The **Electrical**CONTACTOR

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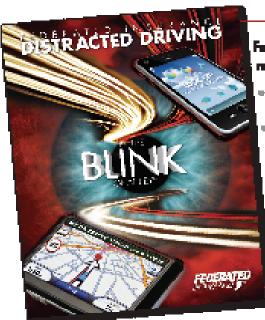


INSIDE:

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Minor Changes to the Florida
Construction Lien Law
FAEC Edison Award/Casino Night
What Written Safety Programs Do
You Really Need?
Access Federated Risk Management
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- Pledge Stickers
- Bed Prochoss
- Distrocted Driving Posters
- Envelope Shifters



A study by Federated Insurance revealed that distractions were a contributing factor in 50% of commercial driving accidents.* That was more than weather, failure to yield, and following too closely combined.

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FAEC CALENDAR OF EVENTS

FAEC Calendar of Events 2012

May 3 FAEC 1-Day CE Symposium, DoubleTree Hilton, 60 S. Ivanhoe Blvd., Orlando, FL May 4 FAEC Annual Golf Tournament, Windermere Country Club, Windermere, FL May 4 FAEC Annual BBQ, Central Florida Fair Grounds, Orlando, FL Aug. 24 FAEC Fall Golf Scramble, Alaqua Country Club, Longwood, FL Sept. 27-29 FAEC Annual Convention, St. Augustine, FL Nov. 17 FAEC Edison Award & Casino Night,

Windermere Country Club,

Windermere, FL

FAEC BENEFITS OF MEMBERSHIP INCLUDE:

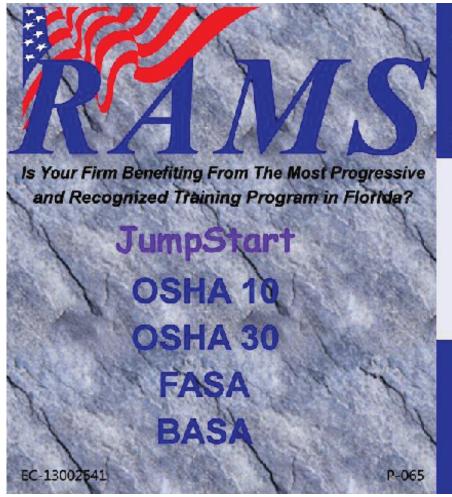
- A Voice in the Legislative Process through a lobbyist in Tallahassee.
- An Annual 'Spring Conference" & "Fall Convention" offering Continuing Education classes relative to license renewal.
- The official publication of FAEC
 The "Contactor" bringing you upto-date on association information
- A Group Major Medical Insurance Program.

- A General Liability Insurance Program.
- An Annual Membership Directory.
- "Legislative Alerts" distributed throughout the session to keep you abreast of industry concerns.
- The opportunity to interact with fellow contractors to share industry concerns and discuss industry news.

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EXECUTIVE REPORT by Cheryl Hardy



As we move closer to the presidential election we are all hoping for a quicker turn in our economic forcast. It is hard to believe we are in the third quarter... this year has gone by so quickly.

FAEC continues on it's course supporting our members with great educational opportunities and social activities for you and your employees.

Your board of directors work to keep you in the loop with industry activity and communications.

So far this year we have brought you Continuting Education Credit classes through the Spring Symposium held in Orlando and the Fall Convention in St. Augustine.

Social events included:

- the Annual BBQ

- Spring Golf Tournament
- Fall Golf Tournament

and... the upcoiming Annual Edison Award and Casino Night taking place on November 17th at Windermere Country Club in Orlando.

Join us in honoring Blake Ferguson, Jr. who is this years "Edison Award Recipient". It will be a great eveing for all of us to relax and enjoy.

Best Regards to everyone...

~ Cheryl



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FAEC REPORT BBQ Committee 2012

By Joe Bell Territo Electric, Inc. FAEC BBQ Committee Chairman

Thank you to everyone who attended the FAEC BBQ held at the Central Florida Fairgrounds in Orlando.

The food, games and bounce house were great fun for the adults and their children! Once again, Florida Electrical Apprenticeship Training tried to stump the Code Wizards with the "Wheel of Code Questions."

Thank you to our Trustee members...Royal Electric of Central Florida, Territo Electric, Inc., RAMS/RPG, and Graybar for sponsoring the event.

