Confused about Line Items and Allowances? You are not alone. One is fixed and the other moves, but there are some variances. Construction Attorney Jonathan Sweet (yep, it’s the same guy that wrote the book on construction contracts that all law schools use) has sent in a short article that explains the difference.

How Are Line Items Different from Allowances in Construction Contracts? A typical construction contract, either residential or commercial, is likely to have a total price for the construction work to be performed, and a list of line items which make up of the components of the total price. Line items are different from allowances. A line item should be a number that does not vary as the construction project goes forward. Allowances often vary, either to increase or decrease the construction contract price.

A. Line Items
Line items are usually expressed in round numbers, and are calculated by the contractor for such work as foundation, framing, or roofing. This amount for the line item in a construction contract should be a number that will not vary with the project going forward. The exception to a line item being fixed would be if the owner initiates a change in the work to be performed, or some other circumstance dictates a change in the cost of that line item. An owner should be reasonably confident that the line item number will not vary, and that the owner can be assured that the total contract price will not change due to a change in a line item amount.

B. Allowances
An Allowance is a budget figure for a material item to be selected by the Owner and to be furnished by either the owner or the contractor, but which shall be installed or provided by the Contractor. The number identified for the allowance item can vary in price depending on the selection made by the Owner. An amount for labor might be an allowance, but allowances are much more commonly used for material items which have not yet been selected. An allowance item might be a fixture such as an oven. Final selection of the actual oven to be installed may be deferred until the finish stage of the construction project. At that time, the total contract price will be adjusted up or down to reflect the cost of the actual oven to be purchased and installed by the contractor. If the allowance item finally selected is more costly than the budget figure for the allowance item, the owner’s obligation to pay the contractor will increase. If the selected item is less costly than the budget figure for the allowance item, the owner’s obligation to pay the Contractor will decrease.
Conclusion
A well-written construction contract will contain both line items to back up the total contract price, and allowances. The contract itself should have language which explains how the allowance process works to allow the owner to understand how allowances differ from line items. This can help owners and contractor avoid disputes when the construction contract price increases due to an allowance item being higher than the budget number used for the allowance. Call me at (408) 482-7144 or email me at jonathansweetlaw@comcast.net if you have questions about allowances and line items, other construction contract language, or legal issues with your construction project. I look forward to hearing from you."

LAW OFFICES OF JONATHAN J. SWEET
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San Jose, CA 95113
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Spy Cams in your hotel or Air B&B? Maybe. There are stories going around about hidden surveillance cameras, some of which operate on infrared light so they can record in the dark. Because surveillance cameras are so small, they can be hidden in things like smoke detectors, toothbrush holders, lamps, etc. There are millions and millions of them in use but hopefully most just watch driveways, sleeping babies and front doors. With a little work, some knowledge and a few cell phone apps, these hidden spy cams can be detected. Do you need this? Probably not, but it’s nice to know “just in case” and it will keep your teen-ager busy for days this summer searching for spy cams. Here is the link to an excellent article on how to find them.

Your Exchange offers member workshops twice each year to help you run your business better and more profitably. These workshops cover topics that members have requested and are tailored for business owners, supervisors and production people, depending upon the subject. You should send your office and field personnel (and yourself) to as many of these workshops as you can. They are free and are held at the Exchange, so space is limited. The best way to sign up is with the registration forms included in this newsletter.
Virus Help: The virus is probably at its “peak” these usually work themselves out in 3 waves) It’s a good idea to make a few adjustments to your workplace to make the spread less likely.

Employers are responsible for taking steps to make it more feasible for their employees to work in ways that minimize close contact with large numbers of people.

- Ensure employees who are sick do not come to work.
- Suspend nonessential employee travel.
- Minimize the number of employees working within arm’s length of one another.
- Cancel all large in-person meetings and conferences, or hold them via telephone or video conference.
- Maximize flexibility in granting sick leave so that sick employees are able to stay home.
- For service/retail industries, ensure updated procedures and protocols for frequent hand washing/sanitizing; enhance cleaning of high-touch surfaces and items with disinfecting wipes and other standard cleaners; ensure adequate supply of soap and paper towels; ensure frequent emptying of waste bins; and post signage regarding these procedures for staff and patrons.
- Stop requiring a doctor’s note for sick employees, as healthcare offices may be very busy and unable to provide that documentation right away.
- Consider use of telecommuting options for appropriate employees.
- Consider staggering start and end times to reduce large numbers of people coming together at the same time.

