

Contractors (ASCC)



Agent's Kit

Association Information

The American Society of Concrete Contractors (ASCC) was founded in 1965 and represents firms engaged in the concrete construction industry. Contractors include concrete contractors, builders, suppliers, engineers and technicians. The association serves to stimulate professional responsibility and encourage research and development within the industry to enhance the public image of concrete.

Industry Profile

The ASCC program is designed to attract specialty trade contractors primarily engaged in new concrete construction, repair and maintenance including, but not limited to, curbs, sidewalks, driveways, patios, building slabs, footings, retaining walls and foundations. Guniting and stucco contractors are also eligible for the program. It is very probable that there will be considerable diversity of operations conducted by contractors in this program.

Most concrete contractors will perform the following activities: excavation and surface grading of the sub-base, preparing the base, layout, erection of forms and the installation of reinforcing wire or rebar. Expansion joints are then installed and then concrete is ready for placement. After placing, the concrete is floated and troweled in order to obtain the desired grade and surface smoothness.

Typically, work will be done in accordance with architects and engineers specifications and at the direction of the general contractor. However, for small flatwork (such as driveways, patios, and sidewalks) the contractor may design. Concrete samples will be taken and subjected to slump and compressive load testing. In addition, core samples may be taken after the concrete is cured and subjected to laboratory testing depending on the scope of job and contractual agreements.

Emerging Trends

Reduction in Litigation: Claims, change orders, back charges, and similar evidence of project disputes have dominated large segments of the construction industry. The second half of the 1990s should bring more civility to the construction industry, with lower legal fees and less management time devoted to nonproductive activities. Partnering has been tremendously successful at preventing disputes and increasing productivity. When combined with total quality management (TQM) and safety programs, partnering can help create a project team committed to a smooth-running, productive, accident-free workplace. Pre-qualification of contractors will gradually eliminate from the bidding process firms that routinely file claims and litigate with owners.

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Enhanced Productivity: Statistics show that 30% of the labor dollars expended on a construction project are wasted. Reducing this figure by a few percentage points can have a significant impact on industry profits. Using TQM at the job site will improve productivity, especially if it is combined with partnering and an integrated safety program.

Accelerated Training: The amount of money and time spent on training at all levels of the construction industry will grow at double digit rates for the next five to ten years. The following factors have created a need for at least 200,000 new construction workers each year: fewer people are entering the workforce, the construction industry has an image problem with young people making it an unattractive career choice, and thousands of skilled workers are retiring.

Decline of the Competitive Bid System: Awarding the construction contract to the lowest responsible bidder has been the procurement method of choice in the U.S. for decades. With the ongoing pressure to reduce the cost and scope of government, however, the process of privatizing the funding and operation of traditionally public services is unavoidable. Much of the rest of the world has embraced this idea more aggressively than the U.S. has. Creative contractors, engineers and developers will recognize opportunities to secure projects at a competitive advantage. The political and regulatory keys will also be found to allow privatization to become a reality although it will be a slow process.

Industry Consolidation: Consolidation in the construction industry will lead to fewer and larger companies dominating the industry. Financial strength and capacity will become a standard requirement for participating in large, complex projects. Large companies have steadily increased their market share of the nonresidential U.S. construction market over the last 25 years. This will lead to a two-tiered market. At the top will be large regional or national firms with the capital and management skills necessary for larger projects, which require financial strength and technological sophistication. At the bottom level will be small, local, niche contractors who have expertise in a particular area or relationships that allow them to compete with larger companies.

Increase In Market Focus: Market focus will grow at an ever-increasing rate. The days of a contractor being all things to all people are over. A company that provides only a few services can dramatically improve its productivity. Doing the same thing over and over again increases proficiency. Finding areas of distinctive competence will apply to both large and small firms. Contractors are realizing that effective marketing of their services and superior customer service are critical to long-term success. More and more, the customer will drive the contractor's strategy and behavior.

Profit versus Volume: The next ten years will see a dramatic shift from a focus on volume to a focus on profits. With such razor-thin profits, the margin of error in construction is very small. More firms, therefore, are forsaking volume for a consistent bottom line. Surety credit is currently in oversupply. Therefore, available bonding credit will not continue to be the measure of how large a firm should be.

