that creates a shadow over many private-sector DEI preferences, mandates, policies, programs, and activities. The question is whether these previously compliant programs are essentially "illegal" under the executive order or whether existing federal civil rights laws prevail.
- The Executive Order adopts arguments made by some advocacy groups and litigants that have asserted claims in recent years to eliminate corporate DEI efforts on the basis of federal civil rights laws preventing any type of discrimination.
- There is a higher likelihood that the U.S. Equal Employment Opportunity Commission (EEOC), Department of Justice, and other federal agencies will aggressively investigate socalled "reverse" discrimination and other discrimination claims regarding employer DEI activity, even if contractors believe DEI policies promote their business goals. For example, Costco's well-publicized DEI program is currently under heavy scrutiny, even though supported by the company and its unionized Costco workers. Private lawsuits against company DEI programs,

- including conservative activist Robby Starbuck, are expected to continue and expand.
- Contractors will have to carefully navigate the incongruent requirements now existing between various local, state and federal agencies and their laws. Conferring with legal counsel while the legal landscape shifts is advised.

Unresolved Questions and Legal Challenges

- State Contracts: Some states (e.g., California, Minnesota) have affirmative action and DEI requirements that may conflict with this Executive Order. Federal contractors working in such states should assess potential compliance risks, and carefully determine the applicable requirements at the state versus federal levels.
- Private Sector Clients: If private companies still require affirmative action plans for contractors, a contractor may need to separate its federal and private work through distinct entities or new subsidiaries to maintain compliance.
- Vendor Compliance: It is unclear
 whether using materials from vendors
 with their own DEI initiatives could
 impact federal project eligibility.
 Further guidance from the federal
 government is needed on this issue.
 For now, vendor compliance with the
 Executive Order versus contractor
 and vendor's own DEI initiatives
 should be reviewed on a contract-bycontract basis.
- Impact on Apprenticeships: The Executive Order does not explicitly address JATCs, leaving questions about the enforcement of affirmative action obligations in limbo until further guidance is forthcoming.
- Pending Court Cases: As with other Executive Orders, lawsuits have already been filed against enforcement of the new requirements. Either further federal

- agency information or the lawsuits themselves will likely provide guidance as to what extent the Executive Order is enforceable.
- Trade Groups: Industry trade groups such as FSA, AGC, and ASA are providing valuable guidance to its members on how to navigate these troubled waters. These trade groups will play a vital role advocating for their members so the impact to the construction industry is mitigated as much as possible.

Recent EFOC Guidance

Beyond merely restating existing law, there is some new, relevant information. contained in the "What To Do If You **Experience Discrimination Related to DEI** at Work" guidance. The jointly-issued DOJ and EEOC guidance expressly states: "DEI policies, programs, or practices may be unlawful if they involve an employer ... taking an employment action motived-in whole or in partby an employee's race, sex, or another protected characteristic" (emphasis in original). The guidance goes on to identify several employer actions that are considered to constitute unlawful discrimination, including:

- use of quotas or other actions to "balance" a workforce by race, sex, or other protected traits;
- hiring, promotion, compensation, demotion, or termination of a person based on race, sex, or other protected traits;
- excluding persons from training, "leadership development," internships, fellowships, mentoring, or sponsorships based on race, sex, or other protected traits;
- selection for interviews and placement on "candidate slates" of persons based on race, sex, or other protected traits;

- limiting employee resource, affinity, networking, and/or "business resource" groups to those persons in a particular protected class;
- segregating or separating persons by protected class in trainings, programming, employment resources, or other terms and conditions of employment; and
- any of the foregoing applies equally to employees as well as potential and actual job applicants, interns, and training program participants.

Based on this guidance, the DOJ and EEOC have reiterated that quotas or other practices intended to promote or benefit any group in any way based on a protected characteristic will be considered unlawful. Affinity groups or employee resource groups based on any protected or other characteristic remain lawful provided such groups are not "exclusive" to persons with that characteristic, Employers with such affinity or resource groups should review the policies or practices for these groups to ensure there are no "exclusivity" provisions. Training, mentoring, fellowship, sponsorship, and other programs intended to assist persons with protected characteristics likewise cannot be "exclusive" to those persons.

Employers with any such programs intending to assist persons with protected characteristics should review the policies or practices for these programs to ensure there are no "exclusivity" provisions. Any classes, resources (print or online), events, or other programming intended for the benefit of employees with protected characteristics must be made available to all employees. For example, a "resources for immigrant employees" webpage listing various third-party groups and programs that support immigrant families must be accessible to all employees, and a "Black History Month" program must be available

to all employees. Finally, employers with outreach programming to attract potential and actual job applicants, such as participating in career fairs, should ensure that such programming or career fairs are open to all persons regardless of protected class status. For example, an employer participating in a "women in construction trades" program and hiring fair should ensure that the hiring fair is not restricted to women only (most if not all such programs already do not have unlawful restrictions).

Proceed with Caution Around DEI

The key takeaways for all contractors but particularly federal contractors and subcontractors—is to remain vigilant about these new requirements, staying abreast of the guidance coming from federal agencies and the courts about best practices. Consulting with your legal professional about specific programs and contracts is recommended to address increasing difficult compliance questions. Finally, be prepared to defend existing DEI and affirmative action policies as being compliant with not only the letter of the law but the spirit of the agency regulators that are now enforcing the new requirements.

About the Author

Jim Yand is a partner with Miller Nash LLP. His practice focuses on resolving challenges involved in construction and property development. Jim has more than 30 years of experience resolving high-conflict cases that often determine the continued success of the client's project or business. His work also extends to serving as outside counsel for various trade groups and advising on a range of business questions that arise. You can reach Jim by email at james. yand@millernash.com or by phone at 206.777.7404.



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Tony Gwynn – Winning the Game, One Single at a Time An examination of leadership needs to refocus on the right measures of how productivity and success

by Gregg M. Schoppman, FMI Corp.

Tony Gwynn, Hall of Fame right fielder from the San Diego Padres was the epitome that defines a superior ball player. According to the Baseball Hall of Fame, Gwynn's lifetime batting average was .338, arguably one of the best in major league history. Playing for 20 seasons with San Diego, Gwynn did not disappoint in the post season either, where he batted .371 in his two World Series appearances. Here is where it gets interesting. In his career, Gwynn amassed a meager 135 home runs. Ironically, he led the majors in total hits six of his 20 seasons. The vast majority of his hitting prowess (3,006 total hits) came in the form of singles (2,378), doubles (543) and triples (85). In a time when the longball is celebrated and revered, Tony Gwynn proved that success can be had, one single hit at a time.

Now consider a construction organization. It certainly feels good to knock it out of the park with a huge project. Maybe a team has an amazing buy-out, or maybe a team doubles its productivity. Or maybe the weather and permitting gods provide the grand slam, creating the full sweep on the project profitability hot stove. In reality, how often is there a confluence of these amazing statistics? Do we look for the "unicorn scenario" only to feel the "kick of the mule" on a project? Or is there something more "realistic" at play? For instance, are we looking for the 72-homerun season on every project when in reality our teams are getting on base with singles and doubles, winning/playing hard in the trenches? The morale of the story is that small incremental gains are more likely and should be celebrated as major victories.

Celebrating the Singles

To be clear, this is not the same thing as a "Participation Trophy." Tony Gwynn played 2,440 games but he did much more than just showing up every day. The major difference is recognizing what gets recognized in your organization. Ask yourself, when was the last time you as the leader in the firm gave an "atta boy/girl" for the small things? Most people will say they don't do this job for the compliments, but just consider the impact to morale. Firms appear to be stingy with the "great hit" compliment, as if the only way to win internal approval is by hitting the proverbial grand slam with two outs in the bottom of the ninth in Game 7 of the World Series. It may be important to reconsider the benefit of how you catch people doing things correctly on your team.

