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But most of all he’s a businessman, like you, who knows the importance of sound business practices. And who’ll apply his years of know-how and experience to making sure construction proceeds smoothly for you. As a member of the Associated General Contractors of Virginia, he can offer you skill, responsibility and integrity. And that’s a pretty good reason for selecting a builder, and a good foundation to build on.

The Associated General Contractors of Virginia Inc.
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VIRGINIA RECORD
Founded 1878
A pair of wild-card losers — Ira M. Lechner for the Democrats and Guy O. Farley, Jr. for the Republicans — made life interesting in Democratic and Republican nominating conventions in late May and early June at the Virginia Beach Pavilion.

First, Republican J. Marshall Coleman and Democrat Charles S. Robb won their parties' nominations for governor by acclamation; but Lechner and Farley, struggling to get on their parties' tickets as candidates for lieutenant governor, put on splendid shows.

Though they are at opposite ends of the political spectrum, they have similarities. Each is a former member of the Virginia House of Delegates; each exerted a strong fascination on the floor of the convention; each can play a crucial role in his party's campaign for governor this fall. Finally, each brought into the political system persons who never before had attended nominating conventions.

Republican Farley, who had switched from the Democratic Party not long after he was born again in his religion, came to Virginia Beach as the choice of the Moral Majority followers of Lynchburg evangelist Jerry Falwell.

A word of caution here. Like most blanket terms, Moral Majority doesn't cover a leg here, and an elbow there. During the Republican convention several delegates assured me that while they were Christians, they did not consider themselves with the Moral Majority.

As for Lechner, he had been telling us for months that he was bringing converts into the Democratic Party, but most observers discounted that as campaign rhetoric. Many had assumed that Lechner's surprising show of strength among delegates prior to the convention was a resurgence of the regular Democratic liberals, a last hurrah of the leftists before they were submerged by the moderates and conservatives.

And let's note here, too, that a liberal in Virginia would be in the middle of the road in many states. One of Mr. Lechner's moderate critics conceded, “Ira ought to be running in Maryland. He'd be in the mainstream there.”

Yet ranging around the convention floor one became aware that Lechner had been factual in describing his followers as recruits. Few had done more than vote in previous elections. Nor did they fall under any particular label or age grouping. They ranged from idealistic youngsters through those in the middle years to senior citizens.

That many were green was brought home to me when I came upon two middle-aged women—and my measure of the middle ages is rapidly climbing toward 60—both of whom live across the meadow from my house. I'd as soon have expected to find them prancing down the ramp at Atlantic City, backed by Bert Parks' dentures, as to have them turn up in the Pavilion at the Democratic Convention.

Yet there they were, complaining, when I found them because so many delegates were not paying attention to the speaker at the rostrum. Though the three of us are friends, who chat at least once a week, I'd sooner have expected them to be discussing decoupage than to be participating in the Democratic Convention.

The truth is, Lechner surprised most of the press. As a member of the General Assembly from Arlington, he espoused vigorously, and without much success, some difficult, offbeat issues, such as a bill for death with dignity. He resigned to run in the Democratic primary for lieutenant governor
in 1977, a campaign marked in many persons
minds by his 300-mile walk across Virginia from
the City of Chesapeake to Arlington. The ten-
dency was to dismiss it as a stunt and Lechner
as a lightweight.

In 1977 he placed third with 132,000 votes,
behind Major Reynolds with 150,000 votes and
Charles S. Robb with 180,000. Lechner spent
$100,000 "without buying a single second on
television," and his opponents between them
spent a million.

"I had just paid off the debts from that
campaign late last year when I started on this
little quest," he told a reporter the day before the
convention at Virginia Beach.

Lechner's success in the district conventions
resulted in part from his organizing skill. Even
when he was footloose across Virginia in 1977 he
was making friends on whom to call in his next
campaign. He keyed on issues that aroused
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President Reagan Accepts Man of the Year Award from The Associated General Contractors of America

Ival R. Chianchette, president of the Associated General Contractors of America (AGC), the nation's largest construction trade association, presented the association's Man of the Year Award to President Ronald Reagan for his "Skill, Integrity and Responsibility" (the motto of the association). President Reagan accepted the award on March 16, during a special session of the 62nd annual AGC convention held in Washington, D.C.

Noting that Mr. Reagan has already demonstrated his commitment to reducing the burden of regulation that had been imposed on the construction industry, President Chianchette said that, "The President's actions have begun to restore the confidence that the business community and the American public must have in government."

AGC has come out in full support of President Reagan's proposed tax and spending cuts despite the fact that these cuts call for a minimum reduction of $18.2 billion in federal expenditures for construction.
AGC of Virginia Board Members in session.

AGC of Virginia
Spring Board Meeting
Personalities
Williamsburg, April 27 & 28

Ken Wooldridge of VPI/SU Blacksburg.


President of Northern Va. AGC, Jack Downey of Buildex Design, Inc. Alexandria.


AGC Director George Clarke of Kenbridge Constr. Co., Kenbridge and AGC Director Ellis Tusing of Ellis & Company, Harrisonburg.

Founded 1878
Shown at the meeting and banquet, on this page, are: 1. Mrs. F. Warren Martin (Charlotte), Martin/Horn, inc., Charlottesville and Mrs. Ellis Tusing (Deborah), Ellis & Co., Harrisonburg; 2. AGC/VA 1st Vice President Jack Bays of Jack Bays, Inc., McLean; 3. Central District Director and Mrs. Raymond Wingo and James F. Duckhardt, Executive Director, AGC/VA.; 4. Mrs. George Clarke (Jane)—Kenbridge Constr. Co., Kenbridge, Mrs. Preston Walker (Helen)—Preston Walker Electric Co., Fairfax; 5. Mr. & Mrs. Ron Cronise, S. Lewis Lionberger Co., Roanoke, with AGC/VA, Assistant Executive Director, Louis J. Schelter; 7. Mr. & Mrs. John R. Houck, John R. Houck, Co., Richmond, and Mr. & Mrs. Ed Jennings, Liphart Steel Co., Verona; 8. Mr. & Mrs. Earl Morin, Newport News Industrial, Newport News; 9. Mr. & Mrs. Ellis Tusing, Ellis & Co., Harrisonburg, and Mr. & Mrs. Robert Kersey, Commercial Builders, Inc., Norfolk; 10. Mr. & Mrs. John Wimer, Smith-Wimer, Inc., Lynchburg.

to tell the Virginia Story JULY 1981
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President

Jack M. Horn
Vice President

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Another New Title for Aaron J. Conner

'**LIFE DIRECTOR, AGC OF AMERICA**'

Aaron J. Conner was named a Life Director of the Associated General Contractors at the March convention of the Association in Washington, D.C. This honor was one more fitting recognition for the man who, quietly and efficiently, sets high standards for himself and the organizations and companies he touches, then goes about seeing that the goals are reached.

His approach to achievement does not appear to be that of one who drives others, nor does he seem to be a compulsive achiever. He acts out of experience and with an instinct for what will work best—and it almost always does! He chooses people with his kind of integrity for leadership positions.

Those who know him well believe much of his success comes about because he cares—about people, his customers, products, and projects; about his church and community; and about the organizations he serves.

Aaron J. Conner’s life as a contractor started in 1935 when he began working with the Civil Aeronautics Authority constructing airway communications facilities. These were radio range stations, intermediate landing fields, traffic control buildings, and airway beacon towers. His work included facilities on the Washington-Nashville section, Washington-Dallas airway, airway facilities on the Boston-Bangor, Maine-Boston to Montreal, and Washington-Pittsburgh airway.

In 1939, Congress decided that air force accounts should be curtailed and that new airway facilities would be constructed on a competitive bid basis. Aaron J. Conner General Contractor came into being in August 1939 and began construction work for the Civil Aeronautics Authority, doing basically the same kind of work as before the Congressional decision.

He had married Lila K. Rhodes in 1935, and his bride traveled with him wherever his work took him. She continued to make a home—anywhere—until 1944. Their son Larry, born in 1939, traveled with them. In 1947 Aaron Conner quit construction work for the government and returned to Roanoke to a home they had built in 1941.

The firm established its home base in Roanoke and began bidding work for city and county governments, as well as Public Service Authorities and private work. Starting with seven employees, they now have over 70 highly proficient workers who make up seven crews. These crews travel and build within a 200 miles radius of Roanoke.

