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Building Excellence



AGC

NEBRASKA BUILDING CHAPTER
THE CONSTRUCTION ASSOCIATION

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Looking Back . . .

Fall Social & Awards Dinner

Our Fall Social took place on November 7 at Nebraska Innovation Campus. We were happy to host nearly 200 attendees, including our GC, specialty, and associate members. A big thank you to everyone who was able to join us!

The event kicked off with a welcome from our president, Joe Beckenhauer of Beckenhauer Construction, and Sheila, our Executive Director. We had an exciting time with dinner, several raffle prizes and were fortunate to hear from Jeff Shoaf of Associated General Contractors of America, who gave some insights about what AGC is doing for construction at a national level and touched on immigration issues.

The evening concluded with our awards ceremony, where we were proud to present [National AGCA Safety Awards for 2023](#), as well as the [Quality People](#) and [Build Nebraska Awards](#). Congratulations to all our award recipients!

2025 Economic Outlook

The 2025 Construction Economic Outlook took place January 23 in Omaha at the Scott Conference Center. Partnering with DBIA Nebraska Chapter and MCA of Omaha we had nearly 200 guests attend to hear from our speakers, Macrina Wilkins, Sr. Research Analyst at AGC of America and Dr. Eric Thompson College Professor of Economics and the Director of the Bureau of Business Research at the University of Nebraska-Lincoln. The speakers covered a variety of topics ranging from construction input and labor costs in Nebraska to the value of project expectations. The data presented gave helpful insights to what we can look forward to for the construction economy in 2025.



We also had several students from UNO attend the event; we are grateful to be a part of growing the next generation in construction!



Jeff Shoaf, CEO, Associated General Contractors of America Keynote at Fall Social



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THE CONSTRUCTION ASSOCIATION

Our Mission:

The Nebraska Building Chapter is dedicated to:

- Represent the best interest of members in the commercial construction industry and the greater business environment;
- Support and encourage the advancement of skill, integrity, and responsibility within member firms; and
- Stimulate and promote progress, innovation, and safety in the industry.

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President's Message

Why you should resolve to get more engaged in 2025

As president of the AGC Nebraska Building Chapter, I spend time talking about how members can get more involved in the association. Before we talk about how to get engaged, it is worth thinking about why members are engaged.

The short answer is there are many reasons why members should resolve to get more engaged in the association this year.

1. Getting involved is the best way to impact the industry we all love.
2. Engaged members have unparalleled opportunities to learn from their peers.
3. It's the easiest way to build a network of industry contacts – and friends – that you can call on for help, career advise and informal life coaching.
4. Amplify your voice as an advocate for the industry.

No matter how you choose to get involved with the Chapter, know there are no shortages of reasons for why you should be engaged. Getting involved gives you the opportunity to shape our industry.

Support our goal of '25 in '25,' adding 25 new members to the Chapter. Who do you do business with? Are they a member? Should they be?

Invite a guest or two to attend an event with you. These may be within your organization, partners, subs, or service providers.

Serve on a committee. We have five teams – five opportunities – to dive into the association! Legislative, Membership Development, Safety Management, Technology and Workforce Development.

Serve on an advisory council. We support all the two- and four-year schools with construction programs.

Reach out to Sheila at sheila@agcnebuilders.com or 402-430-5167 with prospects' names or to learn more on these opportunities. When we grow our membership, we all win!

No matter how you opt to get more involved, know that there are many good reasons why you should do so. Make sure one of your 2025 resolutions includes getting more involved in our chapter.



Rick Wintermute,
Kingery Construction
2025 AGC Nebraska Building
Chapter President

The Players Club, Omaha
Registration Opens April 1, 2025

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The Stronger your Construction Team, the Safer your Job Site

Ezra Schlect and Bruce Morton, MMA

One of the key “pillars” for ensuring you have a safe job site is to create a culture of safety where everyone feels as though they belong—because that makes everyone feel more responsible for the safety of themselves and the team.

If you create a construction team that shares a vision of what safety can—and should—be, you’ve created a culture of safety. And that gets you ahead of problems by helping you identify risks and unsafe practices before an incident or accident occurs.