General Conditions	Duration (Weeks)	Ori	iginal Budget (Cost per Week)	3	Total Original Budget	One Additional Week
Supervision	26	\$	1,500.00	\$	39,000.00	\$ 1,500.00
Project Management (Half Time)	26	\$	950.00	\$	24,700.00	\$ 950.00
Clean-Up Labor	26	\$	750.00	\$	19,500.00	\$ 750.00
Trailer/Site Office	26	\$	125.00	\$	3,250.00	\$ 125.00
Hoist	26	\$	1,250.00	\$	32,500.00	\$ 125.00
Storage Bin (Sea Can/Cargo)	26	\$	60.00	\$	1,560.00	\$ 60.00
Temporary Sanitary (Port-O-Let)	26	\$	100.00	\$	2,600.00	\$ 100.00
Temporary Power	26	\$	75.00	\$	1,950.00	\$ 75.00
Site Security	26	\$	150.00	\$	3,900.00	\$ 76.00
Safety	26	\$	100.00	\$	2,600.00	\$ 77.00
Temporary Protection	26	\$	75.00	\$	1,950.00	\$ 78.00
Dumpster	26	\$	90.00	\$	2,340.00	\$ 90.00
			Total Monthly Cost	\$	22,641.67	
			Total General Conditions			
			(for a Six Month Project)	\$	158,491.67	\$ 4,006.00

Figure 1

Income Statement			% of Revenue	10% li	mprovement in Labor	% of Revenue	
Revenues		\$50,000,000.00	100%	\$	50,000,000.00	100%	
Direct Costs							
	Labor	\$ 20,000,000.00	40%	\$	18,000,000.00	36%	
	Materials	\$ 20,000,000.00	40%	\$	20,000,000.00	40%	
	Equipment	\$ 1,750,000.00	4%	\$	1,750,000.00	4%	
	Subcontractors	\$ 1,250,000.00	3%	\$	1,250,000.00	3%	
	Total Direct Costs	\$ 43,000,000.00	86%	\$	41,000,000.00	82%	
Gross Profit		\$ 7,000,000.00	14%	\$	9,000,000.00	18%	
Overhead		\$ 5,000,000.00	10%	\$	5,000,000.00	10%	
Net Profit		\$ 2,000,000.00	4%	\$	4,000,000.00	8%	

Figure 2

Increment Success (or Failure) on a Project

It's just a week. Wins and losses in the construction industry can happen under the most simplistic conditions. Better yet, consider "General Conditions". Below is a summary of a six-month project's general conditions in Figure 1.

It should be noted that the costs are simply to show a level of magnitude within a firm. Additionally, items like bonding and insurance were left out, but would need to be considered when looking at a firm's book of business. One extra week of general conditions is approximately \$4,000. Certainly a small number in the grand scheme of things but what if this organization had 30 projects in a year that each went over one week? Now, the firm has a cost impact of \$120,000 in a single year which also does not reflect any opportunity cost associated with improper utilization of firm resources. While pundits will point out that not every project will have every cost (i.e., hoists, site security, etc.) on that last week, it should be noted that one of the greatest costs - supervision/labor - also has the great impact on gains/losses in the general condition category. Once again, the gains relative to just general conditions could be

considered a multitude of singles, if a firm effectively manages jobsite overhead better.

Incremental Firm Wide Gains

While every firm has general conditions, labor intensive firms benefit from the direct labor expenditures and enhanced productivity. Call it being a switch hitter, trade contractors have the ability to maximize their profitability but just by being slightly better than their peers. Consider the example below Figure 2.

For this labor intensive contractor, a miniscule 10% improvement in labor productivity, achieved through better planning and utilization, has the ability to improve the bottom line by 100%! In an industry where the net margins for most firms hover in the single digits, improving just slightly, creates a massive windfall. Consider the same analogy using our baseball star. A .250 hitter in the majors probably makes the league minimum. While \$500,000-\$750,000/year is nothing to scoff at, a .300 hitter in baseball is probably securing contractors upwards of \$250 million. To be clear, this parallels our construction example quite nicely in that the difference in hitting capability is one extra hit a week for our .300 batter (i.e. 50 hits/1,000 at bats, or 1/20, or 1 hit a

week approximately in the majors).

Lastly, it should be noted that there is also a "negative" statistic that doesn't get mentioned. Sure, Tony Gwynn was a powerhouse in the batter's box. However, he also got out close to 70% of the time. Gwynn's .338 average could easily be dwarfed by his 66% "Out Ratio." Interestingly enough, I focused on the positive. Estimators know this ratio well. While pundits will argue that "Win Ratio" is probably not the best estimator metric, firms often talk about securing 10-15% of their bids. The corollary of somewhat bleak (90% Loss Ratio) so it is easy to see how important wording is to this conversation. More importantly, all firms need to wrap their arms around celebrating the singles and doubles and identify opportunities for incremental success within the firm. In the meantime, see you on the ballfield.

About the Author

FMI is the largest provider of management consulting, investment banking, and research to the engineering and construction industry. FMI works in all segments of the industry providing clients with value-added business solutions. For more information visit www.fmicorp.com or contact Gregg.Schoppman@fmicorp.com.



Al for Subcontractors: Your Newest Productivity Tool in the Toolbox

by Sheri Kitchen | Editorial Board Member, FASA

Artificial Intelligence. Two words that can spark everything from fascination to fear. In the world of subcontracting, where every hour counts and every detail matters, it's no wonder there's hesitation. Many worry that AI might take away jobs, akeeps this industry running. But what if the opposite is true?

What if AI is just another power tool? One that doesn't replace the tradesman, but empowers them. One that helps us work smarter, not harder. In this new series from The Contractor's Compass, we'll explore how AI can be a trusted assistant—starting with the basics.

The Reality Check

There's a skilled labor shortage in our industry. Techs are aging out, fewer young people are entering the trades, and the demands on subcontractors are only increasing. We can't afford inefficiency, and we certainly can't afford burnout. That's where AI comes in.

Start Simple: Three Everyday Tasks AI Can Help With

1. Writing Professional Emails

Whether it's responding to a GC, following up with a customer, or documenting jobsite issues, AI tools like ChatGPT or Microsoft Copilot can help subcontractors draft professional, clear communication in less time.

Example: Ask AI: "Write a follow-up email to a customer thanking them for their business and confirming our service visit next Tuesday."

2. Creating Safety Meeting Content or Safety Plans

Toolbox talks are essential but timeconsuming to prep. Al can generate simple, relevant outlines for weekly safety meetings on everything from ladder safety to heat illness prevention. You can also ask Al to generate a safety plan, based on specific criteria you provide.

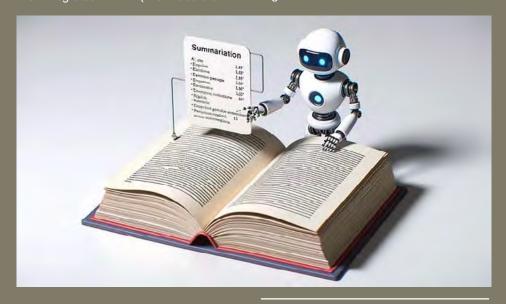
Example: Ask AI: "Give me a 5-minute safety talk on extension cord hazards."

3. Summarizing Jobsite Reports & Technician Notes

Instead of digging through piles of notes, use AI to summarize daily logs, material deliveries, or technician notes on service invoices. If you use a field software that integrates with AI (like Procore or

Where to Start

You don't need to be tech-savvy to give AI a try. Free tools like *ChatGPT* (by OpenAI) or integrated features in Microsoft Word and Excel now include AI capabilities. Even a 5-minute experiment can open your eyes. Instead of looking at a blank document, use AI to help get you started. You know the details, the facts, and what you want to say. Let AI put it all together.



ServiceTrade), this can be even more powerful.

Example: Ask AI: "Summarize this jobsite report and highlight any delays or issues."

The Truth About Al

Al isn't perfect. It's not a substitute for good judgment or field expertise. But it's a fast learner and a tireless assistant. The contractors who embrace it will have a serious edge—more time, fewer mistakes, and better communication. Al isn't here to replace subcontractors. It's here to back them up.

About the Author

Sheri Kitchen is the President and Co-Owner of Arnold Refrigeration, Inc. (ARI), a world-class company dedicated to enhancing the cold chain's ability to feed and sustain humanity. She is a proud member of Vistage, where she also mentors emerging leaders through the Vistage Emerging Leader program. Sheri serves as Vice President of the American Subcontractors Association (San Antonio Chapter) and is a member of the Foundation of ASA Content Task Force. She is a board member of The Greater San Antonio Chamber and a dedicated member of the Associated General Contractors (AGC) San Antonio.



Third-Party Inspections Are the Key to Enhancing Construction Productivity

by Ian Cohen, Inspected.com

The construction industry needs increased productivity to meet growing demands and tighter schedules. Emerging technologies like Building Information Modeling (BIM), AI-powered project management, and drone surveys change the game. Among these innovations, remote inspection technology is transforming efficiency, altering how projects move from blueprint to completion.