And here is a link to the interactive [best Corona Virus Map](#)
How to Get Paid for Your Work - Attorney Cathleen Curl explains how contractors successfully manage the payment process. Come to this brief, One Hour, workshop and learn what you need to know to get your money. How to write a strong payment demand letter, The importance of leaving good paper trail.

At the Exchange Thursday, March 19th from 9:30 until about 10:30 AM

How to Collect a Judgement - Attorney Cathleen Curl explains how contractors successfully collect their money once they have gotten a judgement from the court. Payment is not automatic; you have to do things to collect! Come to our workshop and learn what you need to know to collect your money. How to Collect on a Judgement workshop includes topics like;
Wage Garnishment
Levy on Bank Accounts

At the Exchange Wednesday, March 25th from 9:30 until about 10:30 AM

How to Change from a Sole Proprietor into a Corporation or LLC - Attorney Cathleen Curl explains how contractors successfully change their business organization from sole proprietor to corporation or LLC. Learn what is involved in changing, and the advantages of making a change in your form of business organization. includes topics like;
Types of Corporation
LLC
What you need to do

At the Exchange Thursday, March 26th from 9:30 until about 10:30 AM

Regulation, Enforcement and Pending Legislation – Three Items

*Item one – A nest of housing laws – Various assembly members combined – proposed legislation* If you are breathing you know CA has a housing crisis. Mr. Conklin at the Sacramento BX has sent a list of bills sponsored by group of legislators that have gotten together and proposed 8 different bills aimed at limiting the power of local jurisdictions to tax or control housing with fees. None of these bills are particularly earthshaking and will only do a little to address the problem. They finally have acknowledged there is a problem. Maybe next they can work on realistic public transportation, matching industrial growth to housing, controlling unreasonable environmental review and limiting the unreasonable use of zoning by moving to more centralized planning. It’s a band aid on a bullet hole, but at least they finally realize we’ve been shot. If you are really bored see the list in item one, below:

*Item Two - Skilled and Trained Workforce – Debora Wilder Update - Comment on*
changes to the law – Skilled and trained requirements are always changing. Why? Mostly for political reasons. It can be very hard (as in impossible) for a person who is running a business to keep track of what is required. Prevailing wage attorney Debora Wilder has sent us information on the latest changes for skilled and trained. See item two, below:

Item Three – The Dynamex-AB 5 Fiasco produces 33 bills. Back in medieval times the church had a scam they would work on the peasants. Here’s how it went; First, the church would preach against sin and evil thoughts. They told everyone they were going to Hell. After a while all the peasants thought they were doomed to eternal fire and were really worried about it. But wait! There was a solution! You could buy a dispensation from the church and have your sins erased! The church created the problem and then they solved it for a fee! Makes Billy Sunday look like an amateur. Fast forward to modern times and a small delivery company named Dynamex gets sued in court. The judge goes way beyond the law and gives a decision so wide ranging that it technically covers everyone, including those who didn’t ask for it and didn’t want it. Next, Ms. Gonzalez writes the decision into a universal law called AB 5 and they (our representatives) all happily pass it and send it to the governor who happily signs it! But there are a lot of unhappy people who start to complain. The result is a fiasco of piecemeal corrective legislation and pandering one interest bills. From a management and efficiency point of view this is gross incompetence. How did we get these people and who put them in charge? We did! -- It’s called voting. For a list of the 33 bills, sent in by my friend Dave of Aquatic Pool Service, see item three below:

Item one – A nest of housing fee laws – Various assembly members combined – proposed legislation.

AB 1484: Reform standards that cities and counties use to determine their fees.
AB 1924: Must assess fees on a per-square-foot basis
AB 3144: Reimburses impact fees on affordable projects.
AB 3145: Ceiling for development fees based on the median home price in a jurisdiction.
AB 3146: Reports to the Department of Housing and Community Development.
AB 3147: Lets developers pay impact fees under protest.
AB 3148: Reduced impact fees for affordable housing units built with state density bonus.
AB 3149: New fee or service charge notifications.