How do you build a strong team where everyone feels that they belong—and where everyone knows exactly what’s required of them?

Marsh McLennan Agency has prepared a series of whitepapers on the Psychology of Safety that gives you a step-by-step approach.

Check out the series [HERE](#). Next, contact a Marsh McLennan Agency safety consultant to discover how the Safety Performance IndX can provide you with an assessment of your current safety culture



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Executive Director's Message

Welcome to the inaugural issue of *Building Excellence*, where we'll dive deeper into issues, events, news and information of interest to our members. A big thank you to our sponsors who have committed to providing content, the AGC Nebraska Building Chapter staff, for committing to this new publication and adding a new benefit of membership and you, for your continued support of the Chapter.



Membership is key to the sustainability and growth of the association, and we find prospective members in several ways: referrals from AGC of America, member referrals and recommendations, trade publications, social media, websites and more. Of all the ways we identify prospects, member referrals and recommendations are often the key to recruiting a new member.

Ask yourself, 'Who do I do business with that is not a member?' Share those contacts with me; send an email introducing us and I'll be happy to continue the conversation; let's meet for coffee, lunch or beverages to discuss why you're a member and they should be as well – I'll buy!

What is your top reason for being a member? Is it the networking, advocacy or educational benefits? Is it having access to over 60 experts at the national level to answer questions on a wide variety of construction related topics? Is it the member benefits and discounts? We offer both local and national discounts and benefits.

Whatever your reasons are for belonging, we appreciate you! Our commitment is to continue to represent the collective interest of our members and the greater business environment. We will continue to encourage the advancement of skill, integrity and responsibility in the industry; and stimulate and promote innovation in the industry.

We welcome your feedback, input and ideas for this publication and on any topics related to the Chapter. Reach out to us anytime – we are ready to grow!

Sheila O'Connor
Executive Director

2025 Board of Directors

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5 Things We're Watching in 2025

Dustin Cooper, Vice President, FNIC

FNIC is an industry leader in construction risk management with over 100 years of service. We're a strategic partner who works with you to understand your operation and identify risks specific to your industry. As we move into 2025 there are 5 things we're watching.

1. Continued Labor and Supply Chain Challenges

The construction industry has been grappling with labor shortages and supply chain disruptions for several years now and these issues are expected to persist in 2025. According to [AGC's 2024 Workforce Survey Analysis](#) 94% of construction firms who responded report that their craft worker positions are hard to fill. We do hope to see some relief though with an increased focus on workforce training and development and advancements in automation. Supply chain issues, particularly in materials like steel and concrete, are forecasted to continue but may ease slightly as global shipping stabilizes.

2. Rising Material Costs and Inflation Pressure

While inflation rates are expected to moderate in 2025, material costs will likely remain elevated. [AGC reports](#) that over the past two years, material costs have jumped significantly, driven by both inflation and geopolitical factors. For 2025, the Trump Administration's trade tariffs could cause material price increases. It is important to

consider volatility when negotiating contract terms and implement cost escalation clauses when necessary. We work with our clients to review these variables, as they can have an impact on project estimations and timelines.

3. Digital Transformation and Technology Adoption

One of the most significant shifts in construction is the growing role of technology. From Building Information Modeling (BIM) to drone surveillance, artificial intelligence, and predictive analytics, these innovations are changing how construction projects are planned, executed and managed. For surety professionals, we see the adoption of these technologies as a way to reduce errors, improve project oversight, and increase project efficiency. It's exciting to see 81% of engineering and construction companies adopt mobile platforms and 40% adopt artificial intelligence, according to [KPMG's 2023 Global Construction Survey](#).

4. Increased Focus on Sustainability and Resiliency

As climate change and environmental concerns continue to be top priorities, sustainability is taking center stage in both construction practices and surety underwriting. In 2025, we may see greater emphasis on green building practices and an expectation that projects are built to withstand the increasing impacts of extreme

weather. The [Biden Administration's Infrastructure Investment and Jobs Act](#) will likely provide additional funding and incentives for construction projects to meet sustainability standards, which may influence surety bond requirements and risk evaluation.