Construction productivity lags behind other industries. McKinsey & Company reports that the sector's annual productivity growth increased only 1% over the past two decades. Common bottlenecks include the persistent workforce shortage, permit delays, inspection wait times, and communication gaps, derailing project timelines and inflating costs. A delayed inspection can halt work for weeks or even months, leading to idle workers, equipment rental overruns, and missed deadlines. By eliminating the need for inspectors to travel to sites, virtual inspections cut vehicle emissions and reduce the construction industry's carbon footprint.

Overcoming Resistance to Virtual Inspections

Some local governments resist adopting virtual inspections, citing concerns about oversight and quality control. Traditional inspection champions often argue that virtual inspectors lack legitimacy, claiming complex systems like electrical work demand physical presence. But in this digital age, how can we consider paperbased inspections legitimate? They lack the comprehensive video and photo documentation that virtual inspections

provide. High-definition video, realtime communication, and detailed digital documentation often surpass the effectiveness of in-person inspections. Virtual platforms allow inspectors to zoom in on specific areas, capture multiple angles, and review recorded footage, potentially catching details a human eye might miss on-site.

Advocates for virtual inspections are challenging these restrictions in areas that don't currently allow them. This fight for innovation deserves support, as it aims to modernize the industry and improve efficiency. This resistance slows the adoption of timesaving technologies, particularly in areas with stringent building codes or those experiencing rapid growth. Local building departments often face pressure to maintain traditional inspection methods, balancing innovation with established practices.

The Power of Virtual Inspection Platforms

Digital tools transform construction at every level. BIM allows for detailed 3D representations of buildings before breaking ground. Drone surveys provide accurate topographical data and monitor progress from above. Al-powered project management software streamlines scheduling, resource allocation, and communication across complex projects. Similarly to these technologies, remote inspection platforms integrate seamlessly into operations while addressing critical challenges for contractors. These virtual platforms connect contractors with inspectors through smartphone technology, allowing realtime examinations and immediate feedback. By tackling the inspection

bottleneck, these technologies reduce wait times, improve communication, and enable faster decision-making and problem-solving.

Companies like *Inspected.com* offer online platforms where contractors can schedule and conduct same-day, third-party inspections conveniently, significantly reducing downtime. Despite the notion that virtual inspection services don't compare to the traditional inspection process, virtual inspectors are highly qualified and trained to meet the same code requirements to thoroughly examine a property's structural elements. This includes HVAC systems, plumbing fixtures, and more, ensuring the property complies with local codes and regulations, all while speeding up the process. Most importantly, every inspection is done by video, so all documentary proof is stored on the platform for future reference. Traditional inspections rely on paper trails, which often prove messy and difficult to maintain. In contrast, video documentation provides easy access and reliable evidence, eliminating the uncertainty and potential disputes that can arise from incomplete or lost paperwork.

Remote inspection technology uses smartphones or tablets to conduct virtual inspections. Inspectors connect with contractors through a secure video call, viewing the work site in real-time. This eliminates travel time, reduces scheduling conflicts, and allows for immediate re-inspections if needed. Virtual inspection platforms work by providing a secure, user-friendly interface for both inspectors and contractors. The contractor uses the platform to schedule inspections and

stream high-quality video of the work site. Inspectors can direct the camera, take screenshots, and provide immediate feedback.

Benefits for contractors include reduced wait times, faster project completion, and the ability to take on more projects. Inspectors complete more inspections per day and reduce travel time and costs. Project owners see faster completion times and reduced costs due to fewer delays. In disaster recovery efforts, virtual inspections speed up the rebuilding process. When physical access is limited due to safety concerns or infrastructure damage, remote technology allows for swift assessment and approval of repair work.

Real-World Success

Bo's Electrical Services, one of Southwest Florida's fastest-growing electrical contracting companies, exemplifies the benefits of virtual inspections. The company struggled with lengthy plan review cycles, municipal delays, and scheduling conflicts with homeowners. These issues hindered their ability to track progress and monitor quality control. By implementing Inspected.com's virtual inspection services and same-day inspections for generator installations, Bo's now completes multiple inspections in one day. This change reduced the number of visits to each project, eliminated additional commutes, and cut drive time and miles driven by 35%. The company also saw reduced labor burden, insurance, and maintenance costs, improving productivity and their bottom line.

Implementing Remote Inspection Technology

Steps for adopting remote inspection in your workflow include researching and selecting a third-party inspector approved by local jurisdictions, training key personnel on the technology and best practices, updating project management processes, and communicating benefits and processes to clients. This transition offers a valuable

opportunity to educate team members on the latest industry technology, adding another tool to their professional toolbox. Ensuring reliable internet connectivity on job sites remains a key consideration. Overcome these by demonstrating the technology's effectiveness and investing in necessary infrastructure. Best practices for maximizing productivity gains include thorough preparation for inspections, using high-quality cameras and ensuring good lighting, developing clear communication protocols with inspectors, and regularly reviewing and optimizing your virtual inspection process.

The Future of Construction Productivity

The construction industry rapidly adopts new technologies to stay ahead of the competition, a trend that shows no signs of slowing. Similarly to how the industry has integrated BIM technology, Al, and other innovations to maintain an edge, companies must embrace third-party inspections to remain competitive in 2025 and beyond. The industry will see further technological advancements, including integration of remote inspections with BIM for realtime comparisons, AI and machine learning assisting in identifying potential issues and ensuring code compliance, and increased use of augmented reality in both construction and inspection processes.

Remote inspections fit into the broader digital transformation by streamlining a critical bottleneck in the construction process. As the industry moves towards greater digitization, virtual inspections will become standard practice. To prepare for this future, construction businesses should invest in training and technology adoption, stay informed about emerging technologies and best practices, and foster a culture of innovation and continuous improvement. This approach not only enhances the workforce by educating them on new technologies but also adds valuable tools to their skill set, benefiting the company through increased project capacity and efficiency.

Remote inspection technology offers clear productivity benefits: improved efficiency, reduced costs, and faster project completions. By embracing this and other technological innovations, construction companies gain a competitive advantage in an evolving industry. The path forward is clear: adopt remote inspection technology and other digital tools to stay ahead in the construction industry, actively advocate for change where remote and third-party inspections face legal barriers, and engage with local authorities to demonstrate benefits and push for updated regulations allowing these innovative practices. Companies that innovate continuously will lead the way in shaping the future of construction, meeting the demands of a rapidly changing world with increased productivity and efficiency.

About the Author

lan Cohen, Chief Operating Officer at Inspected, brings over 20 years of senior leadership experience to his role. His background spans business transformation, growth management, and strategic planning across technology, SaaS, e-commerce, and real estate sectors. Ian excels in developing innovative growth strategies, managing P&Ls, and leading restructures. At Inspected, he drives operational excellence, scales business operations, and expands market reach. Ian's strategic vision and practical experience in aligning initiatives with overall business strategy fuel the company's growth in remote inspection technology."



How Smart Contractors are Solving Workforce Challenges

by NCCER Staff

The construction industry is facing an undeniable challenge: Workforce shortages and skill gaps are making it harder for subcontractors and specialty contractors to meet project deadlines, maintain quality and operate efficiently. With increasing project demands and fewer qualified workers available, companies must adopt smarter strategies to maximize productivity without compromising safety or performance.

The reality is that productivity in construction isn't just about working faster—it's about working smarter.

Contractors who invest in workforce development through structured training, competency-based assessments and industry-recognized credentials are not only closing skill gaps but also building more efficient, capable teams.

The Workforce Challenge: Skill Gaps and Productivity

The labor shortage in construction is well-documented. According to FMI, the industry <u>suffered around \$30-\$40 billion in lost profits</u> due to labor issues in 2022. However, hiring alone isn't the solution. Many new hires enter the workforce

without the necessary skills, leading to inefficiencies, higher rework rates and increased safety risks.

This gap directly impacts productivity. When workers aren't properly trained, projects take longer, mistakes increase and jobsite coordination suffers. The result? Delays, cost overruns and frustrated clients. Contractors must shift their focus from simply filling positions to ensuring their workforce is fully equipped to perform at the highest level.

To stay competitive in this environment, subcontractors and specialty contractors need to take a proactive approach to workforce development. Here are four key strategies to enhance productivity while addressing skill gaps:

1. Implement Structured Training Programs

One of the most effective ways to bridge skill gaps is through structured training programs. By providing workers with standardized, competency-based training, contractors can ensure that employees gain the necessary skills to perform their jobs effectively.

