



THE HISTORY OF THE AGC OF AMERICA SPECIALTY CONTRACTORS COUNCIL DECEMBER 2009

Introduction and Structure

The Associated General Contractors of America (AGC) Specialty Contractors Council (SCC) was established in 1997. The SCC is comprised of specialty contractors who serve one-year terms that are automatically renewed unless a member requests to leave the SCC. Most SCC members are nominated by their Chapter. Each Chapter can nominate one individual to the SCC and an additional individual for every one hundred of their specialty contractor member firms. The SCC Chair can also nominate up to ten specialty contractors to serve on the Council. Today, the SCC represents more than 13,000 specialty contractor firms that are members of AGC of America through its network of 95 Chapters.

The SCC is led by an eight member Executive Committee (EC), which is responsible for managing the affairs of the Council. The EC strives for diverse representation from different regions of the country and for representation from both the vertical and horizontal sectors of the construction industry. All SCC EC members serve on the AGC Board of Directors. The Chair of the SCC serves a two-year term and is an active member of the AGC Executive Board, the governing body of AGC of America.

Before the SCC

Prior to 1997, specialty contractors participated in the National Associates Membership (NAM) Council, which also consisted of all supplier and service provider members of the Association. The NAM Chair served on the AGC Executive Board. Any member who was not classified as a general contractor could participate in the NAM. When the SCC was created, the supplier and service provider members also created their own Council, now called the Service and Supply Council (SSC). Both groups meet in conjunction with one another periodically to accomplish joint initiatives and better serve the industry.

Creation of the SCC

The SCC was formed in 1997 to better serve AGC's specialty contractor membership. Since that time, the voice of the AGC specialty contractor has been strongly represented by the members that make up the Council and this role continues to evolve and grow. The Council was initially created with several functions:

- To provide a forum for the exchange of ideas and the identification of services that will benefit AGC specialty contractor members.
- To improve the image of, and appreciation for, the role specialty contractors play in the construction process.
- To offer the opportunity for specialty contractors to join together with general contractors to work toward common goals that will strengthen both AGC and the industry.

- To provide an internal resource for information and opinions regarding how AGC policy and actions will affect the specialty contractor and the industry.
- To promote a loyalty among all AGC members thereby increasing networking opportunities and raising the value of involvement in the organization.

The Council began work on their first strategic plan in 1998 and today the plan is updated every two years, maintaining consistency with the AGC of America strategic plan. Updates are necessary to ensure the Council continually evolves and meets the needs of the specialty contractor member and the industry. The Council's purpose is to be the advocate and resource for specialty contractors within the construction industry.

SCC Chairs

The following is a summary of the activity that occurred during each SCC chair's term, written by each chair:

1997-1999

Richard "Jake" Jakowsky

Chairman/CEO, Anderson Electric, Inc., Springfield, IL

The transition from NAM to a full functioning SCC was an exciting time. Russ Agosta took the leadership of the Supplier Council while I took the leadership of the specialty contractors. Steve Suhowatsky was on the Supplier Council and he agreed to continue to oversee the (NAM) golf outing. Individuals involved in making it all possible included Michael Youngblut of the AGC national staff who helped with strategy and implementation. John Dunn, Dan O'Brien, and Bob Miller all helped build the SCC as the NAM disappeared. We developed the first strategic plan and vision for specialty contractors in AGC with the help of Tom Emison of Grant Thornton. We started the notion that prime contractor and subcontractor were contractual terms, but general and specialty were both contractors with many of the same needs. Specialty contractors became more active in AGC activities on both a local and national level because of the unique opportunity for them to interact with general contractors on issues that concerned the entire construction industry.

1999-2001

Robert Miller

President, R.C. Miller Company, Inc., Peoria, IL

Our primary mission during my term was to expand membership and participation in the SCC and to more fully integrate our leaders and members into the AGC family. We did these things by talking and working with Chapter Executives and their members, making clear that the role of SCC member was not just window dressing. We stressed that our SCC members were welcome to fully participate in the committee structure, the moving force behind most AGC action. We also developed our web site to a degree that it was an active tool that all of AGC could look to for information and questions regarding SCC actions and plans for the future.

Of course, one of the most effective and rewarding activities of the chairman was to be a member of the AGC Executive Board. In this capacity, we were able to be involved with the most active operations of AGC and help shape the course of the organization. Since AGC is the leader and the primary representative of the construction industry, we were able to actually help shape the

future of the entire industry. Two of the most apparent of these activities was the SCC participation in the formation and content of various contract documents and in the opportunity to show that our leadership and members were, indeed, of enormous value to the entire team.

AGC remains the leader of the construction industry and I am proud to have been a part of the growth process as an AGC member and leader.

2001-2003

Dan O'Brien

President, Current Electrical Construction Company, Portland, OR

The beginning of the 21st century has been dynamic for the growth and influence of the specialty contractor within AGC of America. The AGC of America has provided the opportunity for specialty contractors to be represented in the governance structure of the most influential construction association in this country.

That opportunity has sparked revisions and understanding of specialty contractor needs in subcontract forms, insurance requirements, risk allocation, payment and bonding issues, and project related issues impacting general and specialty contractors from utilities, highway and bridges to the top of multi-story buildings.

It is without question that the emergence of the AGC of America specialty contractor has brought significant balance to construction industry issues as well as the recognition of the specialty contractors expanding representation on each job site.