5. Surety Market Adjustments and Stability

Despite the challenges ahead, the surety market is expected to remain stable in 2025. With growing construction activity and infrastructure spending, demand for bonds will increase. Surety companies will continue to underwrite economic risk factors, labor shortages and supply issues. Negotiating favorable cash flow mechanisms on projects will be a key risk mitigation tool. FNIC continues to work closely with contractors to manage risk and ensure they are adequately bonded for upcoming projects.

Conclusion

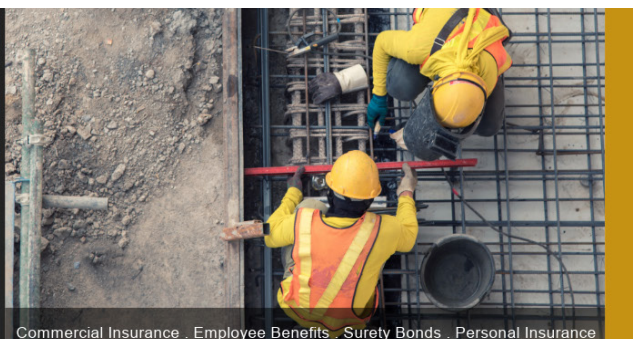
As we enter 2025, the construction and surety markets will continue to evolve in response to economic, technological, and environmental factors. The team at FNIC is committed to helping our clients stay ahead of the trends, offering tailored solutions that support sustainable growth and project success. To learn more about FNIC please visit fnicgroup.com.



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Ask Anything segment, where we dedicate space to answering questions submitted by our members. Whether it's about safety, legislative issues, education, training or industry updates, we're here to provide the answers you need. Please email sheila@agcnebuilders.com with any questions you may have.

What's the best way for a new member to get involved with the chapter?

The best way for a new member to get involved with the chapter is by following all our initial guidelines. Be sure to connect with us on social media, check out the E-Update that you receive by email, and keep an eye on upcoming events through our website. Creating your membership profile with both us and AGC of America will allow you to start enjoying your new benefits immediately. Get colleagues and other employees involved, spread the word about our exciting new partnership. Discover how we're advocating for YOU and explore the various opportunities to engage—whether through committee meetings, events, safety roundtables, sponsorships, or education and training. The key to getting involved is embracing all the opportunities available to you. Lastly, let us know what your company is doing, we want to celebrate our members and their accomplishments. Give us a call or visit us in the office anytime for more information!

What committees are there within the chapter and how can I get involved?

The Chapter has five standing committees that you can be a part of. The committees are listed below along with a brief description of each. If you are interested in getting involved in the Chapter and serving on a committee, contact Sheila.

Legislative Team

Advocating on behalf of members is one of the five goals of the association. The objective of the Legislative Committee is to assist in identifying concerns/issues/needs, set the priorities and provide the direction for the legislative agenda of the Chapter. In addition, committee members will monitor local issues/concerns to bring to AGC's agenda.

Membership Development Team

Creates a channel of membership involvement to maximize membership growth and loyalty by maintaining a 95% annual retention rate of existing members and increasing new membership by 5 firms annually.

Safety Management Team

Creates a channel of membership involvement to identify and support programs and services to meet the safety and health needs of the membership. Specifically, the team will develop and implement the chapter safety initiative.

Technology Team

Provides a forum for construction industry thought leaders to engage in active learning, future forward thinking, and purposeful conversations regarding trends driving innovation and applied technology in the commercial construction industry.

Workforce Development Team

The Committee will provide leadership, support and implementation of the Chapter's future workforce development efforts and initiatives. More specifically this includes providing guidance and support for current and future AGC Student Chapters chartered by the Nebraska Building Chapter, supporting and implementing programs and efforts to strengthen our relationship with schools of construction, and work to improve the image and awareness of construction careers in the eyes of the students and parents.

I'm just one person, how do I help the chapter grow?