Programs like <u>NCCER's craft training</u> provide a consistent framework that ensures workers are trained to industry standards. When employees receive hands-on, structured training, they become more efficient, confident and capable on the jobsite.

2. Use Assessments to Identify Skill Gaps

When there are strains on the workforce, contractors can struggle with placing workers in roles that best align with their unique skillsets and experience levels. <u>Competency-based assessments</u> can help leaders identify their workers' strengths and areas where additional training is recommended.





Assessments can be used both for new hires and existing employees to gauge proficiency and determine targeted training needs. This approach helps contractors deploy their current workforce more effectively and provides a roadmap for impactful upskilling in areas where gaps may exist or additional focus is most valuable.

3. Invest in Industry-Recognized Credentials and Certifications

Employing qualified craft professionals with <u>industry-recognized</u> <u>credentials and certifications</u> ensures a higher level of competency and reliability. Credentials verify that workers have met rigorous training and assessment standards, giving contractors confidence in their teams' abilities.

Certifications for <u>crane operators</u>, riggers and field leadership roles such as <u>foremen</u> and <u>superintendents</u> are particularly valuable. These roles are critical to jobsite coordination and safety, making their proficiency and qualifications essential to overall productivity.

4. Develop a Sustainable Workforce Pipeline Through Apprenticeship

Rather than competing to find skilled and experienced labor on the open job market, contractors can invest in apprenticeship programs to develop their workforce from the ground up. Apprenticeships provide a structured pathway for new entrants into the industry to gain hands-on experience, earn standardized credentials and start a potential long-term career at their company.

Although <u>new apprenticeship</u> <u>programs</u> may take a few years to yield fully trained professionals, once established they can provide companies with a steady and sustainable flow of talent ready

to contribute. Building a pipeline of skilled professionals through forward-thinking workforce development reduces turnover, improves retention and fosters a culture of continuous learning in the long run.

The Business Impact of Workforce Development

Investing in training, assessments and credentials strengthens a company's bottom line. Skilled workers complete tasks more efficiently, reducing project delays and costly errors. Safety incidents decrease, leading to lower insurance costs and a better reputation in the industry. Additionally, companies that prioritize workforce development are more attractive to top talent, giving them a competitive edge in recruitment and retention.

Productivity Starts with People

The construction industry's workforce challenges won't be solved overnight, but contractors who take a proactive approach to workforce development will see measurable improvements in productivity, efficiency and jobsite performance.

By implementing structured training, utilizing assessments, investing in credentials and building apprenticeship programs, contractors can not only navigate today's labor shortages but also *future-proof their businesses*. The path to greater productivity isn't just about working harder—it's about working smarter, with a well-trained, highly skilled workforce leading the way.

Are you ready to take your workforce to the next level? Explore how NCCER's training, assessments, and credentials can help your business build a stronger, more productive team.

<u>Click here</u> to connect with a member of NCCER's Workforce Development Solutions team.

About the Author

The National Center for Construction Education and Research (NCCER) is a 501(c)(3) nonprofit education foundation and the leading provider of construction training curricula for the industry. NCCER has published numerous articles regarding workforce development solutions in the construction industry.

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How to Protect Your Projects and Profits from Tariffs

by Sabrina Miskelly, Document Crunch

"This is a very risky time, and it's important that you understand what's going on in the contracts that are already under construction. Who is responsible for the implications of these tariffs?" asked Josh Levy, construction attorney and CEO/Co-founder of Document Crunch, to hundreds of industry professionals during a recent webinar.

It's a question on everyone's mind. The rapidly changing U.S. tariff policies are creating uncertainty in our industry, and construction companies need to move fast to protect projects and profits. Where do you start? Check your contracts.

We'll tell you exactly what to look for below. But first, a quick overview:

How Will Tariffs Affect Construction Projects?

Right away, you'll see:

- Price hikes on materials like steel, aluminum, lumber, appliances, and flooring
- Supply chains slowing down as materials become harder to get
- Disrupted buying cycles and delivery schedules

Down the road, we might see:

- Foreign suppliers adjusting operations to keep U.S. customers
- Suppliers giving up on the U.S. market altogether
- More domestic production, though building U.S. supply chains will take time
- U.S. suppliers raising prices due to higher demand

Who Gets Stuck with the Bill?

General contractors often shoulder the most significant financial impact of tariff increases. Under fixed-price contracts, GCs typically assume the risk of construction material cost increases while managing relationships with both owners and subcontractors/suppliers.

What to Do Right Now

- Look at all your existing contracts (cheat sheet below)
- Talk with owners and subs about changing costs ASAP
- Work out risk-sharing plans with your project partners
- Consider different suppliers and materials, if possible
- Stay informed and stay ahead of potential issues

What Should You Look for in Your Contracts?

Most standard contracts don't directly address tariffs. These issues can be buried within hundreds of pages of contracts and documents. Here's what to look for:

- Price Adjustment Clauses allow for price adjustments in response to material cost fluctuations caused by tariffs. These clauses can ensure that partners, such as suppliers and subcontractors, share the risk of unexpected cost increases.
- Force Majeure Clauses can cover unexpected tariff-related disruptions to the supply chain. This clause can detail alternative sourcing strategies and agreed-upon response plans in case of material shortages.
- 3.Delay Remedies are important as time and/or cost adjustment mechanisms. Tariffs may price contractors out of purchasing certain materials and may require them to spend more time trying to find alternatives. Having a contractual right to seek additional contract time and/or contract sum will prevent the contractor from falling behind schedule.
- 4.Insurance and Performance Bond
 Provisions need to protect contractors
 from financial risk. When tariffs disrupt
 supply chains, schedule delays can
 lead to performance issues that
 increase exposure under performance
 bonds. Contractors need to negotiate
 indemnification clauses that protect

- against unforeseen risks that impact bond obligations and financial guarantees.
- 5. Notice Requirement Clauses need to include detailed, explicit steps that help the contractor secure entitlements if material costs increase. Requirements need to allow for the time and circumstances to submit notice if tariffs impact the project supply chain.
- 6. Change in Law Provisions need to explicitly identify tariff-related cost increases as a reimbursable change. This clause is often written too broadly, and it takes legal intervention to prove specific circumstances, like tariffs, are covered.

While it's certainly possible to tackle your contracts on your own, there are also construction-specific tech tools out there to help.

To ensure everyone in the construction industry has access to affordable resources that can have a make-or-break impact on their businesses, Document Crunch recently made its <u>Tariff Preparedness</u> <u>Checklist</u> **FREE** to anyone. The Al-powered solution automatically flags the issues listed above within any construction contract.

"We believe in being a great partner, and being a great partner doesn't just mean standing together when the times are great. It also means standing together through the uncertain times," adds Levy.

About the Author

Sabrina Miskelly, the Creative Director at Document Crunch, played a key role in crafting this article, bringing clarity and engagement to complex construction topics. Josh Levy, the CEO and co-founder of Document Crunch, is quoted throughout the piece. A former construction attorney at JE Dunn Construction Group, he co-founded Document Crunch to revolutionize construction document analysis and contract compliance leveraging Crunch Al.



Productivity by Design: How Leading Contractors Build Capacity Across the Country

by Monica Kioshi, Kent Companies



Productivity is more than a buzzword; it's a benchmark. It determines whether a project hits profit targets or misses them and whether clients return for future work or start looking elsewhere. And in today's labor-strapped market, productivity doesn't happen by chance. It's the result of intentional investments in people, systems, and scalable performance.

Across the country, contractors are finding success by focusing on a simple but powerful formula: putting the right people in the right place with the right preparation. It's how they deliver complex scopes under aggressive timelines and why their partners trust them to show up and deliver every time.

People First, Because Productivity Starts With the Crew

Regardless of the market or the project, productivity starts with the workforce. Contractors that consistently meet or exceed expectations do so by investing in recruiting, training, and retaining skilled labor. These companies develop problem solvers, planners, and mentors who keep the work moving.

Cross-training and leadership development are increasingly important for building flexibility across teams. It's not enough to staff up; crews need to be empowered with the skills and confidence to adjust as conditions shift on site. A culture of communication, mentorship, and accountability creates a ripple effect: when workers are supported and trusted, productivity follows.