“Everyone likes to build his own domain,” says Conner. The business succeeds, he believes, because “we have a handle on it. We do it more efficiently. We do a better job because our people are experts. We take on only what we know we have time to do correctly, and we choose carefully the projects we bid for.”

His positive outlook apparently pays off. Asked what troubles he recalled, he said, “I do not remember any pitfalls. We have never had a fatality or any disasters.

“Our construction superintendents are our key people. We are very selective in bringing a new superintendent aboard. We normally observe a potential superintendent for several years with his employer prior to offering him a position with our company,” Conner explained.

“Once we employ a superintendent, they seldom leave us. Our company enjoys good benefits as well as a good incentive program. A number of our employees have been with us for the past 20-26 years.”

Son Larry G. Conner is the Secretary-Treasurer of the Company. Larry learned the basics of construction operation while in high school and college by working each summer on construction jobs. He married Ida Jane Eswick in 1962. Ida Jane, a graduate of Roanoke College, taught in the Roanoke Public Schools. They now have four children. Larry, after graduating in 1963 from Virginia Tech with a degree in civil engineering, began working full time with the company. He has the responsibility as General Manager of all construction projects.

Daughter Linda, a graduate of Carson-Newman, became a high school English teacher, and her husband, Kenneth Duffield—after their marriage and two years of service with the Coast Guard—became a superintendent of one of the Conner crews.

The Duffields have followed the nomadic pattern set by her parents in their early married years. Linda and Ken and their three children live in a mobile home and move every two years or so as the crew finishes a project and goes on to the next. In those two years, the children enter the public schools and the family takes part in the community life. They currently live in New Hope where Duffield supervises work on an Augusta County sewage system in Craigville.

“The success we have had in the construction industry is the result of the loyalty of the people in our organization as well as a great host of friends around us,” Conner says. “The person who has made the greatest contribution is my wife Lila, who has displayed an understanding attitude in our family and Christian life, as well as serving as Vice President of our company.”

Aaron Conner joined the AGC of Virginia in 1957, several years after its reorganization in 1951, when there were fewer than 50 members. He remembers the offices in the Hotel King Carter (formerly Hotel King Carter) just off Capitol Square in Richmond. Meetings were limited largely to the two conventions, one in mid-year and another in January. Some areas, such as Richmond, had occasional local meetings, but the state committees met only twice a year at the two conventions.

One of the most helpful changes, Conner noted, was the institution of the AGC of Virginia districts (now numbering ten) with regular district meetings. “Every area in the state is different, and our members need to deal with their own local architects and contractors.” Other beneficial changes he has seen include the upsurge in membership development and the increase in office personnel, including the regional directors.

Aaron Conner was elected President of the AGC of Virginia for 1967-68 and was granted the Honorary AGC Award in 1976 for outstanding contributions to the construction industry.

Conner was elected to the National Board of Directors of the Associated General Contractors of America in 1968. He has served four three-year terms in that office. As a Life Director, he will continue to have input on national policy and attend the national board meetings. “I enjoy them. It’s like a homecoming each time, looking forward to seeing the same people from across the country,” he claims.

Conner also has served on the national AGC’s Membership Development Committee for 15 years, the Coordinating Committee of the Municipal Utilities Division, and the Joint Committee of AGC and the American Public Works Association.

Conner has been a principal in several companies associated with the construction industry as new approaches are tried and new ser-
vices developed. Currently, he is President of Aaron J. Conner General Contractor, Inc.; President of Salem Concrete Products Company; and Vice President and Treasurer of Tennessee Forging Steel. He also serves on the Advisory Board of the First National Exchange Bank of Virginia.

Salem Concrete Products Company was formed in 1971 and now fabricates more than 50 different products including manholes, catch basins, head walls, etc., all made at the plant in Salem. Conner points out, “These can be done in one location at far less cost than on the job, and we deliver them within a 250 mile radius. Beyond that, freight would be prohibitive.”

Tennessee Forging Steel was formed in 1967. After good years in the early 1970s, the firm filed for bankruptcy under Chapter 11. Conner and a group recently put up funds to reactivate the firm and its three plants. They since have trimmed the operation down to the most profitable plant in Tennessee. “The steel market is soft,” Conner points out, “but we think we’ll be able to make the company go again.”

The needs of Conner’s company, his national AGC commitments, and interest in attending trade shows have made it practical for Conner and two other businessmen to form Hokie Airco, Inc., to provide their own air transportation. They use a Mitsubishi MU-2F which seats seven and travels 280 mph. A pilot is on their permanent payroll. The plane is used for quick personal contact with the Conner’s contracting projects, and for business and organization meetings across the country. He also uses it to serve organizations and causes he believes in, and for family vacations.

An undergirding force in the Conner family life and service to the community has been the Baptist Church. Conner points out that he met his wife there. He has been active in the life of the church for 67 years. He currently teaches the Beacon Bible Class at the Green Ridge Baptist Church, Roanoke, and is on the board of the Baptist Children’s Home. Lila Conner has been church librarian at Green Ridge church for 14 years.

What would Conner’s goals be for the AGC of Virginia in the future? He feels legislative matters are vital to contractors. “We now have good rapport with our legislators and other government officials and real input into legislation affecting contractors,” but he would like to see a budget of a million dollars, much of it for legislative programs.

Another goal would be the publication of a monthly magazine by the AGC of Virginia to be one voice for the construction industry in Virginia.

He would like to see our membership grow from the current 600 to 1,000 by 1990. He says, “Virginia still has a number of contractors who do not belong to the AGC. They say, ‘We don’t want to belong because you don’t do anything for us.’ We need to show them what we do. Recently, on the legislation of Workmen’s Compensation, we interceded and had it settled, and saved untold dollars for every contractor in Virginia. ‘That’s only one small part of what we’ve done for them. We need to show them that membership in AGC does not cost, it pays!’
Construction Projects Still Are NOT Safe Playgrounds

Now that the out-of-school season is with us again, contractors face once more the hazards and potential lawsuits brought about by children who are attracted to construction sites.

AGC of Virginia has a supply of a bright red and black folder entitled: "Construction Sites are NOT Safe Playgrounds." A portion of the contents is shown herewith. The cover and illustration are in a vivid red, with most of the message in black. Space is provided for a purchaser’s additional information and company imprint on an inside page and on the rear cover.

This DANGER FOLDER is available from the Associated General Contractors of Virginia, Inc. P.O. Box 6775, Richmond, VA 23230, Phone 359-9288. The cost is $2.00 for 25 copies.

Construction areas are NOT safe playgrounds.
Your children may need to be reminded of these few helpful hints...

Watch out for heavy equipment.

Don’t get too close to excavations.

Please don’t play on dirt and sandpiles.

Best of all, please keep children completely off the construction site.

Help us make it better...

An illustration from the AGC/Va.’s DANGER FOLDER to tell the Virginia Story

July 1981
Congressional Luncheon Draws Crowd of Legislators and Members

All but one of Virginia's Senators and Representatives attended the Congressional Luncheon on May 14 at the Capitol Hill Club in Washington, D.C., and nearly 100 of AGC/Va.'s members and friends were there to greet them.

Senators Byrd and Warner both told the group that the passage of the budget resolution only clears the way for the real budget work—preparing authorization bills that fit the spending limits set in the resolution.

Senator John W. Warner was greeted by AGC National Director, Robert M. Dunville of Robt. M. Dunville & Bros., Inc., Richmond.

Dick Creighton, Executive Director of National AGC's Congressional Relations, spoke to the group briefly. With him were Jim Cromwell, Ingrid Voorhees, and Susan Loomis, also of the Legislative Division. (Photography by Vince Finnigan & Associates)
Representative G. William Whitehurst and Senator Harry F. Byrd, Jr. exchange a handshake as Susan J. Loomis, Assistant Director, Legislative Services at National AGC Office looks on.

Representative M. Caldwell Butler talks with Dave Reed of J. W. Hancock, Jr., Salem.


Members and legislators enjoy good food and conversation. In the photo at left, seated to right of center (back to window) is Representative Paul S. Trible Jr. The right photo includes Representative Tom Biley (far right) and Representative Frank R. Wolf (left back).

to tell the Virginia Story JULY 1981
Industry Plans Joint Effort On Construction Legislation

"Politics becomes the business of business," said U.S. Chamber of Commerce Vice Chairman Donald M. Kendall recently. Blame for the nation's economic ailments, he claims, must be shared by business people who haven't become involved in politics.