As an individual there are still a multitude of ways to help the chapter develop and grow. Invite a guest or bring your peers with you to any of our year-round events. Set up a date for coffee or lunch with Sheila, our Executive Director, to see what's available to you and how to take advantage of all that we offer. The Building Chapter hosts a variety of committees and opportunities to grow as an individual and with our chapter. There's five ways the AGC logo can help you. It represents skill, integrity & responsibility, it identifies with reliability, it reflects a forward looking attitude and identifies with the continuous improvement of industry service. If you grow, we grow!

Fremont High School Trailblazes Career Pathways into the Trades with State-of-the-Art Facility, Generous Industry Support

The Fremont High School Career and Technical Education (CTE) Center, which opened in the fall of 2024, is a hub of activity where students engage in hands-on learning in fields including; welding, auto-tech and diesel tech, construction tech, health sciences, computer aided design and mechanics. The space, designed to offer an alternative to the traditional four-year college route, reflects a shift in focus toward training students for high-paying careers in the trades. This initiative was driven by the success of the school's welding program and local industry needs, with input from community businesses and organizations to ensure the facility met workforce demands. The center features six labs that expose students to cutting-edge technology, and its visibility is key to inspiring interest from both students and parents.



The \$9.5 million facility was funded by a bond issue approved by the local community, with further support from businesses contributing over \$2 million for equipment and operational costs. These businesses, many of which are manufacturers, will directly benefit from the program by gaining access to a skilled local workforce. Partnerships with local entities like Metropolitan

Community College have also been crucial, providing resources and dual-credit opportunities for students. The center has already seen a significant increase in student enrollment, with 450 students participating in the fall of 2024, a number that is expected to grow. Fremont's investment in the CTE Center highlights the power of community collaboration in addressing workforce development needs, helping high school students grow early and getting them to do hands on work while in high school.

This information is comprised of a press release from Nebraska Department of Economic Development released on October 25, 2024. [Read More](#)

Additional schools with career pathways can be found at:

www.education.ne.gov



“ Fremont’s investment in the CTE Center highlights the power of community collaboration in addressing workforce development needs



Direct vs. Indirect Costs in the Construction Industry

Ryan Cook, Audit & Consulting Shareholder, Lutz

When project margins consistently decline, the root cause often stems from unclear cost understanding and allocation. Accurately distinguishing between direct and indirect costs is crucial for preparing competitive bids, managing resources effectively, and evaluating project performance.

To set the foundation, let's explore the key differences between direct and indirect costs, strategies for proper allocation, and their critical role in profitability.

Direct Costs

Direct costs are the easiest to identify and assign. These include materials, direct labor, and subcontractor expenses—costs that can be clearly tied to specific construction contracts.

Indirect Costs

Unlike direct costs, indirect costs cannot be traced to a single project. These are grouped into three main categories: overhead, equipment, and labor burden. Each category includes expenses essential to the operation of a construction business:

- **Overhead:** Job site and home office costs, including project managers, superintendents, support staff, site facilities, equipment, supplies, insurance, office salaries, and miscellaneous expenses.
- **Equipment:** Costs associated with owned equipment and small tools, such as depreciation, maintenance, taxes, and insurance.

- **Labor Burden:** Payroll taxes (FICA), workers' compensation, federal and state unemployment insurance, as well as vacation and fringe benefits.

Allocation Methods

To allocate indirect costs accurately, many construction companies use specific methods that fairly distribute expenses across projects based on factors such as direct labor, material usage, or equipment hours.