Building Systems That Scale

For contractors with active projects in multiple cities —or even multiple states—scaling operations requires more than just manpower. Standardized planning tools, communication protocols, and performance metrics help distributed teams stay aligned across markets.

From preconstruction to final punch, successful teams use real-time data and boots-on-the-ground feedback to make informed decisions. Look-ahead schedules, daily huddles, and lean planning practices give field leaders the tools they need to stay proactive. When systems are built around the field and not just the office, teams are better equipped to anticipate issues before they impact schedule or budget.

Delivering in Complex Conditions

From airports with strict security protocols to urban infill sites with tight staging, productivity gets tested when complexity ramps up. Contractors that excel under pressure are those who plan ahead, staff appropriately, and innovate on the fly.

Investments in layout technology, slipform paving, prefabricated forming systems, and laser screeds can dramatically reduce rework and accelerate production. However, tools are only as effective as the teams using them. That's why training and open communication are critical. Crews need to understand not just how to execute but also when to recommend a better way.

The Power of a Prepared Partner

General contractors and developers are looking for trade partners they can count on no matter the region, scope, or timeline. Trade contractors who show up with the manpower, expertise, and discipline to perform at a high level consistently become the go-to choice for repeat business.

In this industry, productivity isn't a single action. It's a mindset that's backed by preparation, investment, and a people-first approach. Whether the job is data center in the Southeast or a high-rise apartment building in Texas, productivity happens when the whole team is equipped, empowered, and ready to go.

About the Author



Marketing Manager Monica Kioshi leads national brand strategy and communications for Kent Companies. She drives visibility and influence across Kent's family of

brands and highlights the people, projects, and partnerships that fuel operational success nationwide.



Are We Ever Going to Do Something About Slow Payments?

The ASA Metro Washington Chapter joined forces with the National Association of Minority Contractors, DMV (District/Maryland/Virginia) Chapter and the Metro DC Hispanic Contractors Association to formulate a short paper that explains the issues and what can be done.

Subcontractors in the construction industry are often expected to shoulder the financial burden of construction projects, acting as de facto financiers for owners and developers. This unsustainable payment system is particularly harmful to emerging companies striving for growth and success. The inherent inequities of the current system risk forcing many construction subcontractors out of business.

To safeguard the future of the DMV construction industry, it's imperative to address potential barriers that hinder the success of all subcontractors, but particularly emerging small businesses, as well as minority, women, and disadvantaged businesses (MWDBEs) on future projects.

The 2023 Disparity Study commissioned by DC Mayor Muriel Bowser explained in its findings that DC's Quick Payment Act does not do enough to protect people of color or women-owned businesses that are construction subcontractors. The study recommends that DC, as an Owner, "should consider establishing [a] prompt payment process to ensure timely payment from prime contractors to subcontractors and suppliers, ideally within a specified maximum number of days after approving invoices."

Owners are the key to addressing this issue. The owner must take responsibility to ensure the success of any project that requires a percentage of work to be performed by small, minority, women, or similar businesses. Too often, owners delegate this responsibility to the general contractor without active involvement. Owners must realize their future projects will only be built if a growing population of subcontractors bid on their work. Fledgling businesses cannot survive the unreasonable payment process in commercial construction. A public or private owner who sets aside work

for MWDBEs must accept part of the responsibility for prompt payment to those businesses doing the work.

The Subcontractor Coalition presents the following specific concerns and recommendations:

CASH FLOW is the number one concern affecting small businesses. Small, particularly women and minority subcontractors, are expected to finance construction projects. This fact is one of the primary barriers to subcontractor success. For example, a subcontractor who performs base contract work the first week of December typically does not see payment until the end of January or the beginning of February. And if that subcontractor is second-tier, then one to two weeks are added to the duration. If the costs expended the first week of December, for example, are for a "price and proceed" change order, then payment would not be received until eight weeks after the cost proposal is submitted, approved, formally issued, signed, and billed - many months after the work is performed. Construction Owners can improve the cash flow of small businesses in the following ways:

- Pay the general contractor seven days after a complete requisition is submitted. Require the general contractor to pay subcontractors in seven days. Post on a public website all payments to the general contractor. Include on that website the owner's contact, a phone number for subs to call in the event the general contractor does not resolve payment issues in a timely manner as specified in the contract. Also include on the website a copy of the prime contract payment bond. General contractors who do not pay timely should be assessed a penalty.
- Owners need to manage the change order process with the same intensity

as the overall project schedule. It is too easy for all parties to procrastinate pricing, approving, and processing change orders. Demand accurate and detailed proposals in 10 days or as specified in mutually agreed upon terms in the subcontract. Review and approve proposals within seven days. Then issue the formal change order in three days. The owner who pays changes timely will be an owner of choice.

RETENTION is a tremendous burden to small, minority and disadvantaged subcontractors. Owners often hold 10 percent retainage on subcontractors until the project is completed. This is not fair to subcontractors and is not a reasonable way to ensure a project is completed. This coalition is ready to take the lead in ENDING RETAINAGE as it is now and replacing it with a system that protects the owners' interest and also ensures timely payment to subcontractors after their work is completed and properly invoiced.

One suggestion is: If a project requires a subcontractor to provide a payment and performance bond, then there will be no retainage on the project.

Another consideration is if a subcontractor's work has been accepted, then payment of retainage will be made in 30 days. Subcontractors have waited years for retainage to be paid and this must stop.

CHANGE ORDER MARK-UPS need to reflect the reality of small businesses. The smaller the business the higher the overhead. A typical small business subcontractor has an overhead of 20%, a typical large subcontractor has an overhead of 12%, a typical mid-sized local general contractor has an overhead of 7.5%, and a typical national general contractor has an overhead of 4%. A reasonable profit margin on change orders is 10%, and more than that if the changes take a long time to process.

AP Solutions Built for the Construction Industry







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 PO matching

Save time, money and paper with AvidXchange's AP automation solutions.



Beyond the Tariff Shock: How Forward-Thinking Finance Teams are Using AI-Enhanced Software to Turn Economic Uncertainty Into Strategic Advantage

by AvidXchange

With sweeping new tariffs going into effect in April, middle market companies across industries are feeling the shockwaves. As import duties rise on everything from raw materials to finished goods, finance teams are facing a perfect storm: shrinking margins, volatile supply chains, and recession fears that refuse to fade.

The coming months may bring volatility, but they also present a powerful opportunity for finance leaders to build greater resiliency in their operations.

Read on to learn how your finance team can help navigate the current economic uncertainty with solutions designed to help increase visibility, enhance control, and drive efficiency throughout your purchase-to-pay process.

The Current Economic Landscape

The U.S. economy is grappling with a complex and rapidly evolving set of pressures. The <u>latest round of U.S. tariffs</u> includes a baseline 10% on all imports, with some reaching up to 125%.

These measures have sent financial markets into a tailspin, with the Dow Jones Industrial Average and S&P 500 experiencing sharp corrections. Goldman Sachs increased the probability of a U.S. recession to 45%, while JPMorgan Chase pegs the risk even higher at 60%. Recent tariffs also extend to key trading partners Canada and Mexico, with new duties on energy and auto-related imports now in effect.

These developments come at a time when inflation remains elevated, supply chains are still reeling from years of disruption, and business confidence is waning. For finance teams, the implications are clear: greater cost volatility, unpredictable cash flows, and heightened scrutiny from internal and external stakeholders.

For accounts payable (AP) professionals already juggling tight deadlines and high transaction volumes, it's a storm that demands smarter tools and sharper insights.

Although there is a <u>90-day pause</u> on some of the tariffs going into effect, let's break down the key implications of tariffs on AP teams—and how AI-enhanced software can help them navigate the economic uncertainty.

Gain Visibility and Improve Supplier Relationships Despite Tariff Complexity

Finance and AP teams are asked to track, report, and forecast in an environment where supplier costs are changing daily. Tariff-related expenses are often inconsistently labeled, hidden in invoice line items, or simply unaccounted for.

This makes it difficult to determine whether cost increases are driven by tariffs, inflation, or supplier price hikes. Without visibility into true spending patterns, organizations struggle to respond strategically—whether that means holding suppliers accountable, adapting pricing models, or having informed conversations to maintain mutually beneficial partnerships.

When visibility is lacking, supplier relationships can be negatively impacted. Misunderstandings over pricing or payment delays can erode trust. However, offering flexible payment options and delivering timely payments in the method suppliers prefer helps reinforce trust and loyalty.