A similar theme has been echoed throughout Virginia by AGC/Va President Sandy Frazier. In his talks to the districts, he has stressed the importance of legislative and political involvement by the AGC and by each member. He has emphasized his belief in the need for unified action by the entire construction industry in legislative and/or political activities.

To determine the interest of leaders in other construction related associations in Virginia, he wrote a letter to presidents of 20 such associations, and received positive replies from the 19 listed below:

- American Subcontractors Assoc. of Va.
- Associated Builders & Contractors
- Builders & Contrs. Exchange, Norfolk
- Builders Exchange of Richmond
- Brick Institute of Virginia
- Consulting Engineers Council of Va.
- Heavy Construction Contractors Assn.
- Home Builders Association of Va.
- Lumber Manufacturers Assn. of Va.
- Masonry Contractors Assoc. of Va.
- National Electrical Contrs. Assn./Va.
- Peninsula Builders Association
- Va. Aggregates Association, Inc.
- Va. Building Materials Association
- Va. Ready Mixed Concrete Association
- Va. Road & Transportation Association
- Va. Society, Am. Inst. of Architects
- Va. Society of Professional Engineers

These associations represent 8,000 member firms.

President Frazier suggested a meeting to discuss what could be done to increase the effectiveness of the construction industry in the political and legislative process. He emphasized the importance of joint action and that he felt the timing was right. Their responses indicated complete agreement and the need for further discussion.

A meeting of the presidents, legislative chairmen, and staff of all the associations above was scheduled for July. A tentative name for this group is the Virginia Construction Industry Council.

In order that the initial meeting of the VCIC be meaningful, a planning session was held June 11 in Richmond. A select committee met to focus on procedures and agenda for the VCIC meeting in July. President Frazier introduced Senator Bill Parker and Delegate Bill Axelle, both of Richmond. These legislators explained the role of an association in lobbying. They also expanded on the very real impact a unified voice could have for the construction industry. They warned against trying to become too powerful and exerting too much pressure, but felt the number of members involved could be a very persuasive force. This influence, they claimed, used properly, could benefit the construction industry and the legislators alike.

Following their remarks the committee got down to the business of the agenda for the July meeting. Various methods and alternatives for developing a united effort were explored. In July, the representatives attending will target in on the ideas which resulted from this planning session.
Avoidance of Contracts Litigation

by

Jon M. Wickwire

The world of contracts today presents a picture of frequent, if not constant, litigation. Large contract after large contract for supply systems or construction items destined for the courts. Further, the private and public sectors appear to be willing to perpetuate this circumstance. Such litigation means the expenditure of substantial monies and resources. This also means that energies are diverted which would otherwise benefit the business organization. The judicial system and the public may not continue to pay such a price. In addition, business efficiency can be severely impaired.

The purpose of this section is to address the dilemma of the contract manager and provide concrete assistance in avoiding contracts litigation.

To have some understanding of the extent of the problem, we start our analysis by addressing what seems to be an explosion in litigation in the contracts field. What is the cause for the recent increase of suits in contract litigation?

We might also ask the cause for crime and the cause for the overall increase in the number of lawyers. In the case of crime, we can look to such traditional answers as slums, poverty, the breakdown of the family unit, and the increasing permissiveness of society. In the case of the increase in the number of lawyers, we might look to such causes as the lawyers required to serve the expansion of federal, state and municipal agencies to regulate previously unmonitored areas, the lawyers required to service the increased rights and representation before the bar on behalf of indigents and criminal defendants, and the increased number of lawyers in the marketplace (created by the greater proportion of recent student population pursuing higher education such as law school rather than traditional blue-collar pursuits.)

The growth in contracts litigation also can be traced in part to such major causes such as inflation and the high cost of obtaining money. Both inflation and high interest rates provide a strong incentive for the party who will have to pay the money to hold onto the money as long as possible. We can also identify such contributory factors as the increased visibility into contract performance and defects in contract performance provided by modern data systems; the recent willingness of sellers and buyers to pursue malpractice (or professional negligence) claims against architects, engineers and inspection firms; and the increased number of lawyers available in the business marketplace for litigating contract disputes.

As a result of such factors, the parties to the contract frequently do not settle matters. It is also submitted that much of present-day contracts litigation concerns disputes which would have been resolved in an earlier age, or disputes which might never have been raised were it not for inflation and the high cost of obtaining money.

It is suggested that the practice of resolving contracts in the courts will not prove fruitful in the long run, and that short term gains from the postponement of dispute resolution and the payment will frequently be outweighed by other factors. Substantial resources which would have been otherwise occupied with productive and profitable activities will have to be expended in the litigation effort, and extremely expensive legal fees will be incurred. Perhaps most significantly, a course of conduct which provides for constant litigation also may lead to a less than savory reputation. Further, such a course of conduct can divert the attention and direction of an organization and prove very unhealthy for morale. Such effects, in the long run, can spell disaster for contracting parties from either the private or the public sector.

The problem of contract claims presents a good example of the kind of disaster which may occur. The unhealthy character of the business organizations whose drive is focused on claims is illustrated by the client who is more interested in having a sizeable claim than a profitable project. Such clients develop a malady similar to gold fever in seeking some uncharted El Dorado. The gleam in the eye increases with the size of the claim. What is forgotten is that the amount stated in the claim, which must be made of real dollars (unless someone is lying), further, the actual dollars spent by the client, which increase the size of the claim, are almost never totally recovered. Claims, in the great majority of cases, are compromised in the final decision by the court or in a final settlement. Since such claim dollars are real dollars and such real dollars will typically not be totally recovered, the object is to end up not with a good claim but with no claim at all. At the very least the claim should be minimized. The idea is to avoid unnecessary claims and litigation. Both the contracts lawyer and the contracts manager have a very significant role to play in this process.

The companies (known to the author) in the national construction field in the last twenty years which appeared to adopt a policy of turning every project into a major claim (rather than making a major claim where the facts and circumstances of the case required such a claim) have simply not survived. While it is possible that the proprietors of such organizations reaped substantial dividends before the party was over, the party did end and the organizations did not survive.

How then does one avoid contracts litigation? The answer, of course, is that litigation cannot always be avoided. However, it is suggested that the exercise of vigilance coupled with a rational and timely decision-making process may frequently assist you in avoiding or resolving a controversy which might have been headed for the courts. The important point to remember is to commit yourself and your organization to working through the problems which are encountered during performance and to address problems before they reach such a magnitude that they become unmanageable for either side.

I. VIGILANCE

Vigilance, for purposes of this discussion, concerns three areas. First, it is important for both sides to be vigilant as to your contract rights and obligations. Vigilance in this context means to be aware of your rights and duties and to take action to protect your rights and obligations.

This does not mean that both parties to the contract should send constant communications notifying the other party of each little insignificant infraction of the contract. What is suggested is that you use some common sense and reasonable judgement. It is also noted that vigilance should be sensible and sensitive. Each contract is at least a little different as is each cast of characters for each contract. With each procurement, you encounter a different chemistry between the individuals, the contracts and the organization philosophies.

The remedy which will work in one procurement will not always prove fruitful in another procurement with an entirely different chemistry. It is suggested that it is a management decision and not a legal decision as to the action required to maintain the appropriate level of vigilance to protect your rights and obligations. The attorney may advise as to the legal
ramsifications of actions but management should make the final decision as to the course to be adopted.

The attorney is not cognizant of the chemistry which makes up the whole fabric of the procurement and he is not the contracts manager. The company or public entity which allows the attorney to make the decisions ends up with the attorney as a line officer running the business. The attorney, instead, should assist in providing guidance to the contracting party to achieve the ends desired by the party, namely the achievement of the proper level of vigilance required to protect rights and obligations which is also compatible with the chemistry of the procurement.

The second area of vigilance which is important in avoiding contracts litigation concerns equality of position or advantage. It is critical not to lapse into a deep sleep and to allow the other party to the contract to gain a position which is so strong as to discourage you from seeking and achieving the proper benefit of your rights and obligations.

Two examples of this type of problem are money and notice. In the case of notice one party to the contract may totally ignore the necessity of notice (whether required by the contract or not) that compensation is being requested for extra work or other causes. This failure to give notice allows the other side to gain a strong position. Without notice from you, the other side can state that you obviously interpreted such performance as a part of your obligations under the contract since you did such work without any protest. Even where there is no question with respect to the fact that such performance was beyond your obligations under the contract, the other side may invoke the benefit of a contract clause which appears to deny either party the benefit of additional compensation if there is no notice or authorization (stating that extra work is being performed and that a statement for additional compensation will be recognized).