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More firms are sizing their business based on available resources rather than solely on the amount of credit they can extract from their bank and surety. Contractors who manage their business for survival will have an adequate financial base to avoid bankruptcy when problems occur.

Electronic Information Systems: More companies will use electronic information systems to market and manage projects. Contractors are exchanging information through sites on the Internet's World Wide Web. More contractors will use virtual reality programs for worker training, marketing, and project management. They will also use prospect and customer tracking systems to improve marketing communications and gain knowledge about prospects.

Program Eligibility

The firm must derive 60% or more of its payroll and sales from concrete construction, repair and maintenance, including but not limited to, curbs, sidewalks, driveways, patio floor slabs and foundations. Guniting and stucco contractors are also eligible for the program.

NOTE: Stucco is not EIFS. Any risk involved in excavation work must communicate with the

One-Call Service Center and area utility owners that are not members of the One-Call Service Center prior to all scheduled excavations.

Referral Required For the Following Operations:

- High-rise building construction (Multi-story)
- Pre-stressed or structural concrete work
- Airport runway or warming apron construction work or repair which involves vehicle movement in areas within 100 feet of where aircraft will be present at any time during construction

Ineligible Operations

- Bridge and elevated highway construction (See Street, Road and Bridge Contractors Program)
- Caisson or dam work
- Concrete or cement hauling for others
Contractors primarily using asphalt and blacktop - these contractors may be eligible for the Street, Road and Bridge Program or the Land Improvement Contractors Program
- General contractors, unless the subcontracted work is less than 25% of receipts and subcontracted work is of a similar or less hazardous nature; an exception to this is for concrete tilt-up operations where 50% of receipts in subcontracted work is acceptable
- Industrial and chemical waste collection or sedimentation pond construction
- Masonry Contractors
- Prestressed or structural concrete work
- Ready-mix operations, concrete or cement hauling for others
- Sand and gravel hauling for others

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- Street and road construction work (See Street, Road and Bridge Contractors Program)
- Subway or tunnel construction
- Swimming pool construction in excess of 65% (See Spa and Pool Dealers and Installers Program)
- Tilt-slab or tilt-up construction work over 50 feet in height
- Work on airport runways or warming aprons
- Application of Exterior Insulation Finishing Systems (EIFS)

Special Coverages Available

Risk Transfer procedures

The following best practices for risk transfer must be followed by all accounts written:

- Certificates of insurance are obtained from all sub-contractors with limits of liability equal to our contractor's policy
- The contractor is named as an additional insured on all sub-contractors' general liability policies on a primary and non-contributory basis
- Written agreements contain hold harmless/indemnity clauses that are in favor of the contractor
- The contractor verifies that all sub-contractors follow all industry requirements and applicable state and local codes

General Liability

- \$1,000,000 Per Occurrence
- \$2,000,000 Aggregate
- \$2,000,000 Products/Completed Ops Aggregate*
- \$100,000 Fire Damage Legal Liability
- \$1,000, \$2,500, \$5,000, or \$10,000 PD Deductible, Per Occurrence

**Limits may vary by state. Contact your underwriter for specifics.*

Umbrella

- Up to \$25,000,000 available; submit completed Acord Umbrella application for quote. (Not available on a stand-alone basis.)
- Underlying Requirements
- A.M. Best rating A-VII or higher
- Minimum underlying limit requirements:
 - GL: \$1,000,000/\$1,000,000/\$1,000,000;
\$1,000,000/\$2,000,000/\$2,000,000 preferred
 - AL: \$1,000,000 CSL
 - EL: \$500,000/\$500,000/\$500,000

SUBMISSION REQUIREMENTS

- Acord Application
- Supplemental Application signed by Insured and Agent
- Loss runs – 5 years currently valued and details of losses over \$10,000
- Expiring declarations page and rating worksheet pages
- Two years of prior job lists and/or certificate holder list
- 5 years premium, payroll, receipts