Decentralized payment models also heighten the risk of double payments, inconsistent terms, hidden surcharges, and make organizations more susceptible to fraud. Implementing a centralized, automated review process can help catch these issues.

Automation Advantage:

To help solve for these challenges, AP automation software can provide:

- Near real-time dashboards and analytics that give finance teams the clarity they need.
- Al-powered line-item capture technology that scans invoices, automatically captures line items and gives you granular visibility into price changes.
- Even when tariff charges are not indicated on an invoice, AvidXchange's Al approval agent uses historical invoice and supplier data to help highlight increased or inconsistent pricing. It can flag the invoice as having a lower likelihood of being approved, allowing AP professionals to strategically review further or have a discussion with the supplier about the changes.
- Tools that support supplier relationship management by enabling timely payments, preferred payment methods, and consistent communication—building trust and improving supplier satisfaction.

These features give organizations clear insights into the true drivers of cost increases, transforming AP data into strategic insights to help quantify the impact of tariffs.

Future-Proof Your Supply Chain

AP teams benefit from flexibility to navigate ongoing supply chain disruptions. This includes the ability to maintain timely payments to suppliers, quickly onboard new suppliers, map tariff exposure across the supply chain, and identify opportunities for early payment discounts.

In addition, tariffs can eat into margins and increase uncertainty in payment

planning, impacting cash flow. AP teams need tools to help them forecast and manage cash flow under these fluctuating conditions.

Automation Advantage:

To solve for these challenges, AP automation software can provide:

- Intelligent workflow routing to help prioritize payments, avoid late fees, and strengthen supplier relationships.
- Near real-time payment tracking for visibility into payables and payment schedules.
- Automated invoice capture.

Turn Compliance Into a Competitive Advantage

Tariffs introduce not only costs but also compliance complexity. As tariff scrutiny intensifies, it's a good idea for businesses to document duty payments and be prepared to justify budget variances. Manual systems make audit prep a timeconsuming burden.

To help with this, some AP automation tools offer the ability to:

- Document expenses and historical information for tax and audit purposes.
- Generate reports for stakeholders, lenders, and regulators.
- Track cost variations across departments and timeframes.

With a digital audit trail and robust reporting features, these tools help ensure payments—tariff-related or not—are tracked, searchable, and verifiable.

Recession-Ready Efficiency Through Smart Automation

Tariffs inherently make invoices more complex, which can create confusion and slow down manual review and reconciliation. This lack of standardization also increases the risk of errors and delays.

When economic conditions tighten, operational efficiency isn't just important—it's essential. Investments in technology like AI-enhanced AP automation software can help AP teams do more with less, especially when margins are tight.

Automation Advantage:

Make sure your AP automation software

uses intelligent data capture and Al-driven line-item recognition to streamline invoice processing, help detect potential tariff-related price increases, and can enable accurate coding and approvals through custom workflows.

A survey of AvidXchange's found the following:

- 92% say that our AP automation solutions save them time.
- 90% say they have improved productivity.
- 83% say our solutions enable employees to engage in more valueadd work.

These savings aren't just cost reductions. They're resources that can be reinvested to allow teams to focus on value-add work, such as forecasting, supplier negotiations, and business growth strategy.

Elevate Forecasting and Financial Strategy

Today's AP teams are no longer just processors—they're strategic partners. Leadership expects data-backed insights into supplier pricing behavior and cost trends. In an era when economic conditions shift rapidly, financial planning needs to be more dynamic than ever.

AP automation software can help AP teams pivot from reactive to proactive with access to actionable insights and trend analysis. The ability to harness this data elevates the AP team and positions them as strategic partners in smarter decision-making across the business.

Automation Advantage:

Your software should offer robust data and analytics to help finance professionals:

- Identify suppliers potentially passing along tariff costs versus absorbing them through pricing increases, inconsistencies, or line-item surcharges.
- Prioritize supplier conversations or negotiations.
- Forecast inflation- or tariff-driven expense increases based on historical trends.
- Reallocate budgets in real time based on actual spending data.

Al-enhanced AP automation software can give finance teams the tools they need

to plan with confidence.

Purpose-built Solutions for Industry Challenges

Tariffs don't impact all industries equally. And they bring more than just added costs—they introduce layers of complexity that strain workflows, complicate supplier relationships, and challenge financial forecasting.

Plan for Economic Uncertainty

As tariff uncertainty evolves, the need for clarity, control, and strategic agility only grows. And middle market finance teams know that what worked yesterday won't cut it tomorrow. That's why AP automation is no longer a nice-to-have, it's a critical enabler of resilience.

About AvidXchange

Middle market companies are turning to AvidXchange—not just to automate AP, but to gain the strategic intelligence they need to thrive. Our Al-enhanced software backed by experts helps finance teams to adapt in real time, capturing the data you need to plan smarter, move faster, and lead with confidence. With deep integration into ERP systems, mobile capabilities, and configurable workflows, AvidXchange is built for the way finance teams work today.

Finance teams with AP automation solutions aren't just surviving today's economic challenges—they're transforming them into opportunities. Because when finance teams have access to the right data at the right time, they become more than stewards of cost. They become architects of strategy.

Does your finance team have the strategic vision needed to remain resilient as we move through this period of economic uncertainty? <u>Book a demo</u> with one of our AP automation experts to learn more about AvidXchange.



Spring Forward with Payroll Productivity: Hacks for Accurate Time Tracking in Construction

by Jack Biltis, eBacon



Accurate time tracking in construction isn't just about keeping tabs on hours worked, it's a pivotal strategy for enhancing productivity, controlling costs, and ensuring compliance. This article highlights actionable tips tailored for payroll managers in the construction industry, helping them overcome common time-tracking challenges and boost overall efficiency.

Why Accurate Time Tracking is the Secret to Success

In construction, every second counts. Time tracking serves as the backbone of payroll accuracy, job costing, and compliance with labor laws. However, inefficiencies like manual processes, human error, and outdated systems can quickly eat into profit margins. Transitioning to accurate and streamlined methods ensures that payroll managers maintain control while minimizing hidden costs.

1. Ditch Paper and Go Digital

The Problem: Paper timesheets are error-prone and time-consuming to process. Handwritten entries often lead to miscalculations and data inaccuracies, slowing down payroll workflows.

The Hack: Switch to an electronic timetracking system. Mobile apps, cloudbased solutions, and biometric time clocks eliminate the pitfalls of manual tracking. For example, mobile apps allow workers to clock in on-site, while cloud-based systems ensure instant data synchronization. This reduces the risk of lost or illegible entries, providing payroll managers with accurate, real-time data.

2. Leverage Real-Time Tracking

The Problem: Delayed reporting leads to incomplete or inaccurate payroll data.

The Hack: Use GPS-enabled systems for real-time tracking. These systems confirm employees' locations when they log hours, reducing time theft and ensuring that only actual hours worked are recorded. Real-time tracking also provides instant updates for payroll processing, making it easier to identify discrepancies before they become costly mistakes.

3. Standardize Job Codes and Tasks

The Problem: Inconsistent or vague job descriptions complicate job costing and payroll management.

The Hack: Create a standardized list of job codes for your projects. Assign each task or job role a unique code that employees must log when tracking time. This clarity enables payroll managers to allocate labor costs accurately, identify inefficiencies, and improve project forecasting, particularly within certified payroll projects.

4. Automate Overtime and Compliance Tracking

The Problem: Manually tracking overtime and break-taking compliance can lead to errors and penalties.

The Hack: Use an electronic system that automates compliance checks. Digital platforms can track when employees qualify for overtime, monitor break times, and ensure compliance with local labor laws. Automating these processes saves time and reduces the risk of fines for non-compliance.

5. Incorporate Biometric Verification

The Problem: Time theft through "buddy punching" (when one employee clocks in for another) skews payroll accuracy.

The Hack: Invest in biometric time clocks. These devices use fingerprint or facial recognition to verify employees' identities when clocking in or out. By

eliminating the possibility of fraudulent time entries, payroll managers can trust the integrity of their time-tracking data.

6. Capture Essential Data Points

The Problem: Incomplete time-tracking data complicates payroll processing and job costing.

The Hack: Ensure your system captures all necessary information, including:

- **Employee details:** Name, role, pay rate, and job location.
- Hours worked: Start and end times, breaks, and overtime.
- Location data: GPS or geofencing features to verify on-site presence.
- Job codes: Linking hours to specific tasks or projects.

By collecting these details, payroll managers gain a complete view of labor costs and compliance metrics.