In the case of money, it is necessary for you to pay close attention to the scope of work in the procurement and to the leverage position which each party should maintain with regard to the financing of the procurement. Today's marketplace the cost of obtaining money is so great that most sellers in such procurements as supply, systems and construction look to a payment schedule which provides for front-end loading, or financing of the procurement. In such situations, it is critical for the buyer to be aware of who owns the funds. This is particularly true in situations in which the buyer's leverage is nil or non-existent.

In such circumstances, it is usually true that the party with the unfair advantage can also negotiate an unfair settlement with the disadvantaged party. The disadvantaged party faces hard costs of attorney's fees, administrative resource costs in prosecuting a suit (apart from the performance costs which are being sought as due under the contract) and the costs of financing such extra performance and litigation, whether they be borrowed funds or loss of the use of working capital.

Perhaps the dilemma of vigilance in maintaining the equality of position or advantage is greatest with respect to constructive changes to a contract. Here the contract may frequently provide that the seller must perform work which the seller believes to be an extra or a change to the contract for which additional compensation must be paid so long as the buyer believes work to be a requirement of the original contract. Under such provisions, the seller must perform the work even in instances in which it is subsequently determined that the buyer was wrong. This provision, of course, gives the buyer a very great advantage. The seller may be held in breach of contract when the seller refuses to perform work even though such work is not a requirement of the original contract. In fact, it is quite easy to hypothesize the case in which the seller refuses to perform work which is an extra to the contract but is held liable for delay damages of the buyer. Recovery by the buyer occurs because the seller is not allowed to refuse to perform extra work to the contract even when the buyer refuses to pay.

The buyer thus can finance his changed work from the seller simply by refusing to recognize extra work as a change to the contract. More simply, the buyer is using the seller's money. Subsequently, with the seller in a weakened financial position, the seller may be able to negotiate a settlement which clearly denies the seller fair and proper compensation. But this is the real world. The buyer has a leverage position while the seller is probably not in a position to negotiate a proper settlement before or after litigation. Here again, the buyer may feel that he can't lose by letting litigation start and letting some of the buyer's money flow to the seller before payment is made to the seller. The one countervailing leverage position to the seller in the constructive change situation is the circumstance in which changes are required by the buyer which are of such a magnitude as to be beyond the scope of the contract and the contemplation of the parties. Here we have a total breach allowing the seller to abandon performance and seek appropriate recovery or to simply refuse to perform the work which constitutes the total breach. The trick here is for the seller not to go on too long with the work. If the seller does continue for too long, he may allow the buyer to get into the seller's pockets to such an extent that it is impossible for the seller to abandon performance or refuse. He has too much at stake.

Of course, one cannot avoid giving the other party a certain amount of leverage with respect to every act of litigation. The reason for this is the fact that it is necessary to operate a business concern. This unavoidable leverage is illustrated by an actual case in which a young contracts manager was unable to obtain the last payment of retention for the appropriate percentage of contract work and changes. The contracts manager submitted a number of final payment statements for $25,000.00 over the period the buyer returned the invoices with the stamp "unapproved for payment." Finally, the young manager arranged a meeting with the buyer himself, and the president of the young manager's company. The young contracts manager prepared full documentation to show the final amount of the contract including changes, and full documentation to show the accounting from which he derived the $25,000.00 final payment due. The young manager felt very good and at the meeting commenced the delivery of his detailed presentation of the documentation proving the undisputed final payment of $25,000.00 was due.

After a few minutes of listening to the manager, the buyer interrupted the manager. He stated "Is the whole purpose of this to show that I owe you $25,000.00?" The young manager said "Yes". The buyer replied "This is the real question is how much will I pay you." Here the buyer is using unavoidable leverage. He is saying, "I've got the money. You come and get it; spend $5,000.00 to $10,000.00 in attorneys fees in the process while I develop some lies to cover my nonpayment." This is an amoral approach to contracts by the buyer (who seeks to avoid just payments) and the reason for the avoidance of leverage places the seller in a very real bind. The vigilance required is to minimize such risks and to not allow the other party to attain unavoidable leverage which diminishes your ability to receive the proper benefit of the contract.

The third context of vigilance important to the avoidance of contracts litigation is a watchfulness to determine when there is a problem. There is the risk of abandoning performance and being wrong should never be underestimated. There is no going back. Abandonment is a terribly final act, like a bullet. This fact was recently discovered by Donald B. Drake. Drake abandoned the Kingdome construction in Seattle, Washington. The Kingdome was finished by another contractor and Drake, at the trial court, was held liable for millions in excess reprocurement costs for the completion of construction.

There are organizations which follow such amoral practices hopefully receive their just deserts. Certainly such tactics may be effective in the short run. However, in the long run, such unavailability will be a disaster if the buyer is dealing in a marketplace where his reputation is known to the sellers available for contracts. At best, the buyer will receive quotations higher than those quoted to other buyers. At worst, reputable sellers may totally refuse to bid on contract with the buyer.
SIX STEPS TO RATIONAL DECISION MAKING

II. RATIONAL DECISION-MAKING PROCESS

The next question is what is the proper action. Here it is suggested that the use of a rational decision making process will provide you with a structure in deciding upon the proper action. The concept here is twofold: to identify the events and to avoid the wrong decisions. This requires the desire to control events and the use of a rational decision making process.

One of the best recent examples of the failure to control events, i.e., reaction rather than action, is presented by Watergate. The Watergate tape transcripts, the books and memoirs of such individuals as Nixon, Dean, Ehrlichman and Magruder, as well as the accounts of such observers as T. H. White and Woodward and Bernstein, illustrate reaction to events rather than control over events. This is evidenced by the reported perceptions of the participants. For example, Mitchell, according to some, saw Haldeman and Ehrlichman behind various proposals of Liddy. According to other sources, other participants such as Haldeman, Magruder, Ehrlichman or Nixon saw the direction of Colson or each other behind the Liddy proposals. In fact, no one appears to have had control over the whole affair, at least until Dean took over the cover-up. Prior to that time there was no conscious desire to control events.

The cardinal rule was to maintain deniability. This meant that others had to be responsible for actions. When lower echelon personnel, such as Liddy or Magruder, made proposals or suggestions for intelligence schemes, the principle of deniability meant that such demands were interpreted as the demands of people higher in the chain (perceived to be above the individual proposer). Since no one high in the chain of command would admit directly to such instructions being issued through the lieutenants (because such an admission would destroy deniability), then the statements of the lieutenants were interpreted as those of higher authorities. Thus, the events may well have controlled the men, and perhaps Haldeman or Mitchell never consciously issued direct instructions for the wiretapping of the National Democratic Headquarters.

Watergate is a vivid lesson for us. If you want to control or influence events rather than merely reacting to events, you must have the desire to carry out a plan of action. Further, you must be willing to assume the responsibility which is the price for such control.

The use of a rational decision-making process in actually influencing or controlling events and in avoiding litigation calls for the use of a structure to identify the “wrong” decisions or plans for action, to identify possible “right” decision, and finally to carry out the plan for action.

The principle of the use of a structure in a rational decision-making process to avoid the “wrong” decision is at the heart of the avoidance of litigation. The peculiar chemistry of the contract, the people, the type of procurement, and the events of the day (such as strikes or the energy crisis) will almost always make it impossible for you with foresight to determine one “right” decision or plan. There may be a number of acceptable alternatives or “right” decisions but we will never know what is the best because we cannot go back in time and replay each alternative.

However, if you can identify those decisions which are clearly the “wrong” decisions and if you can avoid such decisions and their effects, you should be able to avoid many circumstances which would deteriorate into litigation. In addition, if you can use the proper structure to determine a good decision and carry through with that decision, you may be able to avoid still further litigation.

What then are the elements of this structure, the rational decision-making process? The suggested technique is made up of six main elements:

1. PROBLEM IDENTIFICATION
2. DETERMINATION OF FACTUAL AND LEGAL SETTING
3. IDENTIFICATION OF OPTIONS WITHIN THE LEGAL AND FACTUAL SETTING
4. EVALUATION OF OPTIONS AND THEIR EFFECTS
5. EXECUTION
6. FOLLOW-UP

A. PROBLEM IDENTIFICATION

We have previously noted the necessity to be vigilant in order to know when a problem arises. However, solutions to the problem cannot be found unless you have first identified what the nature or character of the problem being experienced is.

