

## Builder Web Services Catching On

By Joe Stoddard

Construction-specific search engines like BuildingOnline ([www.buildingonline.com](http://www.buildingonline.com)) and AEC InfoCenter ([www.aecinfo.com](http://www.aecinfo.com)) have been around almost since the beginning of the Internet. Recently, however, the scope of what's available online has moved beyond the basic search engine or discussion group to include contractor services — online solutions to the real-world problems builders face every day. Technology that used to be available only to mega-dollar commercial construction companies is now becoming accessible for small to midsize contractors as well. Online builder services, whether regional or national in scope, now include everything from referral and collection services to online project management.

**Contractor screening.** Capitalizing on the fact that construction fraud and poor workmanship result in twice the number of dissatisfied cus-

tomers than in any other industry, California-based ImproveNet ([www.improvenet.com](http://www.improvenet.com)) matches up pre-screened contractors with prospective clients. For a one-time fee of \$90, a contractor or designer can be included in the referral database. The service is free to homeowners who fill out an online form at the ImproveNet Web site describing their upcoming projects. After ImproveNet's staff verifies the project information (and weeds out the tire-kickers) by telephone, a project overview is faxed to enrolled contractors located near the prospective job. Homeowners' names are initially withheld; the first four contractors to show interest get the lead.

ImproveNet boasts more than 600,000 trade members nationally, who are rated based on current licenses, insurance coverage, and financial health. Workmanship is

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## *New Testing Standards for Wraps, Felts, and Membranes*

ASTM (American Society for Testing & Materials) has formed a task group to write new standards for weather-resistive barriers, according to a notice in *Energy Design Update* (EDU). Currently, building paper, housewrap, and felt paper are tested according to a confusing array of standards, making it difficult to evaluate each material's ability to resist penetration by air, water, and water vapor (see "Housewrap vs. Felt," 11/98). Headed by California architect Tom Butt, members of ASTM Task Group E06.55.07 (Weather-Resistive Barriers) will evaluate existing standards and define performance criteria, then attempt to develop more consistent test methods. According to *EDU*, major obstacles the committee will have to overcome include managing the competing interests of three different industries (paper, plastic, and roofing producers), as well as designing tests that acknowledge not only material specs but in-place performance in a variety of applications.

Given the complexity of its objective, the task group is unlikely to produce results for at least two years. Butt told *EDU* that none of the products currently being used as weather-resistive barriers was designed for that purpose, and "in fact, it's widely believed both inside the committee and out that the ideal material is not even on the market, but could be developed."

For more information, contact Thomas Butt (510/236-7435; fax 510/232-5325; [tom.butt@intres.com](mailto:tom.butt@intres.com)).



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 also rated using audits of ongoing projects as well as customer feedback posted at the Web site. Homeowners get the advantage of knowing they're dealing with independently screened companies, and contractor members benefit from a steady flow of qualified leads. ImproveNet also has programs for contractors interested in small (under \$5,000) projects, as well as for specialty trade contractors.

**Suppliers, materials, and subs.** In the Washington D.C. area, Builders' SupplyNet (<http://bsn-usa.com>) helps contractors find vendors, products, pricing, and qualified subcontractors online. BSN's powerful database is provided by its subscribers, who pay an annual subscription of \$999 for access to each other in a variety of ways that would be nearly impossible through conventional means. For example, users can create electronic "Purchase Advice" or e-mail an RFQ (Request For Quote) to selected recipients. BSN also provides community message boards that provide a way for interested parties to keep in touch about ongoing projects. Plans are underway to expand BSN into other areas of the country in the near future.

**Debt collecting.** A new online collection service in Florida is another example of how the Web can solve real-life builder problems. Depending on the scope of services, Construction Notice ([www.constructionnotice.com](http://www.constructionnotice.com)) charges a flat fee or a percentage to recover delinquent accounts. Working online, contractors fill in project information and request the actions they want taken. Construction Notice then sends anything from a Notice to Owners to Claims of Lien and Notices of Non-Payment. When necessary, collection services can also be requested. To get things started, the site provides a handy table of critical Florida filing dates.