7. Review and Optimize Regularly

The Problem: Stale processes hinder productivity and leave room for errors.

The Hack: Periodically review your timetracking methods. Analyze data to identify bottlenecks or recurring issues, such as frequent overtime or inconsistent break tracking. Use these insights to optimize schedules, allocate resources effectively, and refine payroll processes.

8. Train Your Team

The Problem: Employees unfamiliar with digital systems may make mistakes, undermining the benefits of accurate tracking.

The Hack: Offer comprehensive training on your chosen time-tracking platform. Provide step-by-step guides, conduct workshops, and designate a point person for troubleshooting. Empowered employees are less likely to make errors, ensuring smoother payroll management.

9. Monitor Performance with Reports

The Problem: Lack of visibility into time-tracking trends can lead to missed opportunities for improvement.

The Hack: Use reporting tools to

generate insights from your timetracking data. Identify trends in productivity, overtime, and compliance. These reports help payroll managers make informed decisions, ensuring alignment with project goals and labor budgets.

The Benefits of Accurate Time Tracking

When payroll managers implement these productivity hacks, the benefits ripple across the organization:

- Reduced Errors: Automation minimizes human error, ensuring accurate payroll calculations.
- Improved Compliance: Digital systems track labor law adherence, reducing the risk of penalties.
- Cost Control: Real-time tracking prevents overpayment and unnecessary labor expenses.
- Enhanced Profitability: Accurate job costing enables better resource allocation and project management.

Conclusion: Thrive with Smarter Time Tracking

Accurate time tracking is a gamechanger for payroll managers in the construction industry. By adopting digital tools, automating processes, and training teams, you can eliminate inefficiencies, reduce costs, and maximize profitability. These productivity hacks not only streamline payroll workflows but also empower managers to focus on strategic initiatives that drive business success.

Embrace these strategies today to "spring forward" with confidence and set your team up for long-term growth.

About the Author

Jack Biltis is the co-founder of eBacon, bringing over 20 years of experience in payroll, insurance, and administrative services. At eBacon, a leading construction payroll software company, Jack focuses on innovative technologies that help businesses streamline workforce management operations and improve profitability. Learn more at eBacon.com.



Streamlining Subcontractor Collections: Six Hacks for Accelerated Cash Flow

by Claire Wilson, SIteline



Payment delays cast a long shadow over the construction industry, particularly for subcontractors. Here's what we know:

- Subcontractors often function as the project's informal bank, with a staggering <u>77% reporting</u> they routinely front project costs.
- Yet, consistent payments remain elusive, with only <u>5% of</u> <u>subcontractors</u> reporting they always get paid on time and most enduring <u>an average 90-day wait</u>.
- These delays create immediate cash flow constraints for <u>nearly half (44%)</u> of all subcontractors.

The reliance on manual, paper-based systems only magnifies these challenges, introducing costly errors and obscuring the status of outstanding payments. Even the most dedicated billing professionals find their valuable time consumed by payment follow-ups rather than strategic work.

Without streamlined systems to identify overdue invoices, collections become increasingly difficult, and revenue suffers. To help you eliminate the productivity bottlenecks within your collections process, here are six strategies designed to reduce administrative burden, increase efficiency, and significantly accelerate your cash flow.

How to Hack Your Collections Process

The big thing to remember is that an effective collections process thrives on proactivity. Whether navigating the usual speed bumps or surfacing unforeseen red flags, timely action is key to cash flow stability. Here are some tried-and-true strategies to help you achieve that.

1. The "Uphold Fair Payment Terms" Hack

Ensuring you and your team have read, understand, and agree to the contract's

terms is critical. This is because contracts set the tone for when and how subcontractors get paid—these areas in particular:

- Payment Terms: Push aggressively to replace "pay-if-paid" clauses with "pay-when-paid" language, and make sure that the GC-to-subcontractor payment timeline (e.g., net 30, net 45) aligns with your cash flow needs.
- Payment Application Requirements: Confirm all payment application details—from required forms and notarization to submission deadlines and methods. Using the wrong form or failing to get a required signature can hold up payment for months.
- Lien Waiver Details: Familiarize
 yourself with both the project's and
 state's lien waiver requirements, which
 contain critical details for protecting
 your right to payment.
- Retainage terms: Clarify retention percentages, release conditions, and any variable rate structures.

If anything is unclear or unreasonable, speak up early and come to the GC with specific, mutually beneficial solutions.

2. The "Standardize Your Pay Apps" Hack

Reviewing the contract will also guide how you structure your pay application process, ensuring that you're:

- Using the correct form required by the GC
- Including all documentation required to track progress and justify billed amounts
- Submitting pay apps on time and to the right portal

Nailing these details from the get-go will save your team time, maximize first-time acceptance rates, and reduce delays.

3. The "Mitigate Risk Exposure" Hack

Construction projects rarely go to plan, and change order approvals can be challenging. To minimize risk when project scopes and requirements evolve, make sure that you:

- Always document changes to the original agreement with detailed, written change orders.
- Never do the work before the change order has been approved—this eliminates all your leverage.
- Always ensure project managers (PMs) immediately notify the back office about the change so they can process the request without delay.
- Never skimp on attaching backup materials that support your request for additional funds.
- Consider sending the change order log to the GC every month (what's been approved, is in progress, or is outstanding) to minimize misunderstandings and cultivate a better working relationship.

Following these to-dos can significantly speed up approvals from the GC, allowing money to reach you sooner, so work can continue as usual.

4. The "Head Off Cash Flow Issues" Hack

Regularly analyzing your accounts receivable (A/R) data is not only essential for maintaining healthy cash flow, but it also allows you to make informed decisions that streamline operations.

For instance, identifying consistently slow-paying GCs allows you to adjust your payment terms or take proactive measures to encourage timely payments. This can prevent bottlenecks that disrupt your projects and lead to unnecessary delays.

Moreover, recognizing which projects yield faster payments enables you to prioritize resources and efforts on them, ultimately maximizing your profitability. By addressing cash flow issues early on, you free up time and mental space to focus on strategic initiatives rather than constantly putting out fires caused by late payments.

5. The "Collectively Collect" Hack

Developing a realistic and clear A/R escalation plan is probably one of the most important components of any subcontractor's collections efforts. A shared plan gives teams structure and accountability, helping them move money in (and out) as efficiently as possible.

Key elements of an effective A/R escalation plan include:

- Immediate Response to Past-Due Payments: The longer payments linger, the harder they are to collect. Take action the minute it becomes past due, reaching out to the GC with essential details (e.g., invoice number, the amount due, original payment date).
- Consistent Follow-Ups: Establish follow-up protocols in case your initial payment request fails. Determine a follow-up frequency, choose your communication mode (i.e., email or phone), and decide when to bring in senior leadership for additional leverage.
- Defined Roles and Responsibilities:
 Assign ownership for each step of the escalation process to reinforce accountability and prevent past-due

- invoices from slipping through the cracks.
- Team Alignment: Communicate the process to everyone involved, ensuring they understand their role in securing lingering payments.

6. The "Centralization and Automation" Hack

As I hit on at the start, construction is moving faster than ever, and manual, paper-based billing methods just can't keep up. Without knowing where their money stands or who's responsible for following up, subcontractors waste so much time chasing down payments.

These days, there are <u>handy tools</u> that automate the tedious tasks slowing your team down and delaying payments. Key product features for streamlined A/R management include:

- Centralized billing and custom pay app creation
- Pay app tracking across all clients
- Automated email reminders to clients with outstanding invoices
- Built-in collections task management
- Detailed reporting and forecasting functionality for better financial management and planning

By implementing these strategic hacks, you can dramatically reduce the time spent on billing and collections, minimize payment delays, and flip your financial management from reactive to proactive. Remember, in construction, time is quite literally money—every minute saved is a dollar earned.

About the Author

Claire Wilson is the co-founder and COO of Siteline, a billing software for subcontractors. Previously, she was a project manager at Tishman Construction in New York City, where she worked on major projects like Hudson Yards and JP Morgan's Corporate Headquarters. She is an active CFMA San Francisco member, serves on the Bay Area Subcontractors Association board, and has spoken at numerous regional and national construction conferences. Claire holds a BS in Civil Engineering from Bucknell University.