2003-2005

Mark Guetzko

President, Seedorff Masonry Inc., Strawberry Point, IA

Building on the foundation established by chairmen in previous years, the SCC repositioned the strategic planning process as a formal event and included all interested members of the SCC. During October 10-11, 2003 in Denver, Colorado, the SCC developed our mission statement: "To identify, pursue and resolve issues critical to the success of the AGC specialty contractor, creating positive change for the entire construction industry." Objectives were developed to support the mission and benchmark progress, based on two litmus tests:

1. Is it relevant to my business?
2. Is it good for our industry?

The implementation of the strategic plan also included the development of the SCC's vision statement: "To elevate the performance of the AGC specialty contractor and the environment in which we operate."

With the vision and mission statements firmly in place, the SCC then moved to create alignment with the AGC of America's strategic plan. Initiatives included the creation of a clearinghouse for best practices, contract document assistance and education, strengthening relationships with AGC Chapter Executives and local AGC Chapters, and establishing the SCC as a resource for

AGC of America. Areas of special interest included prompt payment, indemnification and insurance, communication and tort reform, with a specific interest in construction defects. Highlights of 2003-2005 included SCC participation in AGC's Prompt Payment Task Force, Parity Task Force, AGC/AIA A201 Task Force, development of AGC's white paper on Reverse Auctions, and a presentation of our strategic plan to AGC's Executive Leadership Council.

2005-2007

Elaine Martin

President, MarCon Inc., Meridian, ID

The best kept secret in the construction industry is that AGC is the largest single-member subcontractor organization in the U.S. with almost 12,000 specialty members. National and local AGC events and resources allow specialty contractors to learn the business of construction. Many specialties have trade associations where they keep up with technical issues in their specific field. But, AGC is where the most successful companies learn how to become better business managers and to grow their companies.

As specialty contractors, we face problems that usually divide prime contractors from subcontractors. As AGC members, we have the opportunity to work collaboratively with our partners in the construction process to create solutions that benefit the entire industry. For example, together, general and specialty contractors are working to improve prompt pay for everyone. A survey was conducted to determine the effects retainage had on the specialty contractor. The results are now being used to begin the dialogue on how to improve the retainage process.

AGC is committed to becoming an advocate for specialty contractor issues, as well as issues that affect the entire contracting community. The "Guidelines for a Successful Construction Project" continues to be updated and is now a free download from www.constructionguidelines.org. Additional presentations and papers were developed to help contractors handle risk management issues and help understand insurance coverage terminology.

Increased specialty contractor member communication and face-time with AGC leadership was our priority during 2005-2007. SCC presentations to the annual National and Chapter Leadership Conference, the Joint Executive Leadership Council, and during AGC of America annual conventions helped bring ideas to chapters about how they can enhance their relationship with specialty contractors and bring additional value to their entire AGC membership. The open dialog raised specialty contractor awareness of AGC's resources, services, initiatives, and opportunities.

The AGC Building, Highway & Transportation, Municipal & Utility, and Federal & Heavy Divisions are encouraging specialty contractors to take a more active role. Specialty contractors are welcome at all committee and division meetings. Specialty contractors should become more active in these groups that help guide their industry. Attending the wide variety of meetings AGC makes available to all contractors help move you ahead of your competitors. The SCC will continue to bring you information that affects your business today and in the future.

2007-2009

Doug Isaacs

President, Crawford Roll-Lite Door Sales LLC, Portland, OR

As the Specialty Contractors Council celebrated its 10 year anniversary in 2007, it was indeed an exciting experience and a privilege to serve as Specialty Contractors Council Chairman. It has been an eventful time representing the more than 13,000 Specialty Contractors of AGC of America with the dedicated guidance of the eight member Specialty Contractors Council Executive Committee.

Our previous chair, Elaine Martin, had laid the groundwork encouraging more involvement of Specialty Contractors at the local chapter level. Presentations were given at the National Leadership Conference in Washington, D.C. in both 2007 and 2008 discussing how to grow local Specialty Contractors Councils or how to establish a council if the chapter had not created one. We also met with the AGC Leadership Council in New Hampshire to further promote Specialty Contractor Council involvement at the local chapter level. As a result of these efforts, the Specialty Contractors Council published "A Guide: Simple Steps and Best Practices for Forming an AGC Chapter Specialty Contractors Council." Several chapters now have a local Specialty Contractors Council where one did not previously exist.

In 2008, the Specialty Contractors Council tackled the subject of "Retention." Research shows that 92% of the work performed on construction projects is now performed by Specialty Contractors. Much input was gained from Specialty Contractors Council members regarding retention. With participation from the more than 1,000 AGC Specialty Contractor members who responded to a survey regarding retainage, the SCC published "Best Practices Guidance for Retainage" in Fall 2009 to assist Owners, General Contractors, and Specialty Contractors in dealing with and improving retention cash flows.

One of our proudest moments came at the 2008 AGC Board of Directors Meeting in Las Vegas. The Board of Directors voted that a past chair of the AGC Specialty Contractors Council can be appointed AGC of America National Treasurer. All past chairs and members of AGC Specialty Contractors Council should be proud of this accomplishment. We, as Specialty Contractors, should all be proud of the dedicated contractors serving at all levels of our great association, both local and national.