**Project updates.** Software companies are also finding ways to integrate

stand-alone products with Internet access. Construction Data Control, Inc. (CDCI) is one of the first software vendors to jump into the home-builder market with its own "Job2Date" service ([www.cdc.com](http://www.cdc.com)). Job2Date is a communications hub that keeps contractors in touch with the project "team" — homeowner, subs, suppliers, employees, designer, banker, and so on. All project documents, drawings, and communications can be stored on a central CDCI computer and accessed from any Web

browser. Contractors control who gets to see what: For instance, homeowners could be allowed to check the progress of their jobs, but not the contractors' profit margins.

The image shows two screenshots of web applications. The top screenshot is for 'Construction Notice', featuring a navigation bar with links like 'Live Home Page', 'Net Search', 'Apple Computer', 'Apple Support', and 'Apple Software'. Below the navigation is a contact form with fields for Name of Customer, Address, City, Zip, Office Phone, Job Phone, Job Name or Project Name, and Job Permit No. The bottom screenshot is for 'Builder SupplyNet', which has a header with 'The Internet Marketplace for the Local Building Community' and a large 'Builder SupplyNet' logo. Below the logo is a navigation menu with 'Member Login', 'Become a Member', 'About the BSN', and 'BSN News'. The main content area includes a search bar and several service categories like 'Find A Contractor', 'Find A Designer', 'Screen A Contractor', 'Check Your Contract', 'Product Showcase', 'Design Gallery', 'Expert Advice', and 'Remodeler's Shop'.

stand-alone "project-specific Web site," but CDCI software users get the added benefit of being able to access their job accounting data online by uploading "read-only" files. Cost for the service starts at \$90 per month for five projects and five users.

**Instant change orders.** Some builders, like Baltimore native Ed Lonergan, are setting up their own online project management Web sites to avoid monthly subscription fees and limiting software choices. Like most builders,

Lonergan was sick and tired of hassling with customers over change orders. With the help of a local Web developer, Lonergan created a system that transferred a good chunk of the accounting responsibility for his projects from his office into the hands of his customers. Now, if customers want to request a change, they log into a password-protected area of Lonergan's Web site ([www.lonerganhomes.com](http://www.lonerganhomes.com)) and fill out an online change order request form. Lonergan then updates both the job price and schedule. If clients still want a

change after seeing how it would affect the bottom line and

move-in date, they simply accept the change online and it automatically becomes part of the construction contract. Lonergan says he saves one day a week because customers are doing their own paperwork, plus there are never any lingering questions over who initiated a particular change.

**Joe Stoddard** is a contributing editor to the Journal of Light Construction specializing in computer technology.

# Get Ready For the Lead Information Rule

by Steven G. Davis

In 1992, Congress amended the Toxic Substances Control Act to include Title IV "Lead Exposure Reduction." This law, commonly called Rule 406, took effect June 1, 1999, and falls under the Pre-Renovation Lead Information Rule, which requires contractors to notify all building occupants of possible lead hazards.

While some types of work, such as emergency repairs, are excluded, the rule applies to most remodeling work on buildings constructed before 1978 for which the contractor is being compensated. Even small jobs are affected if more than 2 square feet of paint will be disturbed. For example, if you are hired to replace 1x4 trim on a single 30x60-inch window, Rule 406 applies because the trim itself covers 5 square feet, well above the 2-square-foot minimum.

To comply with the law, contractors need to distribute to all building occupants a pamphlet developed by the Environmental Protection Agency (EPA) entitled "Protect Your Family

From Lead In Your Home," and they must also obtain a signed acknowledgement from all occupants who receive the pamphlet. Shown here is a sample of the acknowledgement form

**Acknowledgment of Receipt of Pamphlet**

I, \_\_\_\_\_(name of occupant)\_\_\_\_\_, do hereby acknowledge that \_\_\_\_\_(your company name)\_\_\_\_ has provided me with a copy of the EPA pamphlet titled "Protect Your Family From Lead In Your Home" in compliance with the Pre-Renovation Lead Information Rule (TSCA 406b) at least seven (7) days prior to commencing renovations to my place of residence at \_\_\_\_\_(street address)\_\_\_\_\_, \_\_\_\_\_(town or city)\_\_\_\_, \_\_\_\_\_(zip code)\_\_\_\_.

