



February 2017

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Construction Spending is Highest in 10 Years

U.S. construction spending rose more than expected in November, reaching its highest level in 10-1/2 years, which could provide a lift to fourth-quarter economic growth.

The Commerce Department said in January that construction spending increased 0.9 percent to \$1.18 trillion, the highest level since April 2006. It was boosted by gains in both private and public sector investment

Construction spending in October was revised up to show a 0.6 percent rise instead of the previously reported 0.5 percent

increase. Construction spending was up 4.1 percent from a year ago in November.

Economists polled by Reuters had forecast construction spending rising 0.6 percent in November. November's better-than-expected increase and October's upward revision to construction spending could prompt economists to raise their gross domestic product estimates for the fourth quarter.

Spending on private construction projects jumped 1.0 percent in November to its highest level since July 2006 as sin-

gle-family home building, as well as home renovations, increased.

Investment in private nonresidential structures — which include factories, hospitals and roads — rose 0.9 percent after tumbling 1.5 percent the prior month.

Public construction spending gained 0.8 percent in November to the highest level since March. It was the fourth straight month of increases.

Outlays on state and local government construction projects rose 0.6 percent, also gaining for a fourth consecutive

A Need for Transparency

Several localities, including Richmond, provide public access to information needed by subcontractors when the governmental agency makes payment to their prime contractor. The Alliance for Construction Excellence feels the time is right for the Commonwealth to enact legislation to protect its interests and the interest of the subcontractors in Virginia.

Virginia Code §§ 2.2- 4347 to 2.2-4356 requires that construction prime contractors pay subcontractors seven days after receipt of payment from the state agency. However, the Alliance for Construction Excellence (ACE) feels the following is necessary to be included in regulations in order

to assure that the law accomplishes protections for subcontractors.

Del. Michael Weibert (18th District) is preparing legislation that will address this issue. The wording of the bill includes:

1. That the Department of General Services, in an effort to facilitate prompt payment by contractors to subcontractors, shall include on its central electronic procurement website, known as "eVA", the following information pertaining to payments made by a public body to a contractor:

1. The contractor's name;
2. The contract number;

3. The project name and description;
4. The date upon which payment was made to the contractor;
5. The amount of the payment made to the contractor;
6. The end date of the time period for which the payment was made, if such payments are made in installments;
7. Notation as to whether the payment was made as a progress payment or as a final payment;
8. The portion of the payment attributable to goods or services provided by a subcontractor of the contractor

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Time is of the Essence

Chapter President

Dale Trunnell, president of Metro Mechanical

You may have heard or read about SMACNA’s effort to focus on bringing younger people into the leadership roles of our association. While this effort is not unique to SMACNA, organizations throughout the country are doing the same.

Nearly everyone realizes that with some 10,000 Baby Boomers retiring daily, we need to pass the baton to the next generation.

Our small, but active chapter is in a similar situation. At our annual meeting in 2016 we elected three new outstanding individuals to our Board:

Tom Hall-A.D.J. Sheet Metal
 Geoff Parks-CMC Sheet Metal
 Kevin Grenier-K.G. Sheet Metal

I am pleased to report that all three gentlemen have “jumped in” immediately and taken on some key responsibilities.

No doubt some of our chapter members are dealing with similar issues. I learned at the SMACNA Convention held last year in Phoenix, that the New Horizons Foundation will be issuing an update of the Industry Futures Study, which will entail SMACNA reviewing its strategic plan.

Newly elected SMACNA President Joseph Lansdell of Poynter Sheet Metal Inc., Bloomington, Indian in discussing the future direction of our association told us SMACNA is taking seriously the needs and expectations of business owners in designing and constructing flexible facilities

that will adjust to our future needs.

To illustrate the point, SMACNA CEO Vince Sandusky told members at the convention that the association has just put its entire library of technical publications and CADD drawings online in a cloud-based subscription service.

All publications are available to members at no-charge! One seat license will be available to every member! An unlimited number of users within the company have access to publications under that license.

This means our project managers, estimators, engineers, and others will all have at their fingertips all of SMACNA standards, manuals, and drawings.

Our chapter staff has put together a list of up and coming execs that I hope will see the value of these and other services offered by SMACNA.

Programs are being planned for this year to bring these people together to not only meet each other, but become more aware of the many services and benefits that are available to them as members of SMACNA.

Please encourage their involvement and participation. It is good for our industry as well as your business.