~Joe





FAEC ASSOCIATION COUNSEL LEGAL REVIEW

Minor Changes to Florida's Construction Lien Law: Part 1

By Timothy R. Moorhead, Esq., and Edward M. Baird, Esq. Wright, Fulford, Moorhead & Brown, P.A.

A few recent legislative amendments have taken effect during 2012. I do not consider these major changes, but thinking that safe is better than sorry, you should be aware of these relatively minor changes. This is the first of two articles that will cover these changes.

Tenant Improvements:

With regard to the extent of liens where the Tenant contracts for the improvements. Florida Statutes, Section 713.10 has been amended to clarify the extent of liens on the interest of a landlord when a tenant makes improvements. Construction liens extend to the interest of the person who contracts for the improvement. However, improvements made by tenants can also extend to interest of the landlord unless (1) the lease expressly prohibits such liability and the landlord records the lease or a Memorandum of Lease in the public records; or (2) all of the leases on a piece of real property prohibit such liability and the landlord records a blanket notice that all leases for the premises contain language prohibiting liens, including the specific language prohibiting liens.

In Everglades Electric, there were numerous leases on the subject property and not all of the leases contained the same language prohibiting liens. The Everglades Electric court held that a landlord use the blanket notice method of prohibiting liens only if all of the leases entered into for the premises expressly prohibit such liens. The landlord in Everglades Electric had entered into one lease for the premises which had somewhat different language than the language contained in the landlord's blanket notice and as a result, the Everglades Electric court held that the notice was defective.

To address this type of situation, the Florida legislature nullified the effect of Everglades Electric by adding a paragraph to the statute, which provides that a blanket notice prohibits liens for improvements made by a lessee even if other leases for the premises on the parcel do not expressly prohibit liens or if provisions of each lease restricting the application of liens are not identical.

This change probably has no practical effect on how you conduct your business. However, it highlights the complexity of working on tenant build out projects as they relate to the Construction Lien Law. Examining these documents prior to entering into your contract to work on the project will help you assess the risk of non-payment and the value of your potential lien rights. With "pay-if-paid" clauses becoming the norm, your ability to lien the fee simple owner's interest in the property may be far more valuable than a less financially tenant.

Notice of Termination:

Changes to § 713.132 made by House Bill No. 897 further clarify the requirements for notices of termination. A notice of termination recorded by owners seeking to terminate the period of effectiveness of a notice of commencement must now contain a statement that the owner has served a copy of the notice on each lienor who has a direct contract with the owner or has served a notice to owner. The prior statute only required service upon each lienor who had "given notice." Additionally, a notice of termination is not effective to terminate the notice of commencement unless the contractor and each lienor with a direct contract or who served a notice to the owner has been served with the notice of termination.



Timothy Moorhead, Esq.



ENVOLVE YOUR EMPLOYEES TO IMPROVE

Sharing Savings from Improvements in the Trade Industry

By Ravi Patel, President of Patel CFO Services

Experience has shown that involving employees in coming up with improvements; empowering them to implement the enhancements; monitoring the results; and sharing in the rewards is a blueprint for success in the Trade industry.

- Do you believe in continuous improvement?
- Are you interested in reducing costs, improving productivity or increasing savings in your business processes?
- Could your employees have ideas for improvement or cost reduction?
- Do you encourage employees to suggest improvements?
- Would you like your employees to be more aligned with your company and other team members?

Most often, employees are closest to the business processes that they are working on; thus, they are in a great position to notice issues and recommend and implement improvements. If they are asked, employees can get involved and make significant contributions to improving the bottom line of their company. Most employees like to be a part of a team and work together to contribute to group results.

Entrepreneurs would be best served to implement some form of a continuous improvement program in their companies and have a culture of "Doing Things Better".

A manufacturing company supplying high-tech products to the aerospace industry had embraced the concept of TQM (Total Quality Management) and Continuous Improvement using world class manufacturing techniques. The basic principles call for completely understanding and documenting key operational processes; developing key performance metrics; finding ways to improve performance on these metrics; measuring and widely sharing actual results after implementation; and continually repeating the improvement and measurement process.

The company established teams of employees for each key process and held them responsible for continuous improvement. The teams met one hour each week to review and discuss the metrics for the previous week and brainstorm improvement ideas. The progress was shared with other employees once a month. Specific ideas for implementation were presented to the management team for review and final approval.