Signature \_\_\_\_\_

Date \_\_\_\_\_

I use, which has been approved by my attorney. Because requirements may vary from state to state, however, you should prepare your own form with the help of an attorney who knows the local laws.

Bulk copies of the EPA pamphlet (document number 055-000-00507-9)

are available (about \$27 for 50 copies) from the Government Printing Office (202/512-1800). You can also photocopy the pamphlet, providing text and graphics are reproduced in full. Camera-ready copies of the pamphlet, as well as additional information on Rule 406, are available from The National Lead Information Center (800/424-5323). I have also found the people at my state public health office to be knowledgeable and helpful.

Failure to comply with Rule 406 is a violation of federal law, and carries fines of up to \$25,000 per day per occurrence. In addition, a lawsuit in which a building occupant claims bodily injury due to your failure to comply with this law could pierce the corporate veil, opening up owners and officers of corporations to personal liability.

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## Is this crane big enough for your job?

The Lampson LTL-1200 Transi-Lift crane has a 280-foot main boom that is rated to lift 1,200 tons. It has six engines (four for mobility and two for the hoist and boom) and requires a crew of three to operate — two people run the crawlers while one controls boom and hoist operations. As if that's not enough, its big brother, the LTL-2600, has ten diesel engines and can be equipped with up to a 500-foot boom with a 2,600-ton lift capacity. After trucking in all the parts on 60 tractor trailers, it takes a ten-person crew three weeks to assemble the LTL-2600, which is the world's largest mobile crane.



## Certified "Green" Particleboard



**D**uring the past few years, a wide array of lumber products have been certified as sustainably harvested. But Collins Products' industrial particleboard is the first particleboard we know of to carry a "green" label. Certified by the Forest Stewardship Council and available in thicknesses from 1/2 to 1 1/4 inches, the manufacturer claims that the particleboard panels are suitable for all applications where other particleboards are commonly used. The company also says that the panels meet formaldehyde emissions standards of less than 0.3 parts per million.

### OFFCUTS

**Fiberglass-asphalt shingles must pass stiffer tests** according to the 1996 BOCA and 1997 SBCCI building codes, which rely on the ASTM D3462 performance standard. The standard, which sets minimum tear resistance and fastener pull-through resistance, has caused problems for some manufacturers. Ted Michelsen, Director of the Roofing Industry Educational Institute, told *JLC* that "there are still many fiberglass-asphalt shingle products on the market that are not in compliance with ASTM D3462." With several states about to join others that have already adopted these codes, many eastern builders will need to carefully check shingle bundles for compliance.

**Residential builders and remodelers buy 68% of all structural engineered wood products** used in the North American market, according to a recent forecast by the APA — The Engineered Wood Association. Commercial construction uses 10%, 18% goes to industrial applications, and the remaining 4% gets shipped overseas.

**Two-day seminars on sanding and finishing hardwood floors** are the result of a team effort by Basic Coatings, Alto Sanding Equipment, and 3M. The seminars, good for credit towards a degree from the National Wood Flooring Association (NWFA), are scheduled for June 18-19 in Minneapolis, Minn., July 23-24 in Carlstadt, N.J., and September 17-18 in Anaheim, Calif. To sign up or find out about future locations, call Judy Greaves at 800/247-5471.

**Manufacturers must report on product Y2K compliance**, according to the Year 2000 Information Readiness Disclosure Act. To check the status of Y2K-susceptible items such as hvac controls, lighting and security systems, and smoke detectors, as well as valves, actuators, vehicles, and business office equipment, call the manufacturers, check their Web sites, or consult Y2K sites such as [www.y2kdisclose.com](http://www.y2kdisclose.com).

## Testing Masonry Fill Insulation

**T**he National Concrete Masonry Association (NCMA) recently initiated a voluntary certification program for fill insulation, such as vermiculite, perlite, and foam, that is used with concrete block walls. Set up to eliminate the confusion caused by wildly differing claims made by various manufacturers, NCMA determines R-values for different products using a standard ASHRAE energy rating calculation. According to Bob Thomas, NCMA's director of engineering and research, the new evaluation program provides "realistic calculated values," so don't be surprised if companies that have claimed R-22 values in the past fail to rush out and get their certificates. So far five companies, out of around 25 nationwide, have submitted their products for testing.