Direct Labor:

	Direct Labor	Burden Rate	Allocated Overhead
Contract 1	\$ 20,000	31%	\$ 6,154
Contract 2	\$ 5,000	31%	\$ 1,538
Contract 3	\$ 40,000	31%	\$ 12,308
	<u>\$ 65,000</u>		<u>\$ 20,000</u>
Total Burden	\$ 20,000		
Total Direct Labor	<u>\$ 65,000</u>		
	31%		

Material Costs:

	Direct Material	Burden Rate	Allocated Overhead
Contract 1	\$ 15,000	51%	\$ 7,595
Contract 2	\$ 2,500	51%	\$ 1,266
Contract 3	\$ 22,000	51%	\$ 11,139
	<u>\$ 39,500</u>		<u>\$ 20,000</u>
Total Burden	\$ 20,000		
Total Direct Labor	<u>\$ 39,500</u>		
	51%		

Equipment Hours:

	Backhoe	Excavator	Trailer
Cost	\$ 30,000	\$ 75,000	\$ 15,000
Useful Life	5	5	5
Annual Cost Recovery	<u>\$ 6,000</u>	<u>\$ 15,000</u>	<u>\$ 3,000</u>
Operating Costs			
Maintenance	\$ 1,500	\$ 3,750	\$ 750
Taxes	\$ 600	\$ 1,500	\$ 300
Total Operating Costs	<u>\$ 2,100</u>	<u>\$ 5,250</u>	<u>\$ 1,050</u>
Total Annual Costs	<u>\$ 8,100</u>	<u>\$ 20,250</u>	<u>\$ 4,050</u>
Annual Service Hours	1,000	1,250	800
Average Equip. Rate	\$ 8	\$ 16	\$ 5

Critical Considerations

The way costs are allocated significantly impacts profitability. Two key factors are worth highlighting:

1. **Bid Integration:** Indirect costs must be incorporated into bids to avoid margin erosion.
2. **Allocation Timing:** Monthly cost allocation allows for real-time project monitoring, enabling quicker course corrections.

Successful project management hinges on comprehensive cost tracking throughout the project lifecycle. By mastering cost allocation strategies, construction companies can remain competitive in an industry where every dollar counts. Properly understanding and allocating both direct and indirect costs results in more accurate bidding, improved resource management, and ultimately, better project margins.



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New Year, New Opportunities: Legal Risk Management for Contractors in 2025

Patrick A. Tefft, Attorney, Dvorak Law Group, LLC

The new year not only provides an opportunity for individuals looking to better themselves through resolutions, but it can also be an opportune time for businesses to take stock, improve their operations, and plan for the coming year.

As contractors look ahead to 2025, now is the time to consider a risk management review to reduce potential legal issues moving forward. Consider the following:

- **Have you recently reviewed and updated your form agreements, such as prime contracts and subcontractor agreements?** It is important to ensure that all forms are up-to-date with state law, properly protect the company, and address any recurring issues you may have encountered with past projects.
- **When it comes to employees, do you have an employee handbook and proprietary matters agreement in place?** These documents help establish company policies and safeguard the business in matters involving personnel.
- **How current are your safety manuals and procedures?** Regular reviews can ensure compliance with OSHA and other regulations and help to reduce job site hazards and the risk of injuries.

- **Is your entity's structure well-documented?** Make sure bylaws, operating agreements, and other corporate records are in place and accurately reflect the ownership and any equity transfers which may have taken place.
- **As a business owner, have you addressed your own personal and business succession planning?** It is key to have a plan in place for seamless and tax-efficient ownership and management transitions, whether due to an owner's exit or unexpected circumstances.

For most contractors there is no off-season. However, investing some time to include a legal risk review in your 2025 planning can help reduce and mitigate potential issues. If you would like to discuss how Dvorak Law Group can assist with this or other legal matters affecting your business, please reach out to David Mayer at dmayer@ddlawgroup.com or Patrick Tefft at ptefft@ddlawgroup.com.



**ATTENTION
SPECIALTY
CONTRACTORS**



The Building Chapter aims to create a forum for specialty contractors to discuss various key issues affecting subcontractors. The goal is to bring these discussions to light in order to identify solutions, improve communication among subcontractors, and build stronger relationships within the community.

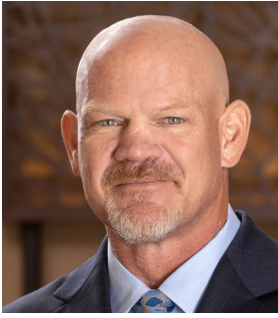
Join us!

Let's pick a date. A happy hour at a west Omaha locale? The new steakhouse, Ruhlman's in Ashland? We'll make it happen!