Item Two - Skilled and Trained Workforce – Debora Wilder Update - Comment on changes to the law

Skilled and Trained Workforce - California update The DIR has recently released some guidance relating to Skilled and Trained Workforce. The information of this requirement is complex and covers many different situations. These are not regulations. I expect proposed language will be out this year. Please review the DIR issued FAQ and chart detailing Skilled and Trained Workforce (STW) Requirements. https://www.dir.ca.gov/Public-Works/ADA-Compliant-STW-FAQ.pdf

When is the best time to do an Annual Review of Agency contract language?
Most states and the Federal government use January 1 as the date when new laws go into effect.
So, a good time to review your contracts to determine if the most current prevailing wage clauses are included, is typically the first part of January or even late December once all the legislative bills have been passed and signed. However, some legislatures will impose a new law with "emergency provisions". In that instance, the law (contract provision) will become effective in accordance with the legislature's timeline set forth in the bill. Many states have a fiscal year that runs from July 1 to June 30. Oftentimes, changes are made effective July 1. In other instances, new changes could go into effect once the bill is signed. The best practice is to review your prevailing wage contract language once a year (preferably late December or early January) and then have an ongoing relationship with a prevailing wage consultant or attorney who will alert you if there is a major change that needs to be applied before the new year.

**Item Three - 33 Current bills to mitigate or eliminate Dynamex and AB 5**

**Democrat-authored bills**

- **AB 1850 (Gonzalez)** – This is the author’s (of AB 5) primary follow-up bill to AB 5. Gonzalez recently amended the bill and pegged it as an exemption for photojournalists, freelance writers, editors, and cartoonists, but it also includes language to highlight business-to-business exemptions.
- **AB 2465 (Gonzalez)** – Exemption of barbering and cosmetology from the provisions of AB 5.
- **SB 900 (Hill)** – Currently a placeholder for future language on AB 5.
- **SB 1039 (Galgiani)** – Currently a placeholder for future language to create a third classification of workers with basic rights and protections relative to work opportunities.
- **SB 1236 (Stern)** – Currently a placeholder for future language on AB 5.

**Republican-authored bills**

- **AB 1925 (Obernolte)** – Exemption of small businesses, those with fewer than 100 employees, from the provisions of AB 5.
- **AB 1928 (Kiley)** – Repeal and replace AB 5 and the ABC Test with the multifactor test put forward in *Borello*.
- **AB 2457 (Melendez)** – Exemption of pharmacists from the provisions of AB 5.
- **AB 2458 (Melendez)** – Exemption of physical therapists from the provisions of AB 5.
- **AB 2489 (Choi)** – Exemption of franchiser and franchisees from the provisions of AB 5.
- **AB 2497 (Bigelow)** – Exemption of transportation network companies from the provisions of AB 5.
- **AB 2572 (Dahle)** – Exemption of timber operators, registered forest professionals, geologists, geophysicists, and land surveyors from the provisions of AB 5.
- **AB 2750 (Bigelow)** – Currently a placeholder for future language on AB 5.
- **AB 2793 (Mathis)** – Exemption of licensed marriage and family therapists from the provisions of AB 5.
- **AB 2794 (Mathis)** – Exemption for health facilities that contract with companies that employ health care providers from the provisions of AB 5.
- **AB 2796 (Fong)** – Exemption of newspaper distributors or newspaper carriers from the provisions of AB 5.
- **AB 2822 (Waldron)** – Exemption of transportation network companies from the provisions of AB 5.
- **AB 2823 (Waldron)** – Exemption of land surveyors, landscape architects, geologists, or geophysicists from the provisions of AB 5.
• AB 2979 (Voepel) – Exemption of interpreters and translators from the provisions of AB 5.
• AB 3136 (Voepel) – Exemption of shorthand reporters from the provisions of AB 5.
• AB 3185 (Lackey) – Exemption of referees or umpires for youth sports from the provisions of AB 5.
• AB 3281 (Brough) – Exemption of business-to-business contracting relationships from the provisions of AB 5.
• ACA 19 (Kiley) – An amendment to repeal AB 5 and codify the Borello test into the California Constitution.
• SB 806 (Grove) – Repeal of AB 5 and replace with a modified A plus B or C Test to determine worker classification.
• SB 867 (Bates) – Exemption of newspaper distributors or newspaper carriers from the provisions of AB 5.
• SB 868 (Bates) – Exemption of freelance journalists from the provisions of AB 5.
• SB 875 (Grove) – Exemption of interpreters and translators from the provisions of AB 5.
• SB 881 (Jones) – Exemption of musicians and music industry professionals from the provisions of AB 5.
• SB 963 (Morrell) – Exemption of referees and umpires for youth sports from the provisions of AB 5.
• SB 965 (Nielsen) – Exemption for health facilities that contract with companies that employ health care providers from the provisions of AB 5.
• SB 967 (Borgeas) – Exemption of franchiser and franchisees from the provisions of AB 5.
• SB 975 (Dahle) – Exemption of licensed timber operator or a registered professional forester from the provisions of AB 5.
• SB 990 (Moorlach) – Exemption of transportation network companies from the provisions of AB 5.