**Important
 2017
 Dates:
 Quality Construction
 Alliance
 Conference
 May 2-4
 Washington,
 DC
 *
 SMACNA
 2017 Annual
 Convention
 Oct. 22-25
 Maui,
 Hawaii**



SMACNA Mid-Atlantic Chapter

Young Execs Invited to Tour SMACNA Headquarters

Tuesday, February 21st

10 a.m.— 12 noon

**SMACNA National Office
 4201 Lafayette Center Drive
 Chantilly, Virginia
 20151-1219**

- **Meet SMACNA’s Executive Staff**
- **Learn about the available benefits and services**
- **See fellow chapter members**

Call 301/446-0002 x 100

To reserve your space

Reporting Worker Fraud in Maryland



Most workers can be classified in two general groups:

employees and independent contractors. Misclassification occurs when an employer incorrectly classifies its workers as independent contractors. Some employers who have misclassified workers honestly believe that they have classified their workers correctly as independent contractors due to lack of legal knowledge or misunderstanding the law. Other employers intentionally misclassify their workers for a variety of reasons.

The most common reason is to reduce the costs of doing business. Employers who misclassify their employees reduce their costs by not paying unemployment insurance taxes and other payroll taxes, as well as Workers' Compensation Insurance premiums. Workers who are misclassified are also denied benefits that employers typically provide to employees such as paid sick or vacation days, health insurance, and retirement benefits.

Although misclassification exists in every industry and every occupation, Maryland's Workplace Fraud Act focuses on the construction and landscaping industries. If you think that the business for which you are competing against is misclassifying its workers you may

report this to James Tudor at 410/767-2986 and it will be investigated. For additional questions, please contact Kathy Sibbald at 410/767-2394

Minimum Wage Changes for 2017

Maryland—Effective July 1 the minimum wage increases from \$8.75 to \$9.25 per hour. In Montgomery County the minimum wage increases from \$10.75 to \$11.50 per hour.

Washington, D.C.—Beginning July 1, 2017, the District's minimum wage will increase annually in proportion to the annual average increase in the Consumer Price Index for All Urban Consumers in the Washington Metropolitan Statistical Area for the preceding 12 months.

Virginia—Virginia adopts the current Federal Minimum Wage by reference, and does not set a state minimum wage rate. Virginia's minimum wage statutes are only applicable to companies with four or more employees, and any employee who is exempt from the Federal Minimum Wage under the Fair Labor Standards Act (FLSA) is

A Seminar to Help You:

Become a High Performance Business

- ◆ Identifying and selling to the upscale, service-driven customer.
- ◆ Utilizing a seven-step process to closing a profitable sale.
- ◆ Increasing the gross margin in your business.
- ◆ Developing a positive customer service environment.
- ◆ Differentiating your products and services.

March 28, 2017

8 a.m. to Noon

SMACNA Mid-Atlantic Chapter

7833 Walker Drive, Suite 640

Greenbelt, MD 20770

This program is for business owners, executive staff, superintendents, project managers, estimators, and others with bottom line and sales responsibilities.

For Details Call 301/446-0002 x 100

Email: info@smacnaatl.org

Coming Attractions:

Here is a sampling of projects you may be soon hearing more about:

FBI Headquarters—An announcement is soon expected as to where the new FBI Headquarters will be located. The project has been in the works for years.

Prince Georges Regional Medical Center—The new 205 bed hospital in Largo is expected to see activity.

Marriott Headquarters—Often in the news the company has not yet announced the site it has chosen in Bethesda for its new worldwide headquarters.

Football Stadium—Rumors have been floating around for several years as to where the Redskins will play in the future. Virginia has been aggressively pursuing owner Dan Snyder, but don't count the District out yet.

Walter Reed—developers are expected to soon break ground on this former hospital site.

Soccer Stadium—Final word and ground breaking is expected soon on the area's new soccer stadium at Buzzard Point

Inova Loudoun Hospital—has announced a new campus redevelopment project.

Southwest Waterfront—the first part of this mile long redevelopment of the DC waterfront will soon open.

Georgetown Hospital—the hospital will soon embark on one of their largest expansions ever when they construct a new six story pavilion.

Bible Museum—DC's newest museum is scheduled to open later this year.

Prince George's Mall—is getting a make over along with some new tenants.

New Apple Store—is moving into what was the Carnegie Library in downtown DC.

SEC—to lease nearly 1.3 million square feet in the District as its current leases at 100 F St. NE, 600 Second St. NE and 700 Second St. NE — all known as Station Place — will begin to expire starting in April 2019.

Children's Museum—Plans are in the works to move the DC Children's Museum to Ft. Totten and open in 2019

Baltimore—New brewery to open near the Inner Harbor; Checkerspot Brewing Co. at 175 W. Ostend St.



Distracted Driving

"Lunch & Learn"

February 15, 2017

11 a.m.—1:30 p.m.



This program is intended for business owners, project managers, foremen, safety directors and others who manage risk.

Learn About:

- The benefits of mobile devices and driving policy on company owned vehicles;
- The value of educating employees on the hazards of distracted driving;
- The available technologies which can aide in restricting mobile phones in use in vehicles.

Please register—This event is FREE to all members. Call 301/446-0002 x 100 for questions.

Program will be held at the offices of SMACNA Mid-Atlantic Chapter, 7833 Walker Dr., Suite 640, Greenbelt, MD