If you are interested, please contact - sheila@gcnebuilders.com

Anticipating and Protecting from Cost Increases Due to Tariffs

Craig Dirrim, Attorney, Woods Aitken LLP



With the change in administration, there has been much discussion about potential or threatened tariffs, including tariffs on imports from around the globe. These tariffs could potentially impact the costs of imported goods or products, which could directly impact the cost of final products in the U.S.

For non-federal contracts, the risk of tariffs should be carefully negotiated in the contract documents. While contractors may find some relief in the force majeure provisions typically contained in most standard form contract documents, it is uncertain whether or not standard contract language would provide relief under these circumstances, or whether a contractor would bear the risk of increased costs due to unexpected tariffs. For any contracts going forward, we recommend that a specific clause providing for additional costs caused by the imposition of tariffs be included in every contract, similar to what we recommended for cost increases and time extensions for supply chain shortages a few years ago.

Under federal contracts, contractors have no room to negotiate. However, contractors may receive tariff relief under FAR 52.229-3, which deals with state, federal, and local taxes as related to federal contracts.

FAR 52.229-3 specifically deals with after-imposed federal taxes. Under federal contract law, a contractor may be able to recover relief under this section, and should contact an attorney before it enters into a federal contract to determine whether or not it may obtain relief under this clause in the event tariffs are imposed.

In short, with the strong potential of tariffs looming on the horizon, the savvy contractor will carefully study contract documents before execution to determine whether or not the contractor may seek relief for the after-imposed tariffs, and if not, will insist upon a negotiated clause to provide such protection before any contract is signed.



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Wednesday, April 23, 2025

10:00 am - 2:00 pm

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Questions: Contact Jereme at 402-525-5535
or Ben at bklein@lincolnlaminating.com



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I pledge to...

Never compromise my safety or the safety of my team to get the job done.

Continuously look for hazards, promptly report them and take action to alert others.

Be an active safety role model for my friends and family, even when off the job.

Signed by _____



companies regarding the enforcement of safety policies, rules, and standards. Second, complacency and the persistence of “old habits” contribute to safety challenges, as workers may overlook or dismiss safety procedures. Lastly, a lack of qualified individuals to conduct safety training, particularly in rural areas, hinders the ability to properly educate workers on safe practices.

Falls are the leading cause of death and injury in construction. Advocating for proper training and training equipment is crucial to avoiding falls. According to the Bureau of Labor Statistics, there were 865 fatalities due to slips, trips and falls in 2022. Sadly, 700 of these fatalities were the result of falls from elevated heights, such as ladders or roofs, to lower levels. Protecting workers and encouraging safety compliance is invaluable. Here are five ways to ensure you have the proper tools to avoid falls on the jobsite.

1. Make a Fall Prevention Plan Before Starting a Job
2. Train Everyone to Use the Equipment Safely
3. Use Fall Protection If You’re Working at 6 ft or More
4. Provide Workers with the Right Equipment for the Job
5. Inspect Harness, Lanyard, & Anchor Points Before Each Use

<https://www.axcs.com>

OSHA Updates

The maximum OSHA penalties for serious and other-than-serious violations will rise from \$16,131 to \$16,550 per violation. For willful or repeated violations, the maximum penalty will increase from \$161,323 to \$165,514 per violation. These updated penalty amounts took effect on January 15 and apply only to penalties assessed after that date.

<https://www.osha.gov/>

Fall Prevention

The three most common safety violations observed on jobsites every day are fall protection violations, electrical safety violations, and silica enforcement issues. In addition to these violations, there are three major obstacles to effective safety enforcement and training on the jobsite. First, there is often inconsistency between jobsites, people, and



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How to Mitigate Water Losses in Construction

Jake Mahin, CSP, ARM, Safety & Loss Control Consultant, UNICO

Water damage has emerged as a significant challenge in the construction industry, affecting contractors of all sizes and trades. The median claim cost has increased 21% year-over-year. Large loss claims over \$500,000 have doubled, while those exceeding \$1 million have tripled since 2015.