In manufacturing, someone from the production department may come to you, the contracts manager, and state that the production units are being rejected by the buyer or defective manufacturing process by your own people. This decision has been made by the buyer’s inspector or defective manufacturing process by your own people. The wide range of possible identification of the problem will have a major effect on your subsequent analysis. It is, therefore, critical for you to properly identify the problem. If this is not possible, you should at least identify the alternatives which the problem may assume.

To assist you in identifying the problem or possible problems, it is suggested that you commit your efforts to paper. Frequently, the physical act of committing your thoughts to writing will jog your mind and will force you to consider additional possibilities.

B. DETERMINATION OF FACTUAL AND LEGAL SETTING

Once you have identified the problem or possible problems, it is suggested that you make a determination of the factual and legal setting in which you are operating.

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1 Perhaps one of the best illustrations of problem identification is provided by the story of the young woman who visited the shrine of Akioka in Eiprus in ancient Greece. This shrine was supposed to be visited by a god who would heal diseases and other physical ailments. In this case a young woman had been unable to have a child. She visited the shrine and the god appeared to the woman in her sleep. When asked the nature of her problem the woman stated, “I am unable to become pregnant.” The god replied, “Return home and your problem will be solved.” The woman returned home and soon became pregnant. Nine months passed, then ten months passed and nothing happened. A year passed, two years passed and still nothing happened. Finally after six years the woman returned to the shrine. The god appeared again as she slept. She told the god that she had been unable to solve her problem, “What do you mean,” he said, “You asked to become pregnant.” She then explained the misunderstanding as to the nature of the problem. Shortly thereafter, the woman was delivered of a beautiful child, albeit one six years old.
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As in the case of problem identification, here, also, you should write down the facts which relate to the problem or possible problems. For example, in our hypothetical manufacturing model in which the production units are being rejected, you should note that (a) you have a certain type of contract with certain specific provisions relating to inspection and acceptance; (b) you have a customer of great or little importance to you; (c) you have inspection personnel for the buyer who are experienced or inept; (d) you have manufacturing personnel who are smart or stupid or who wish to rebel against management; (e) you have photographs and other aids which enable you to document any problems properly; and (f) you have certain manufacturing, financing, or scheduling deadlines; etc. In short, you have certain facts or factors which act upon the problem (or possible problems) which you have identified.

Using this same process, you should address legal factors which relate to your problem. Here, too, you should physically write down all legal factors of significance to your problem. For example, in our manufacturing model, you may note your contract is a sales contract and is governed by the Uniform Commercial Code that the UCC has a certain statute of limitations for this type of contract; that the UCC may present difficulties in terms of the proof of this contract; and that the UCC has specific provisions relating to inspection and acceptance which call for certain crucial acts to take place prior to acceptance. Or, you may determine that your sales, manufacturing, systems or construction contract is affected by the law of a foreign country and that your rights are severely restricted by a short-fused statute of limitations or by special foreign rules relating to inspection and acceptance.

The concept here is to provide some sort of factual or legal background to assist in determining the reason for your position which is the subject of the picture. The importance of the background is clear when we consider that a painting of a ship on calm waters has an entirely different meaning than a painting of the same ship on a collision course with icebergs.

C. OPTION IDENTIFICATION

You have identified the problem and the framework of the facts and legal principles which affect your problem. You should now determine the options which are available to you in dealing with your problem. Once again, write down the options available. It is again important for you not to prejudge the situation. Write down all options on paper, even thoughts which may seem drastic. These frequently can represent such diverse options as immediate litigation or abandonment or immediate capitulation. This exercise may appear unnecessary but the simple act of having to write down all options may open new avenues which you would not have considered if you had allowed your first impressions to govern.

D. EVALUATION OF OPTIONS AND THEIR EFFECTS

Having identified the problem or possible problems, the legal and factual framework, and the options available, you should now commit to paper your evaluation of the options. Once again, it must be noted that the first objective is to avoid the wrong decision and, secondarily, to determine that option which appears to provide the best and least hazardous course for obtaining the proper result. There may be a number of courses which can be selected in our painting which will allow the ship to avoid the iceberg. The key is avoid the wrong decision. The course which causes you to strike the iceberg. Of course, another key is to select a course which allows you to achieve your objective on time. In our hypothetical example of the manufacturing situation where the production units are being rejected, a few possible options might be as follows:

a. You can ask for a waiver from the buyer for the alleged defect asserted by the inspectors.

b. You can assert that the problem which is causing the inspectors to reject the production unit is a result of a design deficiency for which the buyer is responsible.

c. In conjunction with the above items and assuming that you have various options available to you which allow you to take the position that the problem asserted by inspectors is not your responsibility, you can combine with such a position a course of action by which you either refuse to perform any further work, you perform the corrective work under protest, you continue production of the units but without correcting the alleged defect, or you refuse to perform the particular corrective item until additional compensation is received.

Of course, the above is only a brief summary of the various options which are available to you in the manufacturing model. What is being illustrated here is the fact that you should take into account the factual or legal support for taking certain options, the possible countermoves by the other side, and the possible short-term and long-term effects.

To do a good job of this type of analysis it is necessary for you to have some idea of the results which you desire and for you to evaluate your options in light of a best-case/worst-case type of analysis as well as a high-risk/low-risk type of analysis.

The recent abandonment of the Kingdome by the Donald M. Drake Company may have appeared to present an acceptable option to the company because of various legal and factual assessments as to the facts. However, this was a very high-risk decision. Once the decision was undertaken by Drake, there was a great possibility that the company would either win all or nothing. As it turned out, the initial decision, at least for the trial court (which Drake did not intend the appellate process), appears to have been an unfortunate one for Drake.

In addition, it is very important for you to have in mind what results you desire. Are you looking for long-term results or short-term results? In the performance of many contracts, the short-term results of an option to have a fight at an early stage about a specification matter, such as a tolerance discrepancy, or to have an early fight over reservations of rights on modifications, may have very poor short-term effects. However, it may be very desirable for you, assuming you are the seller, or also for the buyer, to have an early fight over such a controversy to establish long-term procedure for contract performance so that each party understands the basis upon which the other side is operating.

One of the biggest problems encountered in contracts occurs when either side waits until the close of performance and then presents a major bill for increased costs. Similar problems occur when the contractor at the end of performance refuses to correct a problem with respect to the major construction under the contract when this problem could have been corrected early in the performance. Early bruised feelings may avoid long-term damage and actually enable the development of a proper arms-length working relationship.

Your evaluation of the possible countermoves by the other side and the effects of your actions must also include consideration of your own internal structure. How will individuals above you react when high officials from the other contracting party contact people high in your organization as a result of the option upon which you have decided? One of the most difficult problems for the contracts manager is receiving the spotlight from his company's corporate headquarters as a result of complaints by the president of the other contracting party. One sure way of avoiding longevity in employment is to be identified as the contracts manager who destroyed the trust of another contracting party in a twenty-year working relationship. For this reason, it is extremely important for you to keep higher management informed of the actions which you are taking and the possible complaints or counterclaims which may be made by the other side. Of course, when you are selecting a high-risk option, this caveat is of critical importance.

E. EXECUTION

Once you have decided upon the option and have received the proper approvals, you should execute. This may mean to sit and wait or it may mean to take very serious steps. However, if you do not execute the option which you have decided is the best course of action for you and which will avoid the wrong decision and the wrong result, you will lose the ability to...
affect your destiny. If you don't execute the decision, then events or the other contracting party will probably decide the result for you.

F. FOLLOW-UP

You have executed your option and feel very good about the way in which you have pursued the process of a rational decision. Unfortunately, you cannot stand back and admire what you have done as if it were some work of art. The other contracting party almost always will throw some paint on your sculpture and you must be prepared to follow up your execution with further evaluation and further execution where this is appropriate as a result of actions taken by the other contracting party or where additional events create new problems.

III. SUMMARY

What is the purpose of the rational decision-making process and vigilance? It is to give you a reasonable chance of avoiding litigation. As stated previously, you may not be able, with your best efforts, to avoid litigation. However, if you are not willing to act to resolve problems in a rational manner, you stand no chance at all of avoiding lawsuits.