THE PROTOCOL Spring Into Balance: POINT

POINT



by Grace Uwizeye-Allen, Graceful Etiquette

Productive

Etiquette Tips to Avoid

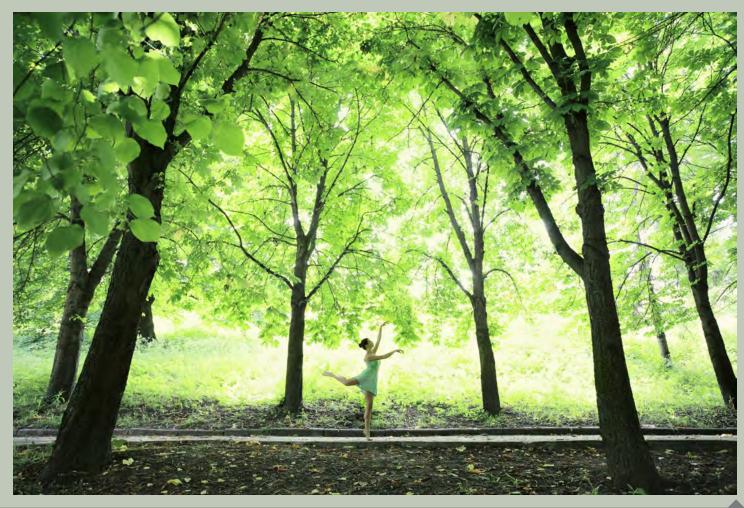
Burnout While Staying

There's something about spring that makes us feel like we need to do more. Maybe it's the longer days or the fresh energy in the air, but this time of year often brings a renewed drive to get things done—and fast. While that motivation can be a gift, it also comes with a trap: the pressure to overcommit, overdeliver, and overlook our own limits in the name of productivity.

That's where etiquette, surprisingly, can help. We often think of etiquette as a set of formal rules for dining or dress, but in the workplace, it's really about respect both for others and for ourselves. When we apply etiquette principles to the way we manage our time, communicate boundaries, and show up at work, we build a culture that supports productivity without pushing

people toward burnout.

Sustainable success doesn't mean being constantly available or saying yes to everything. It means showing up fully for what matters and having the confidence to step back when needed. The idea of quiet confidence is especially valuable here. It's not about broadcasting how busy you are or how much you've taken on. It's about being



intentional, grounded, and delivering results without sacrificing well-being.

Knowing your limits is the first step, but the real power comes from communicating them clearly and respectfully. It can be uncomfortable to say no, especially in team-driven environments where collaboration is key. But overpromising creates more stress for everyone involved. If something isn't realistic, it's better to offer an honest, thoughtful alternative. For example: "I want to give this the time it deserves-would next week work for a more focused review?" Or, "My current bandwidth is tight, but I'd be glad to help if the deadline can be adjusted or shared." These responses reflect professionalism and consideration, not avoidance.

Boundaries with Grace

It's also worth noting that boundaries don't mean disengagement. In fact, people who protect their time are often more reliable because they're not running on empty. Blocking off time for focused work without distraction shows a level of discipline and respect for the task at hand. It's not about working in isolation, but about making space for deep thinking and problem-solving, especially in roles that require strategy, analysis, or decision-making.

There's a common assumption that being productive means being constantly busy. But real productivity often looks quieter. It's being intentional about when and how you respond to messages. Knowing that stepping away from your desk for a 15-minute break can help you return sharper. It's declining a meeting that doesn't require your input, so you can focus on what does. These habits aren't lazy or avoidant—they're strategic. And yes, they're rooted in modern workplace etiquette.

Just as important is respecting others' boundaries, especially if you're in a leadership role. If someone shares that they're at capacity or working on a deadline, take them at their word.

Don't reward burnout; reward balance. One of the most meaningful things you can model is permission to pause, to regroup, to step away when needed. When people feel like they have the space to recharge without being judged, their output tends to be more focused and creative.

Small Gestures, Big Impact

Even small moments of interaction can support this balance. A short, polite check-in—"Is now a good time to talk?"—can prevent disruptions and signal that you value their time, not just your own. If you notice a colleague looking stressed or stretched thin, a kind comment like, "Let me know if you'd like to tag-team this," can open the door to collaboration without pressure. These aren't grand gestures. They're subtle shifts that add up.

Of course, communication plays a central role in all of this. In our increasingly digital environments, it's easy to feel like being productive means being instantly available. But that expectation is rarely sustainable or necessary. Instead, we can use tools to set expectations: calendar blocks, away messages, status updates on messaging platforms. These quiet cues help your team know when you're available and when you're focused, without requiring constant back-and-forth.

Tone also matters. A delayed response doesn't need to feel cold or rushed. A simple "Thanks for your patience, I've circled back with a few ideas" feels warm, human, and considerate without adding pressure. Little details like this create a culture where people don't just work hard—they feel supported while doing it.

There's a mindset shift that happens when we think of etiquette not as something stiff, but as something strategic. It's not about perfection or pretense, but rather having awareness of how your choices impact the people around you, and how small actions (like starting a meeting on time, replying

with clarity, or giving others space to speak) contribute to a smoother, more efficient workflow.

Let's be honest—burnout rarely brings out our best. When people are overwhelmed, details slip, motivation wanes, and collaboration can grow tense. But when individuals feel trusted and respected not only for what they do, but also for how they manage their time and energy, they show up with greater clarity and purpose. They solve problems more efficiently, contribute more freely, and move forward with intention rather than just urgency.

Spring Forward with Intention

The spring season offers a good reminder to pause and reset. It's a chance to clear out habits that may have crept in during the busier winter months and replace them with more intentional, respectful routines. Productivity doesn't have to be chaotic, in fact, the most productive professionals are often the ones who've mastered the art of the pause. They know when to say yes, when to say not yet, and how to do it with poise.

So, if spring has you feeling the urge to take on more, take a moment to reflect first. What would it look like to lead with quiet confidence instead? To protect your time not as a luxury, but as a responsibility? To be productive and poised, effective and empathetic?

That balance isn't just possible—it's powerful.

About the Author

Grace Uwizeye-Allen is CEO of Graceful Etiquette®, a top etiquette consultancy that offers organizational training in protocol and business etiquette, communication skills, and professional image development. With over 16 years of experience, we help professionals gain the confidence and skills to succeed in any environment with grace and ease.

SOMETHING DIFFERENT

Most Common Dog Breed in Each State

According to the <u>U.S. Census Bureau</u>, canines are the most common <u>pets</u> in the United States, as more than 49 million households have at least one pooch. Better still, around <u>38 percent</u> of dog owners get their pups from an animal rescue or shelter. These furry family members don't run cheap—pet parents spend anywhere from \$1533 to \$2524 annually on <u>dog-related expenses</u> like

food, toys, and veterinary visits—but the cuddles and affection they provide on the regular more than make up for it.

With dog ownership on the rise, U.S. News & World Report's 360 Reviews team recently took a deep dive into the *most popular breeds* in all 50 states (and the District of Columbia), and the results are pretty surprising. You

probably wouldn't expect it, but across 21 states—including Alabama, Arkansas, Indiana, Texas, Oklahoma, and others— Chihuahuas are the top choice.

To take a closer look yourself at this year's tally, <u>here are the most popular dog breeds across each state, including the District of Columbia.</u>





How To Network To Skyrocket Your Social Capital

WEDNESDAY, JUNE 11, 2025 | 12:00 - 1:00 PM EST



Networking is a great way to make connections that will drive your business forward. However, many professionals join groups and go to events only to end up with stacks of business cards and a calendar full of calls that go nowhere. This workshop will teach you how to help your connections and be that go-to person in your industry, so you get a return on your time investment. This online workshop will cover the following:

- Being strategic with your approach
- 2. Being organized with your contacts
- 3. Becoming that valued resource
- 4. Using shared experiences to build relationships



Presented by: Bobby Giurintano

Born in Long Island and raised in Staten Island, Bobby has always been driven by two passions: hockey and business. While his dreams of a professional hockey career didn't pan out, he channeled that same dedication into the business world. With over two decades of corporate sales experience, Bobby joined Double Play in January 2024 as Vice President of Business Development. Partnering with his longtime friend Andrew, he's focused on propelling Double Play to new heights.

In his free time, Bobby enjoys cheering on his favorite hockey team (Go Devils!), exploring great restaurants, and spending quality time with his rescue pitbull, Millie.



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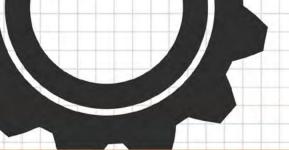
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