In order for the program to continually provide improvements throughout the company, Entrepreneurs should devise a system to share the rewards from improvements. The rewards in such Shared Savings plans should be meaningful and definitely motivational.

The manufacturing company established a reward system based on the savings resulting from the implemented ideas. For every new idea that was implemented by the team, each member received a fixed dollar amount in the very next paycheck. This provided an instant gratification system for coming up with and implementing new ideas.

For each idea that had the potential to generate savings or increase productivity, an objective measurement metric was developed in conjunction with the finance team. The actual savings or other benefits were monitored on a quarterly basis and the team members responsible for that idea were given 25% of such amount as a shared reward in their paychecks for up to one year. Additional incentives such as group activities, such as trips and dinners were offered depending upon the scope of the savings.

Companies might even have group programs to improve general operational issues with ultimate cost savings.

A manufacturing company used a group program using continuous improvements techniques to improve the safety in their operations. The safety committee reviewed past accidents for common causes and developed procedures to mitigate such incidents. In addition to developing accident-free metrics, they appointed teams in different areas to monitor safety practices and suggest improvements.

The company and the safety committee established the total cost of each lost workday for different areas in the company and set aside a monetary pool for potential rewards. Based on improving the accident-free metrics over the previous benchmarks, the company paid out each quarter an incentive payment pro-

ENVOLVE YOUR EMPLOYEES ... Continued

portional to the number of accident-free days for the specific area of operations.

While such Shared Savings plans or programs have many names, the basic elements are quite similar. This list is by no means complete but offers suggestions.

Objectives: To drive performance of an organization by promoting awareness, alignment, teamwork, communication and involvement and share savings with employees.

Most successful savings sharing programs utilize clearly communicated objectives. Common objectives might include: reducing operating costs, enhancing productivity and quality, improving safety, and reducing materials and/or energy usage.

Application: The plan commonly applies to a team effort for a single process or one location of a company.

Measurement and Payout: Payout is based on operational measures (productivity, quality, costs, spending and service) that improve the "bottom line" in terms of what employees do, the associated benefit to the company, and a fair formula for sharing the savings.

Payouts are made only when performance has improved over an established benchmark.

Funding: Payouts are self-funded based on savings generated by improved performance.

Eligibility: Typically all employees involved in a process or location are eligible for plan payouts.

Payout Frequency: Payout is often monthly or quarterly to more closely correlate performance to the reward.

Payment: Payment is immediate cash rather than deferred compensation. Many organizations pay via separate payroll check to increase visibility. Non-monetary rewards might be used to supplement cash rewards.

Team Sharing: Typically all employees in a team receive the same payout.

Plan Design and Development: Employees should be involved with the design and implementation, monitoring and review process. Objective measurement and assessments are also required. Periodic reviews (minimally annually) should

be required to evaluate continued performance under the plan and required changes.

Communication: An employee involvement and communication system is an integral element of such plans and helps drive improvement initiatives. Sharing results visibly and widely provide necessary feedback.

Pay for Performance: Savings are generated only by improved performance over a predetermined base level benchmark. Therefore, payouts are viewed as a pay-for-performance initiative.

In addition to the actual monetary benefits, Shared Savings plans continually reinforce behaviors that promote improved performance. They are used as a tool to drive cultural and organizational change. Such programs heighten the level of employee awareness, help develop the feeling of self-worth, and build a sense of ownership and identity to the team and the organization.

Factors important to designing and maintaining a successful Shared Savings plan include:

- Utilize clearly communicated objectives for the company and the plan.
- Employees should feel like they have ownership and control in the process of designing, implementing, and monitoring the plan.
- Measurement formulas should be easy to understand and performance directly controlled by the employees.
- Rewards should be tied directly to performance and pay outs should be as close to the achievement of results.
- Management should be fully committed to the established plan.

A downside associated with these types of Shared Savings plans or programs is that there might be payouts for these plans while the company as a whole might not be making money. High performing individuals may be frustrated as they have to share team rewards with lighter performers. Management should avoid the temptation to change benchmarks just because improvements and payouts increase.

Ravi Patel is President and CEO of Patel CFO Services that provides outsourced CFO services for Entrepreneurs and can be reached at ravi.patel@patelCFOservices.com



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SAFETY FIRST RAMS/RPG

WHAT WRITTEN SAFETA PROGRAMS DO

YOU REALLY NEED?