The key in the use of the decision-making process outlined above is to be honest about the facts, to obtain good legal evaluations, to be honest about your own organization, and to evaluate properly the price which you are willing to pay for a certain result and the price which your organization is willing to pay for a certain result.

The role of the attorney in this process is to assist the contracts manager and management. The attorney can assist in developing the legal and factual framework and, in fact, in developing the analysis of the options which are available and the analysis of the effects of the options. Regardless of the great assistance which the attorney can offer in this process, management should make the decision as to the options which are selected. The reason for this is quite simple. The attorney is not normally in a line capacity. The attorney is not normally part of management which is running the company. If you want the outside attorney to run the company, then you should make him a part of your own organization with executive responsibility.
Northern District Meeting—April 16

Northern District met at the Holiday Inn, Tysons Corner, April 16, to hear a variety of speakers. AGC/Va. President Sandy Frazier spoke of plans for the year for the AGC, and Associate Chairman Ed Cothran spoke on the value of a strong Associate Division. Executive Director James Duckhardt outlined programs currently underway in the state office.

Featured speaker was Albert Branson, Director, Management Services and Conference Programs of National AGC, who described the many seminar and conference programs available to members, to enhance their professional knowledge and competitive edge. Approximately 30 attended the meeting.

New member, F. E. "Ed" Duvall, Jr. (right) of DATA, Inc., Arlington receives his firm's Membership Plaque from President Frazier.

Speakers at the meeting included: (l-r) Vice President of Northern District John S. Withers, Jr., of Skanska (USA), Inc., Vienna; Associate Division Chairman W. Edwin Cothran, of J. H. Cothran Co., Inc., Altavista; Albert E. Branson, Jr., Director/Management Conference Programs, AGC of America; AGC/Va. President H. H. (Sandy) Frazier of Frazier Construction Co., Inc., Altavista.

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JULY 1981
Piedmont District Meeting—May 5

Piedmont District Members met May 5 at the Farmington Country Club, Charlottesville, for an outstanding meal. Attendees numbered 33, including several prospective members. Included were, Executive Director Jim Duckhardt and Ray Wingo, new Central Region Director.

President Jack Martin introduced the head table and guests and talked briefly about membership. He introduced AGC/Va. President "Sandy" Frazier who summarized the many results of the Board Meeting in Williamsburg.

Associate Director, Ed Cothran spoke on the relationship of the Associate Members to the functions of the organization. He stressed the value of this to his company over the years. Jim Duckhardt brought news of current AGC projects and answered questions following his presentation.

Piedmont District President Jack Martin of E. M. Martin, Inc., talks with Pat Punch of R. E. Lee & Son, Inc. Both firms are located in Charlottesville.
Richmond District Meeting—May 18

Richmond District met at Holiday Inn-Fannys, Richmond on May 18. President Bill Jones presided and greeted 80 in attendance.

Otis Dowdy, Regional Supervisor for the Richmond Region of the Virginia Employment Commission, and two members of his staff spoke to the group on unemployment tax, unemployment benefits, and appeals. The lengthy question and answer period evolved into a spirited discussion which seemed to point out that, if an employer wants less red tape, he must be sure to document fully the conditions of an employee's release.

Certificates of commendation were presented to Booth & Co., Farmville, and Jim Williams Construction Co., Chester, recognizing their outstanding safety records with no disabling injuries during 1980. Jim Duckhardt and Ray Wingo represented the AGC staff.

Among the interested listeners were: Sid Gal loway of Richmond, Honorary member of AGC, and National AGC Director, Robert M. Dunville of Robt. M. Dunville & Bros., Richmond.

Ray Wingo, Central District Director of AGC, presented Safety Awards to Jim Williams of Jim Williams Constr. Co., Inc., Chester (left photo) and Henry Booth of Booth & Company, Farmville (right photo).

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JULY 1981

25

Central District Secretary/Treasurer, Mary Hunt, Cooperative Const. Co., Inc., Lynchburg.


Central District's meeting on May 19 featured a discussion by Robert Spencer on "Training Programs Available" from Community Education and Employment Services. President Allen B. Campfield presided over the day's program which also included George Costan, Southern Air, Inc. stressing the importance of political and legislative involvement.

Executive Director Jim Duckhardt detailed current AGC/Va programs such as the new Workman's Compensation Self-Insurance, Blue Cross-Blue Shield Hospitalization Plan, the new State General Conditions, construction education programs, and the forthcoming Seminar-at-Sea in the Caribbean.

Central District Meeting—May 19

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JULY 1981
Roanoke District Joint Meeting
AGC/AIA/CSI/NECA/WIC
And Golf Outing
May 27

Roanoke District enjoyed the annual golf outing and joint meeting with the Roanoke Area Construction Industry Professional and Trade Associations at the Hidden Valley Country Club, Salem, on May 27. AGC/Va. President "Sandy" Frazier was the featured speaker at the dinner. He spoke on "Construction Outlook in the 1980s." Frazier stressed cooperation among construction-oriented organizations in the fields of legislation and politics.

The head table included representatives of each of the local organizations. AGC—Ron Cronise, Roanoke District President and "Sandy" Frazier, AGC/Va. President; AIA—Jerome Henschel, AIA Second Vice President; CSI—Byron R. Dickson, Architect, Immediate Past President; WIC—Mrs. Royce Foster, President, Roanoke Chapter; and NECA—Jerry Payne, President-Elect.

Winners in the golf tournament were: Mike Owens—Low Net; and Danny Keffter—Low Gross. The organization taking home the Lien Cup was the American Society of Heating, Refrigeration and Air Conditioning Engineers.
Byron Dickson awards trophy for Low Gross to Danny Keffer.

Mike Owens receives trophy for Low Net from Dickson.

Dickson hands Lien Cup to winning team members Charlie Emerson, Raeford Goode, Duke Hales, and Danny Keffer. Team was from the American Society of Heating, Refrigeration and Air Conditioning Engineers.

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VIRGINIA RECORD MAGAZINE
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to tell the Virginia Story JULY 1981
Northern District
Has a “Day at the Races”
May 29

Northern District members gathered at the Charlestown Race Track on May 29 for the annual running of AGC’s sweepstakes. A group of more than 40 took the bus, enjoying cocktails and cheese en route to the excellent roast beef dinner.

The latest word is “Nix to Nick’s picks.” Although few claimed to be big winners, there were no real losers. In fact, it is rumored that Charlestown will soon be renamed “Walker’s Downs.” The AGC trophy was presented on the field by Jack Bays and Pete Lynch.

The district will concentrate on membership development this summer and resume regular meetings in the fall.

S. Lee Parker of Southern Iron Works, Inc. hopes he’s picked a “winner.”

Theresa and Pete Lynch of Marsh & McLennan, Washington, DC.
Valley District Meeting—June 4

Valley District’s well-attended June 4 meeting was held at the Winchester Golf & Country Club. Members and guests in attendance enjoyed a good meal, good company and “words of wisdom” from their peers.

District President Jerry Bassler of Howard Shockey & Sons, Inc. welcomed Rodney Grimes, principle speaker for the evening. Grimes, who is with the Virginia State Police, spoke on “Crime Prevention in Construction.”
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ABC, Inc., Virginia Chapter Extends Invitation to Others in the Industry

- The Associated Builders & Contractors, Virginia Chapter, a commercial/industrial construction trade association representing 200 general contractors, subcontractors, and associates, will be hosting an Anglo-American Construction Conference in London, England, September 18-26, 1981, at the Russell Hotel, Russell Square. ABC, in conjunction with two leading British construction industry associations, will be discussing a number of topics at the conference including British building techniques, labor relations, contract negotiations, safety, legal relationships between general contractors and subcontractors, the economic situation in the U.K., etc. A special luncheon in the House of Commons is included with an address by the Right Honorable Tony Speller, Member of Parliament.

Anyone connected with the construction industry is invited to participate. The conference is tax-deductible. Cost for delegates is £1,264.00 (includes airfare, lodging, all seminars, and many other things too numerous to list). Spouses' cost is £1,139.00.

For further information and registration, call Ken Cleaveland, Executive Director, at the Associated Builders & Contractors' Alexandria office at 941-8281.

Mrs. Sutherland Joins State Department of Education

- Hilda R. Sutherland, a former associate professor in the Educational Resource Center at the Nashville (Tenn.) State Technical Institute, has been appointed supervisor of school libraries and textbooks. Mrs. Sutherland has held several positions with the Tennessee Department of Education and has worked in the Milan and Jackson school systems in that state. She received a Master's degree in library science from George Peabody College and a Bachelor's degree from Union University. She is a candidate for a Doctorate at Peabody College.