Here is where you [Find your California Legislator](#) to tell them what you think

We have a health insurance program. I’ll bet you didn’t know that! Call Tom to learn more. 650-591-4486

**Credit Union** - Did you know that all Exchange members and their employees are eligible to join the Provident Credit Union. They have some special stuff going on so look for the adv in this issue. Want to get a loan or sign up? Call Art at Providence: 650-801-7143

**HERITAGE BANK OF COMMERCE** - Building Business Relationships that last. Heritage Bank of Commerce has expanded its Bay Area presence further up the Peninsula into San Mateo and Redwood City. Working with one of our industry-savvy bankers is now more convenient than ever. Member FDIC

To discuss your business banking needs call: Dustin Warford 408-792-4060
Need Some Trucks? – Many of our members get their fleets from Paul Rolandi at Mission Valley Ford. Paul has been helping Exchange members get and maintain their fleets for years. You can call Paul at 408-933-2385. This is a real fleet dealer for construction. Trucks, SUV’s and Heavy Equipment. Sorry, no Cars. No white shoe, white belt, checkered pants salespeople giving you phony pricing and double talk. Real straight forward and easy to deal with.

Sincerely,

Tom McGinley
Executive Director
Subcontractor's Bid Invitation

SFUSD PROJECT NUMBER: 11904
PROJECT LOCATION: 2110 Greenwich Street, San Francisco, CA
OWNER: SAN FRANCISCO UNIFIED SCHOOL DISTRICT

Project Name
Tule Elk Park EES New Classroom Building

Bid Date: Tuesday, March 24, 2020 at 2:00PM (please provide your price by 1PM)

Argo Construction, Inc. as a “GENERAL CONTRACTOR” is requesting quotations on “ALL TRADES“ from all qualified subcontractors & suppliers, including DVBE.

Scope of Work: Construction of a new one-story classroom building, building pad, and associated site work including; but not limited to, hazardous material abatement, underground services including water, sewer, storm drain, electrical, plumbing, mechanical, fencing, planters and planting. Installation of electrical services including low voltage systems such as fire alarm, security, telephone, data, clock/bell/PA, etc.

Project Labor Agreement: All bidders are hereby notified that the District has Project Labor Agreement (PLA) in effect on the Project and all contractors and subcontractors bidding this project will be required to comply with PLA.

Plans are available for viewing at https://www.e-arc.com/location/san-francisco-hooper-street/
Click on the Order from PlanWell/Public Planroom "button" and search for project name and project #11904.

Estimated Construction Value of Work: $2,700,000.00
Please contact us if you have any questions.

Sincerely,

Aurora Street
Project Coordinator
C.H.A.S.E.

Need Help With Safety?

Need Help With Safety and Environmental Issues? The Safety Resource for Peninsula Builders Exchange Members is C.H.A.S.E.

C.H.A.S.E. President Bill Sanborn is the regional expert on Construction Health and Safety Issues. If you need safety advice please give him a call!

- Safety Plans (IIPP)
- Construction Safety Related Training
- Cal-OSHA Paperwork
- Citation Defense
- Environmental Issues
- Employee Safety and Exposure
- Ergonomics

Call Bill Sanborn at:

408-374-9565
Health Insurance Answers You Can Trust

- Need help in understanding how to get decent coverage?
- Want to see if you will benefit from the 2014 changes?
- Will an HSA work for my insurance needs?
- Will health insurance help retain employees?
- Can I position my income for an insurance subsidy?
- How can I get “guaranteed issue” if I have health problems?
- Which carrier should I choose?
- Plan Administration and Paperwork? – Just leave it to Us!