Two basic sources – OSHA's "29CFR1926" for Construction and OSHA's web site (osha.gov) can provide a wealth of information while, at the same time, providing a wealth of confusion.

29CFR1926, our bible for safety, lists in its index: Plans, Written:

- Bloodborne Pathogens
- Confined Space (Permit Required)
- Electrical Safety
- Hazard Communication
- Lockout/Tagout
- Personal Protective Equipment/Hazard Assessment
- Respiratory Protection

Taken in order, a Bloodborne Pathogens safety plan is required for jobs where there is occupational exposure – doctors, dentists, labs, surgical units require these plans because of needles and exposure to multiple types of bodily fluids. For a construction site: not really.

Permit Required Confined Space safety plans are required for those jobs where you have people entering Permit Required spaces. Trenches and excavations are considered to be Confined Spaces, but the need for a written plan only comes into play when the permit is required.

Electrical safety is, or should be, on your mind during every waking moment. This is not a written safety plan that can be ignored.

In 2008, the most often written violation from OSHA was for the absence of a written, site-specific Hazardous Communication plan. No question on this one.

Lockout/Tagout plans are also a given. And while LO/TO is, and should be, an integral part of your Electrical Safety plan, OSHA is sufficiently impressed with the importance of LO/TO that they have made it a point to require a LO/TO plan that is separate from Electrical Safety.

Personal Protective Equipment/Hazard Assessment is not a negotiable safety plan. While you may say that every site you work on is basically the same, you are not absolved from having site-specific plans for each site you work on. And, yes, you are charged with the responsibility of actually conducting site evaluations to determine exactly what

PPE is appropriate. THEN you can contend that the sites are all basically the same, but only in the requirement for generic PPE.

Respiratory Protection safety plans are required only on jobs where it is determined that respiratory protection is a requirement.

Nork

On osha.gov you can access "Sample Safety and Health Program for Small Business" – an etool that provides an outline that can be applied to a business of "any size". Used as a guide this sample program could be a welcomed chapter in your safety program; if used verbatim, you may find the process cumbersome as well as expensive to implement.

Above all, a comprehensive, site-specific safety plan is a must, and such a plan should at least briefly deal with every aspect of safety, including, but not limited to: training, first aid, fall protection, ladders, hand and power tools, asbestos, hazmat, fire prevention, materials handling, housekeeping, demolition, appropriate clothing, etc., etc. And by now you are asking about all these "site-specific" references. Well, it is unlikely that every site you work on will be in a location the same distance from the same hospital with the same emergency response time and the exact same hazards and working conditions. So get specific.

There is help on the way. RAMS/RPG probably does not have all the answers, but we do have a number of simple, plain language, written safety plans that you may find appropriate for your use. And we are willing to share our plans or provide you guidance in preparing your own. As a service. At no cost. For FAEC members.

Tom Bristoll, Safety Director RAMS/RPG - 813.367.5905



FEDERATED INSURANCE REPORT



Beginning June 1, 2012, your association members will have access to Federated's newly developed Risk Management Resource Center, a one-stop source for business owners' loss control needs. Members can simply call Federated's Client Contact Center at 1-888-FED-4949 and request risk management support. From there, they will be "warm transferred" to the Risk Management Resource Center (RMRC).

Available Monday – Friday, 7:00 a.m. to 5:00 p.m. (Central Time), the RMRC offers immediate access to risk management expertise without having to schedule or wait for an in-person visit.

The RMRC will be staffed by experienced risk consultants specialized in providing support via remote consultation. These highly-trained individuals are available to help members:

Proactively address loss control issues identified during conversations with Federated marketers, specifically following their annual Risk Control ReviewsSM

Access and best utilize Federated's Shield NetworkSM, an online risk management resource library

Obtain risk management brochures, presentation support materials, safety DVDs, and other loss control tools

Members may also receive a call from the Risk Management Resource Center following their Risk Control Reviews to discuss the loss control goals they've set and get the ball rolling.

We're excited to launch the RMRC as a value-added benefit for your members. Leveraging technology and "live voice" expertise, the RMRC is poised to help your members better control their insurance costs and keep their businesses safe.

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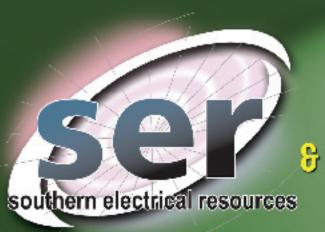
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