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POWERPOINTS

“Fair Retainage Payment” Legislation – H.1401/S.956 – Important to Construction Industry



Glenn Kingsbury
Executive Manager

The Boston Chapter of the National Electrical Contractors Association (NECA) strongly supports the fair retainage payment legislation, “An Act Relative to Fair Retainage in Private Construction” – H.1401/S.956 – currently being considered by the Massachusetts legislature that was initiated by the Associated Subcontractors of Massachusetts (ASM).

Retainage represents funds withheld from each progress payment for work on a construction project to ensure full and satisfactory completion of the project. In Massachusetts, it is typical that 10 percent or more of the contract’s value is not released for months and sometimes even years after the contractor completes the project. Delayed retainage payments cause significant cash flow problems, amplified during the worst recession in recent memory, as it increases the contractor’s carrying costs. Since subcontractors carry most of the costs for labor and

materials in a project, they often must continue financing the work while waiting months to get paid.

H.1401/S.956 sets a reasonable, five percent (5%) cap on retainage withholdings and requires payment within 30 days after “substantial completion.” The legislation also promotes fairness by allowing funds to be held back because of incomplete or defective punch items.

The bill is the ideal complement to the “Prompt Pay Law,” which Massachusetts enacted in November 2010. This law speeds up progress payments on construction jobs, but does not address retainage. Nationwide, 22 states have laws limiting retainage – usually at five percent or less on private construction, while 44 states have laws governing retainage on public construction. Some states and the federal government have abolished it altogether.

For the well-being of the construction industry in Massachusetts, NECA Boston Chapter strongly urges support of the new “Fair Retainage Payment” legislation.

RENEWABLE ENERGY NEWS

NECA Voices Need to Extend Renewable Energy Tax Incentive Program

Broadway Electric’s Renewable Focus Cited at SEIA Conference

Lake Coulson, Executive Director of Government Affairs for the National Electrical Contractors Association (NECA), joined other renewable energy advocates on December 8 to call for an extension of the Treasury Grant 1603, a tax incentive program that has made much of the country’s move towards sustainable power production possible since 2009. Established through the American Recovery and Reinvestment Act, 1603 grants are set to expire Dec. 31, 2011.

Coulson joined members of a coalition spearheaded by the Solar Energy Industries Association (SEIA), including leaders from the Biomass Power Association; the U.S. Combined Heat and Power Association; and the Fuel Cell and Hydrogen Energy Association. These groups represent industries that are bringing technology and expertise to reduce our country’s dependence on foreign oil and provide sustainable power.

“Anyone working in renewable energy will tell you that when it comes to getting a project off the ground, financing is the linchpin on which all progress hinges,” Coulson said. “Treasury Grant 1603 was designed to address the front-loaded costs to entrepreneurs of installing renewable

energy. Without the program, many of the early renewable energy projects would have never been built.”

Coulson said, “Unless Congress renews 1603 Treasury Grants, our emerging renewable energy companies will be forced to compete in a tax system that offers an advantage to those who use fossil fuels.”

At the conference, Coulson told how the grants had helped one NECA member contractor, Broadway Electric, from Boston, Massachusetts, who employs 200 electricians. In a letter that Larry Hurwitz, Broadway Electric’s CEO, wrote in support of the cash grants to Senator John Kerry, Hurwitz spoke of how his business would face “serious challenges” if not for expansion into solar energy with the support of the 1603 grant program.

Hurwitz told how he realized the game-changing potential offered by the program when he first installed a solar energy system in his home. After seeing a dramatic decrease in his own energy costs, he shifted the focus of his nearly 80-year-old company into renewable energy and created Broadway Renewable Strategies. Since its inception, Broadway has helped owners realize reductions in energy costs, including countless

police stations and dozens of schools across Massachusetts.

It’s not just the new solar photovoltaic panel and wind turbine power manufacturers who will suffer if 1603 grants expire. The 1603 grants have helped create and perhaps of even greater importance to the construction industry, helped retain jobs. NECA has invested millions in its joint “Green Jobs Curriculum” training program that has prepared electrical workers to handle renewable power installations.

“The construction industry has been particularly hard hit by the recession. Our industry’s unemployment is around 20 percent, compared to nine percent for the rest of the country,” Coulson said. “We’ve used this downtime to restructure and refine our worker training program to build on the growing demand for renewable power sources and energy efficiency. We’ve done what our government officials asked us to do – provide a well-trained workforce capable of supporting a national green energy economy. Now it’s up to Congress to honor their obligations to the public who want renewable energy and the contractors who hire the electricians to install these systems safely and efficiently.”

Article edited from www.necanet.org.

E.S. Boulos Completes Collector Substation and PSNH Switching Station for Granite Reliable Windpark, Coos County, NH

EPC Contractor: RMT, Madison, WI;
Developer: Brookfield
Renewable Power, Inc.;
Interconnecting Utility: Public
Service of New Hampshire

COOS COUNTY, NH – E.S. Boulos Company (ESB) of Westbrook, Maine has recently completed electrical construction of the Collector Substation and the interconnecting Paris Switching Station in support of the Granite Reliable Power Windpark in Coos County, NH. The 99MW Granite Reliable Wind farm consists of thirty-three (33) 3MW Vestas Turbines located in Dummer, NH. It is expected to generate enough electricity to power 20,000 homes. Construction of both facilities was completed in approximately 3 months with a composite crew of IBEW electricians from Local Union 490 and IBEW Linemen from Local Union 104.

E.S. Boulos Awarded Bangor Arena and Conference Center by Cianbro Construction Management

BANGOR, ME – General contractor Cianbro Construction Management has awarded E.S. Boulos Company the comprehensive electrical construction of the new Bangor Arena and Conference Center project, planned by the City of Bangor. The project architect for the 202,257 sf 8,500-seat event and civic center is Sink Combs Dethlefs of Chicago. Construction is underway as ESB is providing grounding and under slab conduit installations. The ESB scope includes primary and secondary power installations and low voltage installations – Voice/Data, Fire Alarm, CCTV, Access and Security, and A/V systems. The majority of the scope will begin in Spring 2012, after steel erection and concrete



placements, with completion scheduled for September 2013. ESB Sr. PM Tom Nason will provide project management, supported by Project Engineer Peter Lamb. General Foreman Andy Leali will supervise a crew of 15 to 20 electricians from IBEW Local 1253 in Augusta at peak construction. The facility will replace the existing Bangor Auditorium.

Expanded Portland International Jetport Terminal Opens as E.S. Boulos Teams with CM: Turner Construction, Boston



PORTLAND, ME – E.S. Boulos Company (ESB) has completed the \$4M electrical construction of the 140,000 sf Portland International Jetport expansion project. The project, constructed utilizing a BIM platform, included ESB’s installation of primary and emergency power, lighting and lighting control, grounding and lightning protection systems, as well as conduit infrastructure for tel/data and

security systems. ESB also expanded the facility’s PA system and fire alarm system. The project is seeking LEED Silver certification. It is among the most energy efficient airports in the US, featuring both solar and geothermal power. At peak construction ESB Project Manager Joseph Bradley and Project Superintendent Steve Melanson managed an electrical crew of 25 IBEW electricians.