Under a new voluntary evaluation program, loose concrete block insulation can be certified for R-value by NCMA. West Materials Inc., a company that contends its competitors have exaggerated R-value claims in the past, was the first manufacturer to complete the testing. Its preformed polystyrene core insert product was tested for 13 different wall assemblies with resulting calculated R-values of between 3.33 and 5.29.



# Marvin Court Case Against PPG Dismissed

A major liability lawsuit brought by Marvin Windows and Doors against Pittsburgh Paints (PPG) was recently dismissed by a federal judge. The ruling is the latest in a chain of events surrounding the costly rash of failures that afflicted Marvin windows built during the late 1980s.

Until this year, Marvin has been paying full replacement costs for windows that developed rot problems. But Marvin claims that the defects were caused by PPG, which manufactured a wood preservative that Marvin used during the late 80s. PPG, in turn, has pointed its corporate finger right back at Marvin.

The story started more than 10 years ago with the growing awareness that the predominant preservative used at the time, Pentachlorophenol, was too toxic. Marvin switched to PPG's PILT preservative, a less toxic tributyl tin oxide (TBTO) compound. PPG's lead lawyer on this case, Mike Nilan, claims PILT is formulated with a higher TBTO concentration (.75%), than the industry standard (.5%). Nonetheless, a sizeable number of PILT-treated Marvin windows began to fail only a few years after installation.

Marvin's lawsuit alleged that PPG's PILT preservative had failed to protect wood window components and that PPG should be forced to share the costs of replacing failed windows around the country. To support its claim, Marvin contended that the pattern of window failures began after it switched to using PILT and stopped when PILT use was discontinued after the problems started showing up.

PPG countered with several allegations of its own, including the claim that several other window manufacturers continue to use PILT without problems even after ten years. In

addition, attorney Nilan contends that Marvin went against accepted industry specs by often cutting wood after it had been dipped in PILT and not retreating the wood adequately before using it in production.

Until this year, Marvin's policy was to provide new windows and cover all installation costs when problems arose, even though the windows officially only carried a one-year warranty. Now that a decade has passed since the last windows produced



**Marvin windows built during the second half of the 1980s have been plagued with rot problems. The window company's lawsuit blaming PPG's preservative was recently thrown out by a federal court.**

using PILT were shipped out of its factory, Marvin has backed off its full replacement cost policy. Instead, the company is only offering pro-rated discounts for replacement windows — installation costs are not included.

Marvin is appealing the federal court's decision to dismiss its case against PPG. Although the underlying cause of the window decay may never be known, the window manufacturer is actively trying to shore up confidence in its products with the recent introduction of exterior-clad wood windows, which are being marketed as extremely weather resistant.

## TAX TALK

### *Excessive Salary Attracts IRS Scrutiny*

by Milton Zall

One way to reduce taxes on income from a corporation is to pay a salary to your children, who are in a lower tax bracket. Make sure, however, that these family members actually perform work for your corporation, and that the wages you pay them are commensurate with the prevailing wage for such work. Otherwise, the IRS can "re-characterize" these payments. For a C-corporation, the IRS may classify that portion of the wages it considers to be excessive as nondeductible dividend payments; for an S-corp., the disallowed salary may be re-characterized as a distribution. Either way, the result is more taxable income to you at your higher rate.

The IRS is also on the lookout for excessive salary payments to owners and shareholders, because these amounts are deductible business expenses for the corporation. While the IRS usually will not challenge "reasonable" amounts, a good test for what is reasonable is an amount you would pay a stranger for similar work.

The IRS also watches for the opposite situation — where an owner, shareholder, or a relative works for the business but takes no salary. In this case, the IRS can "impute" a salary to the "unpaid" worker that is commensurate with the level of activity.

If you take a large salary or pay your children, you should scrupulously document the work performed in exchange for these payments, including number of hours worked, duties performed, and other pertinent data.

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