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International Conference on Proposed Engineering Performance Information Center Held in Washington, D.C.

- The National Capital Section in cooperation with the American Society of Civil Engineers National Committee on Damaged and Failed Structures of the Performance of Structures Research Council recently sponsored an international conference on a proposed Engineering Performance Information Center.

The conference was held in Washington, D.C., on May 18th & 19th and hosted by the National Science Foundation and George Washington University. It was made possible by a grant from Victor O. Schinnerer & Company, Inc., program administrators and underwriting managers for the Professional Liability Insurance Program commended by AIA and NSPE for their members since 1957.

This conference was the culmination of more than ten years of planning after the seed for a "feasibility study for the establishment of an information center" was planted through a recommendation in the September 1968 report of the ASCE Research Council on the Performance of Structures' first conference on "Performance of Full-Scale Structures."

A specific research effort was undertaken between 1977 and 1979 to study the necessary actions to establish and operate an Engineering Performance Information Center. The final report was issued in March 1979.

Since the issuance of the 1979 report on EPIC, specific contacts have been made with universities and other professional organizations in the U.S., Brazil, Canada, Czechoslovakia, Great Britain and Switzerland relative to the establishment of EPIC. Agreement has been reached on the organizational concept and the essential elements of information.

A main objective of the international conference on Engineering Performance Information Center was to define and address the legal, professional, psychological and practical barriers facing a project of this magnitude and complexity.

In attendance at this year's conference were representatives from across the United States and Canada as well as members of the Engineering community from Germany, Switzerland, England and Scotland. The 34 member attendee list also included members of the design trade press, the American Institute of Architects, the insurance industry and the legal profession.

The conference was chaired by Mr. Neal FitzSimons, F.ASCE, Principal, Engineering Counsel, Kensington, MD. Mr. FitzSimons included in his address to the attendance, "The ultimate objective of EPIC is the improvement of engineering practice and the prevention of engineering failures. Its premise of the systematic collection, collation, analysis and dissemination of information on actual performance will significantly further this objective."

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Globe Iron Construction Company
Receives American Institute Of Steel Construction's
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- Globe Iron Construction Company's Norfolk Plant was certified for Category III Fabrication for the second year by the American Institute of Steel Construction, Inc., a national association with headquarters in Chicago that sets standards for the industry. The Institute is a non-profit organization that determines the codes and technical specifications for the fabricated steel industry in the United States. The certification program instituted by AISC helps assure federal, state and private interests that the end products they will receive have been manufactured in fabricating shops that have passed rigorous performance standards.

Globe is the only fabricating shop in Tidewater to receive this certification. This quality certification includes Categories I and II, as well as Category III. It verifies that Globe has the experience, organization, quality control, equipment and knowhow to produce: (Category I) fabricated conventional steel structures, (Category II) complex steel structures and (Category III) fabricated steel structures for major steel bridges.

VIRGINIA INDUSTRIAL DEVELOPMENT NEWS

Every Morning Bill Robinson Goes to Work for 5,200 Companies

- While the Virginia Division of Industrial Development searches worldwide for companies who may be interested in moving to the Commonwealth, it also looks after those at home.

A milestone in the program was achieved May 21 when Bill Robinson completed his 1,000th visit to a Virginia industry—Duramax Metals, Inc. of Portsmouth. The industrial troubleshooter's assignment since 1976 has been to find out what problems manufacturers face, and to resolve them. Over 5,200 manufacturing plants, producing more than 15,000 different products, are Robinson's target audience.

"How our own companies see Virginia as a place to do business has a direct bearing on our ability to attract new industry," Frank Alsophaugh, Division Director said. "It's extremely important that existing industries be aware that Virginia's government is interested in their welfare and can be of service," he added.

While the typical industrial developer jets off to Boston, Denver or Taipei in pursuit of prospects, Robinson, a former industrial engineer and plant manager, relies only on a good state map to find his clients.

Operating an intensive program of face to face meetings with chief executives, Robinson has uncovered and cut through regulatory red tape, expanded shrinking markets, and sweetened the capital investment future for companies scattered across all of Virginia's 95 counties.

Duramax Metals, Inc., whose cast aluminum plaques dot Virginia's roadides marking historically significant sites, and whose high quality industrial castings are made for several Fortune 500 companies, presented Robinson with a problem common to manufacturers: stagnant markets. To assist the Portsmouth foundry, Robinson will draw on the Division's international trade specialist who links buyers with sellers worldwide.

Results of Robinson's work can also be found in Southwest Virginia. The Camac Corporation was prevented from using its newly constructed pressure vessel because of delays in the regulatory process. Robinson eliminated the red tape by obtaining the required specifications, enabling the Bristol firm to move smoothly through the certification process.

Robinson's focus was on Tidewater companies through the end of June, and he was scheduled to call on Virginia Chemicals, General Electric and Aetna Wire Company, among others.

Characterizing his role in industrial development, Robinson said, "I provide a link between industry and state government. To the industrialist, I am someone in Richmond to call when there is a problem or question about the governmental process."
E.S.E., Inc. Opens Virginia Headquarters

- E.S.E., Inc., formerly based in Cleveland, Ohio, dedicated their new international headquarters at the Petersburg-Dinwiddie Airport Industrial Park in Dinwiddie County on Tuesday, June 9. Governor John N. Dalton presented Ed Sweeney, Chief Executive Officer of E.S.E., Inc., with a replica of a Share of Stock in the first American corporation, the Virginia Company, during the dedication ceremony.

Offering a full line of design, engineering and construction services, E.S.E. is launching an ambitious five year plan to become a world leader in the fast track construction field with integrated prefabrication design and installation skills. The ten-acre airport site will also serve as a training area for E.S.E.'s ranger type overseas crews. The new facility includes a two story office complex and a 30,000 square foot prefabrication plant entirely serviced with overhead cranes.

The dedication and grand opening featured a tour of the facility followed by a luncheon. A fleet of corporate planes was expected to arrive at the Petersburg-Dinwiddie Airport from the mid-West, Washington, D.C. and New York for the dedication.

Ed Sweeney, now a resident of Dinwiddie County, credits Virginia's industrial development community for their assistance in locating E.S.E., Inc. in Virginia. Sweeney cited the interest and assistance of Governor John N. Dalton, the Virginia Division of Industrial Development, Dinwiddie County Administrator W. C. Knott, the Appomattox Basin Industrial Development Corporation and the Petersburg-Dinwiddie County Airport and Industrial Authority as key factors in the firm's move to Virginia.

American Heat Pump to Operate From Hanover Location

- American Heat Pump Manufacturing, Inc. will produce hydronic heat pump boilers in the Hanover Air Park, according to the Virginia Division of Industrial Development. American Heat Pump has been licensed by BartI GmbH of Ulm, West Germany to produce heat pumps for the North American market. The company will lease existing building space in the Hanover Park. It currently operates a sales office in the Koger Executive Center in Richmond.

The firm will ultimately employ 25-30 employees and will produce heat pumps with double condensers possessing up to five tons of capacity for commercial and residential uses, such as space, hot water and pool heating. The Virginia facility will service markets in the northeastern and mid-Atlantic areas.

David Peterson, President of American Heat Pump Manufacturing, Inc., indicates that the heat pumps represent a genuine cost and energy savings alternative to oil-fired boilers and anticipate a highly receptive market in the United States for their product.

American Heat Pump was assisted in its plant selection activity by the Richmond and Brussels, Belgium offices of the Virginia Division of Industrial Development.

Italian Firm Opens Virginia Facility

- G.D. Package Machinery, Inc. dedicated its new office and warehouse facility in Chesterfield County on June 26, according to the Virginia Division of Industrial Development. The company is a subsidiary of G.D. Societa per Azioni of Bologna, Italy, which manufactures packaging equipment for cigarette factories and high speed machinery for the confectionary industry.

Located in the Southport Development area of Chesterfield County, G.D. Package Machinery, Inc. will provide technical and consultation services plus spare parts for machines. The company occupies a newly constructed 13,200 square foot building and employs approximately 16 workers.