While plumbing and HVAC contractors face higher risks, all trades are vulnerable. The following explores the impact of water losses and strategies to mitigate risks effectively.

1. Implement a Comprehensive Water Damage Mitigation Program: Establish a water damage mitigation program throughout the project lifecycle. During pre-construction, assess current prevention measures, develop wet work and response programs, and include smart water monitoring bids. Conduct regular inspections and provide ongoing training during construction. Post-construction, establish protocols for reporting issues and maintain monitoring systems.

2. Leverage Smart Water Leak Detection Systems: Utilize smart water leak detection systems to prevent water loss. These systems typically include a central software platform, remote water shut-off valves, various sensors and a communication hub for reliable alert transmission.

3. Develop a Water Damage Response Plan: Create a detailed water damage response plan outlining steps for a quick and efficient response. This plan should cover shutting off water sources, contacting necessary personnel, and initiating

cleanup efforts. Conduct regular drills to ensure effective plan execution and identify potential weaknesses.

- 4. Utilize Technology in Risk Management:** Implement a system of wet work permits and valve tags to manage water-related activities effectively. Utilize severe weather planning tools and mobile apps for timely updates and proactive preparation to ensure proper authorization, monitoring, and weather-related risk preparedness.
- 5. Educate and Train All Stakeholders:** Ensure all contractors and subcontractors understand the risks associated with water damage and are familiar with mitigation strategies. Provide regular training on prevention and response, covering risk identification, equipment use, and plan execution.

Protect your business and ensure the success of your projects. Contact UNICO today to take the first step towards a safer, more secure construction project.



CONSTRUCTION COALITION
AGC Nebraska Building Chapter

Continuing the conversation on how to curb losses in construction. Local law enforcement and industry professionals look at when, where and how jobsite thefts are occurring. By understanding these trends, companies can take proper preventative measures to protect valuable equipment and materials, reducing the risk of theft.

Contact Vicki for more information, vicki@agcnebuilders.com

Cost Segregation Studies: The Key to Increasing Cash Flow

Scott Scheef, CPA, CVA, HBE LLP Partner

If you currently own, are constructing, or are repairing/renovating a commercial real estate or multi-family residential property, you likely know that the standard cost recovery lives for depreciation are 39 or 27.5 years, respectively. However, these long depreciation periods may not align with the cash flow you experience when purchasing or constructing a property using long-term financing.

In these situations, a cost segregation study may allow you to maximize depreciation deductions and reduce your tax burden. While these studies don't change the depreciable life of the building structure, they allocate shorter useful lives of five, seven, 10, or 15 years for tax purposes to specific segments of the property. These segments may include HVAC, plumbing, electrical, demountable fixtures and other building finishes. In some cases, as much as 25% to 50% of the building's total cost may qualify for reclassification into shorter-life assets. The result? You get to deduct these segments at a faster rate, potentially leading to increased cash flow over several years.

The process for completing a cost segregation study combines engineering, construction, and tax expertise to maximize tax deductions for prior and current real estate investments. Due to the complexity of study standards, it is crucial to work with an advisor who has a breadth of both industry and tax experience and knowledge. Should you determine that a cost segregation study may be beneficial, further analysis will begin on your

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property. You will be asked to provide several pieces of information, including, but not limited to, an appraisal, depreciation schedule, site map, blueprints, and construction invoices. Once the study is completed, you will receive a report of findings for your business, including the study's methodology and the tax laws supporting the assessment.

At HBE, our experienced construction industry advisors can assist you with a cost segregation study on any multi-family residential or commercial property that you own, are currently constructing, or are building for a client. By leveraging our expertise, you can optimize your tax benefits and improve your bottom line.

For more information or to discuss the advantages of a cost segregation study, please reach out to our office at (402) 423-4343 and ask to speak with a member of our Construction Industry Specialty Team.



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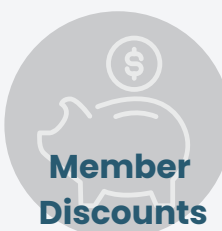
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