Call Todd Taylor, our preferred Health Insurance Person for straightforward answers you can trust. Todd has helped over 100 members!

650-594-5933   408-358-7502

Choose from any of the following plans:
Kaiser—Convenient & one close location for all your health care needs

Aetna – Health plans that work for your life

Health Net - great alternative carrier to the Blues with competitive plans

United Healthcare – Medical solutions

Anthem Blue Cross & Blue Shield - Largest selection of plans & largest PPO networks in the state

Health Insurance Answers You Can Trust!

408-358-7502 or 650-594-593
Election Notice – Members wanting to run for the Peninsula Builders Exchange Board of Directors must submit a letter of application to the election committee stating their desire to be placed on the ballot and their qualifications.

All letters must be physically received at the office of the Peninsula Builders Exchange by 12 Noon on Monday April 13th, 2020. Postmarks will not qualify.

Peninsula Builders Exchange
Election Committee
282 Harbor Boulevard, Bldg. D
Belmont, CA 94002
Attorney Cathleen Curl explains how contractors successfully manage the payment process. Your chances of getting prompt payment are greatly increased if you follow a few simple steps. Come to this brief, One Hour, workshop and learn what you need to know to get your money.

Best ways to get paid for your work includes topics like:

- How to write a strong payment demand letter,
- The importance of leaving good paper trail.

At the Exchange Thursday, March 19th from 9:30 until about 10:30 AM

Attendance is Free – But you must reserve space.

Please Reserve ________ seats for the Best Ways to Get Paid workshop Thursday 3/19/2020 at the Exchange stating at 9:30 AM

Workshop is Free (but you must complete this form to reserve your space)

Name: (Please Print) ____________________________________________________________

Company Name: _____________________________________________________________

Address: ____________________________________________________________________

Phone: _____________________________________________________________________

Email: _____________________________________________________________________

Peninsula Builders Exchange, 282 Harbor Blvd, Building D
Belmont, CA 94002
Phone: 650-591-4486  Fax: 650-591-8108  email: Support@Constructionplans.org
Construction Site Safety Inspection Basics

A Free Seminar for Members

This Workshop is the best way to make sure that your workplace is safe!

This course provides a comprehensive guide to inspecting your jobsites. You will learn how to:

• Review Employee Capabilities and Needs
• Determine Training Needs
• Review Work-Site Postings for Compliance
• What is “Housekeeping”? 
• What Are “Safety Data Sheets” and WHY Do I Need Them?
• Identify and Document Potential Hazards on the jobsite
• Documentation of Remedies to Site Hazards
• Review of Personal Protective Equipment (PPE)
• Review Primary Scaffolding Issues
• Review Ladder Safety Issues
• Review Vehicle Backing Safety

MORE STUFF – FORMS – CHECKLISTS - GUIDELINES

Created to meet the needs of Exchange Members by Construction Safety Expert Bill Sanborn of C.H.A.S.E. Bill is the regional construction safety expert and is an expert on citation mitigation and defense.– Tuesday, March 17th 2020 9 AM to Noon FREE

---------------------------------------------------------------

Please Reserve__________seats for the Construction Site Inspection on Tuesday, March 17th 2020

Must reserve by 3/5/20

Name: (Please Print) ____________________________________________

Company Name: ________________________________________________

Address: ______________________________________________________

Phone: ______________________________________________________________________

Email: ______________________________________________________________________

Mail or Fax to:
Peninsula Builders Exchange, 282 Harbor Blvd Belmont CA
Fax: 650-591-8108
How to Collect on a Judgement
A workshop for Contractors

Attorney Cathleen Curl explains how contractors successfully collect their money once they have gotten a judgement from the court. Payment is not automatic; you have to do things to collect! Come to our workshop and learn what you need to know to collect your money.

How to Collect on a Judgement workshop includes topics like;

Wage Garnishment
Levy on Bank Accounts

How to collect on a judgment you get against someone

At the Exchange Wednesday, March 25th from 9:30 until about 10:30 AM

Attendance is Free – But you must reserve space.