G.D. Package Machinery, Inc. was assisted in the site selection process by the Chesterfield County Department of Economic Development and the Brussels, Belgium and Richmond, Virginia offices of the Virginia Division of Industrial Development.
time to fight and struggle within the party, to shape it into what it has always stood for, there is also a time for reconciliation," he told the convention. "There is more that unites us than divides us, and I call on you to enthusiastically support our ticket, top to bottom, now, this fall, and forever."

Backstage, Robb had been working to create a party post to take advantage of what he called Lechner’s "organizational genius." It showed organizational talent on Robb’s part to bind Lechner to the ticket and give the liberals the feeling they had a voice in the campaign.

Senator Emick, whose campaign for lieutenant governor had started late, pledged his wholehearted support to the ticket. "No one likes to lose a race," he told a reporter, "but as far as doing it my way, the best I know how and sticking by my principles, I feel good about it."

Gerald L. Baliles, a professional Richmonder, defeated Erwin S. (Shad) Solomon for attorney general. Solomon, withdrawing, advised the delegates: "Some Democrats are saying, look at the success of the Republicans. Let’s dress like ‘em, let’s out conserve ‘em, let’s be their clones... My friends, if we are merely the Republican shadow and have no substance, we will be badly beat."

The idea of a short, stocky Shad, looking like a bulldog rolled down from the Alleghenies, being without substance or becoming someone’s clone was manifestly unthinkable. He announced later his retirement from the General Assembly, which does thereby lose considerable substance and color.

During the final frenzied moments in the Pavilion, an admirer asked the scholarly Baliles to stand with her while her husband took their picture. Just as the man was about to snap the camera, Baliles leaned forward and said quietly, "Sir, you might do well to remove your finger from in front of the lens before you snap the shutter."

A little later, with people clapping his back, pumping his hand, and screaming in his ear, Baliles, turning to a reporter, began to quote Mark Twain: "Arrived at the station that it isn’t genius but steady application that wins."

The Democrats, departing from Virginia Beach, felt that they had, for Democrats, achieved a remarkably harmonious result, promoted in part by the knowledge that they have not won a major state race in more than a decade.

It thundered on the left disturbed the Democrats’ peace of mind, a rumble from the right troubled the Republicans when they convened at the Virginia Beach Pavilion a week later to shape their gubernatorial ticket for November 3.

The 39-year-old Coleman was unopposed for the nomination for governor, as was the 42-year-old Wyatt Durrette for attorney general.

The convention had four days to make the ticket, and Farley told delegates that failure to include the Newport News Senator on the ticket would mean that the party was taking "dire steps toward danger." Selection of Farley or Miller would leave the GOP weak in southeast Virginia, the base of the Democrats’ Richard M. Nixon.

Nominating Miller, former Governor Linwood Holton, a leader of the party’s moderate wing, warned, "You’re going to hear from some influential and powerful people."

Exhorting them to use their own judgement, he said he remember his sojourn in the Governor’s Mansion as the first Republican Governor of this century.

A security guard awakened the Holtons with a call at 2 a.m. to warn them there had been a bomb threat against the Mansion. "Come on over and search all you please; but we’re not leaving, we’re going back to sleep," Holton said.

Next morning when the governor arrived at the breakfast table, Mrs. Holton had just finished relating the incident to their older son, Woody.

"Dad, if you don’t mind, next time a question like that arises, I’d just as soon you wake me and let me make my own decision," Woody said.

In a time of jet planes, interstate highways, and instant communication over telephone and radio, the myth of attaining geographical balance with candidates from three different areas was no longer relevant. Holton argued.

Just how far the Republicans would go in exercising their independence neither Holton nor anybody else imagined.

William Stanhagen, a member of the Republican National Committee nominated Farley. With blue eyes and wavy grayish-blond hair that cradles in a top knot, Farley looks like a Little Jack Horner. The plump with which he came up when he stuck in his thumb was the support of the Moral Majority, under the Reverend Jerry Falwell of Lynchburg.

Let me stick in my thumb here and say I don’t share the acute fears many hold of the Majority. At one time or another in America, nearly every religious group—Catholics, Jews, and various Protestant denominations—has tried to muscle into government. In the 1920s Virginia experienced a holy war by the Methodists under Bishop James Cannon, proclaiming prohibition.

Such movements are fated to fail when they butt against the vast lethargic mass of the ordinary citizenry in this country. It’s like taking a garden hose to the Sahara Desert.

Just now, a segment of the fundamentalist Baptists is on the march under Falwell. But it runs counter to a strong strain of religious freedom in their own heritage. The Virginia Baptists were the shock troops supporting Thomas Jefferson’s bill for religious liberty. Having suffered at the hands of the Church of England during the colonial era, the Baptists knew the danger of mixing affairs of church and state.

Many Republicans worried that Farley’s friendship with Falwell would cost the ticket votes. They wanted the zealous support of the individual Falwellians without running the risk of losing the ticket identified with them. But quite suddenly during the convention, a gesture by Farley changed radically the attitude among many in the opposition. The first ballot, as had been expected, showed Farley in the lead with 1,195 votes, followed by Bateman with 1,616 votes, trailed by Miller with 992 votes.

On the second rollcall, again as anticipated, Bateman nosed into the lead with 1,247 delegate votes, followed by Farley with 1,213 and Miller with 890.

The third rollcall, continuing the trend, found Bateman with 1,451 votes, fewer than 250 from victory. Farley trailed with 1,235. Miller had dropped to 651. So a pattern was set. Miller’s strength was eroding, with more votes going to Bateman than to Farley. On the fourth ballot, and certainly no later than the fifth, Bateman’s nomination seemed assured.

Then suddenly Farley and his wife Leslie appeared at the rostrum. To shouts of "No!" and cries of "Don’t quit!" from around the hall, Farley announced that he was withdrawing and told his delegates to vote their consciences in choosing between Bateman and Miller.

"It’s ironical that the same event can be so exciting and pleasurable for some and so disappointing for others," he told them. Tears glistened in his wife’s eyes. From the vast reaches of the hall a delegate bellowed: "We love ya. Guy!"

"As we recruited you, we asked you to stick it out with the Republican Party and be visible in November and work for victory regardless of who won the nomination," Farley reminded them. Any more delays in the balloting would make it difficult to achieve the unity "we will need in November," he concluded.

Farley and his wife descended from the platform, they met former Governor Godwin. The two old friends exchanged cordialities, "I told him," Godwin said to a reporter, "that it was politically smart on his part and bode well for his future in the party, smarter than if he had waited on the other fellow to withdraw."

Among reporters clustering around him, one asked if the party didn’t owe him support in a future race. "I just did what I thought was right," Farley replied. "I didn’t think anybody owes me anything, I owe my supporters a lot."

The fight for the senatorial nomination in 1978 in Williamsburg was "so prolonged and emotional that it exhausted people," Farley said. "We wanted to leave here ready to right the Democrats."

Asked what his part might be in the coming battle, he replied: "I’ll take any role the Republican Party might have for me." He insisted there had been no deals, "Leslie and I just decided on our own," he said.

Reaction around the floor was that Farley had earned respect among his foes for himself and for his followers. He appeared to have pulled a
coup in taking the rostrum before Miller, who
had engendered bitterness in 1978 by hanging
on doggedly and declining to concede long after
it was apparent that Andrew Miller would win
the senatorial nomination.

Some of Miller's advisors had been urging
him to withdraw at Virginia Beach. "Don't repeat
the mistake you made in 1978," they counseled.
But when Farley withdrew, Miller plunged onto
the conveyer belt in a frenzy of handshaking and
exhortation.

The convention had not recovered from Far­
ley's withdrawal when, during the fourth ballot,
a second stunning surprise occurred. Farley's
voters moved almost en masse into Miller's
campaign. Some 90 percent of Farley's followers
switched to Miller and swept him to victory.
Miller picked up 1,093 votes to win with 1,744.

Some parliamentary maneuvering preceded
the final tally as the Fourth District caucused
and convention chairman A. Joe Canada tried to
cope with angry questions from the floor.
Throughout the hall delegates were remarking,
"We're acting more like Democrats than Repub­
licans."

But then Bateman came to the rostrum and
moved that Miller be declared the nominee by
acclamation. "The will of this convention has
been worked," Bateman said, his chin tilted up.
"I accept the will of the convention." Of his
volunteers and the leaders, including Godwin
and Governor John N. Dalton, Bateman said,"I'm sorry I let them down."

If a deal was struck that sent the landslide of
votes Miller's way, no one detected it. Miller
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