Please Reserve ________ seats for the How to Collect on a Judgement workshop Wednesday 3/25/2020 at the Exchange stating at 9:30 AM

Workshop is Free (but you must complete this form to reserve your space)

Name: (Please Print) ____________________________________________________________
Company Name: __________________________________________________________________
Address: _______________________________________________________________________
Phone: _________________________________________________________________________
Email: _________________________________________________________________________

Peninsula Builders Exchange, 282 Harbor Blvd, Building D
Belmont, CA 94002
Phone: 650-591-4486 Fax: 650-591-8108 email: support@ConstructoinPLans.org
How to Change from a Sole Proprietor into a Corporation or LLC

A workshop for Contractors

Attorney Cathleen Curl explains how contractors successfully change their business organization from sole proprietor to corporation or LLC.

Come to our workshop and learn what is involved in changing, and the advantages of making a change in your form of business organization.

How to Change from a Sole Proprietor into a Corporation or LLC includes topics like;

- Types of Corporation
- LLC
- What you need to do

How to Change from a Sole Proprietor into a Corporation or LLC

At the Exchange Thursday, March 26th from 9:30 until about 10:30 AM

Attendance is Free – But you must reserve space.

Please Reserve ________ seats for the How to Collect on a Judgement workshop Thursday 3/26/2020 at the Exchange stating at 9:30 AM Workshop is Free (but you must complete this form to reserve your space)

Name: (Please Print) ____________________________________________________________
Company Name: _______________________________________________________________
Address: ____________________________________________________________________
Phone: _____________________________________________________________________
Email: _____________________________________________________________________

Peninsula Builders Exchange, 282 Harbor Blvd, Building D
Belmont, CA 94002
Phone: 650-591-4486 Fax: 650-591-8108 email: support@ConstructionPlans.org
PROVIDENT CREDIT UNION

- Formed in 1950 to serve the California Teachers Association (CTA)
- FIVE STAR RATING from Bauer Financial*** 16 years in a row
- Ranked #3 in 2014 list of the Top 200 Healthiest Credit Unions in America by depositaccounts.com

To find out more information about our products and services, please contact:

Arturo Pimentel
Account Executive
Apimentel@providentcu.org
(650) 801-7143

* Annual Percentage Yield (APY) effective December 15, 2017 and subject to change anytime without notice. 2.01% APY on balances $0.01-$25,000; 0.08% APY on balances $25,001 and over; 0% APY if requirements are not met. There is a minimum deposit of $25 to open and must be 18 or older. Other terms and conditions apply. Please visit providentcu.org for details.
** Terms and conditions apply. Please visit providentcu.org for details.
*** BauerFinancial, Inc. is an independent rating agency.
1) Subject to credit rating. Up to 100% financing is available on new and pre-owned vehicles up to MSRP/Retail Kelley Blue Book value plus tax and license to qualified members.
2) Payments begin approximately 90 days after loan funding. Interest accrues from day of funding. 90-day no payment option not applicable to refinance of an existing Provident loan.
Peninsula Builders Exchange Preferred Program

American Trust has created a preferred partnership program exclusively for Peninsula Builders Exchange. We are excited to offer our services to you and your members.

Currently the retirement industry is experiencing many changes. With looming new Department of Labor regulations, there is increased pressure on enhanced fiduciary oversight, fee scrutiny, education, advice, and participant protection. American Trust has the solution.

American Trust created ATArchitect to help participants retire successfully. ATArchitect is a sustainable retirement strategy that automatically and systematically understands participants’ needs, tracks their progress, and (re)allocates their funds to their best path. It adjusts their allocation between five ATDynamic allocation funds based on their personal characteristics, ATBlueprint® calculations, and current market conditions. It takes action based on market conditions and their unique situation. It knows when to diversify and when to make investment changes, and automatically makes those decisions for them!

Preferred Pricing
For Peninsula Builders Exchange, we have created a volume-based set of fee schedules that will reward all members as the total group assets grow.

Partner Annual Sponsorship
We are committed to annual sponsorship of events and programs in support of the Exchange Members.

American Trust Retirement is a proven leader in the industry. Our competitive advantages include maximum fiduciary protection, individually customized portfolios, targeted education programs, and comprehensive financial planning.