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E. A. BAUGH, Editor

Conventions

IT IS always easy to say that the last convention was "the best ever." But seldom is it so easy to prove the statement as it is in the case of the Twelfth Annual Meeting of the A. G. C., held last month in San Francisco. Organization problems were relegated to the background; construction work was given the spotlight.

For the first time in years contractors, together with their architects and engineer guest speakers, stood up in public and spoke plain words. The evils of incompetant design, over-expansion by contractors, unfair contracts, unethical tactics and unsound business methods were hung where we could look them over.

If the applause accorded the frank remarks of the speakers was a true indication, it would seem all the listeners agreed heartily with what was said. Now we are home again, amid familiar surroundings, faced once more with the prosaic problems of making a living. How much of what was said at San Francisco will stick and take root—how much will be passed off with a shrug of the shoulders and the remark, "It sounded nice but it won't get me a job?"

The sad part of all such gatherings, whether it be a contractors' convention or a football pep rally, is that after the first blush of enthusiasm is gone and the handclapping subsides we again become cold and unresponsive. Conventions serve to keep our problems before us and results depend upon the individual, his

willingness and ability to put into action the ideas he applauded so loudly.

Those who attended the convention are faced with the duty of carrying back to their fellow contractors in all parts of the country the enthusiasm which they acquired. Those who stayed at home have an opportunity to accomplish much good by lending a receptive ear to those who returned imbued with the desire to rectify conditions. Then let us all put into practice the things which we all agree should be done.

Perhaps the most encouraging aspect of the convention was the evidence that the construction world is acquiring an industrial consciousness. Individual men and individual organizations each have their limitations in accomplishing the work to be done. Much new thought was developed along these lines. Let us hope that the leavening of the few who were in San Francisco will not be entirely lost when it is spread throughout the construction world.

It is easy to talk. It is easy to preach. But action is needed, and that is more difficult. Your association is striving all the time to make things easier for you. Give it your active support. Your service on a committee may be the one final impulse which will put us over the hump. The A. G. C. will be whatever you make of it by your personal support and efforts. In the words of our new president, "If A. G. C. can't help you, it needs your help to make it help you."

Profits can't be based on such an uncertain element as Luck.

him appear more in line, we all would maintain the price level at which the work should be bid, we would stand a chance of receiving the contract by making the extremely low bidder be much further out of line than he would be if we put our margin of profit lower than it should be.

Let us all take hope in Mr. Babson's forecast. Let us maintain a price level for our work which is consistent with good business, and *which is necessary for good workmanship*. Let us name our prices so that we can afford to pay the material man and the sub-contractor their rightful profits. The measure of the success of a company or of a man will be in proportion to the ability of that company or of that man to produce business friends. If, through the general contractor, a material firm or a sub-contractor is able to make money, these men will be his business friends. If he does not obtain a fair price for his work, he cannot afford to pay for his materials

or his sub-contracts in this proportion, and, therefore, cannot hope to survive in business.

Over a period of years, chance alone will be a lessening factor in building up the reputation of a general contractor. If the low price appeals to the prospective owner, who is looking for the greatest

return for the money invested, or satisfy an architect who has been able to let a contract at a rock-bottom figure, the job will not be productive of the kind of friends who are a man's business mainstay . . . the responsible sub-contractor and material men who figure a legitimate profit for their services and products.

Many Problems Discussed at Frisco Convention

ATENDING a convention is somewhat similar to attending a revival—one is supposed to "get religion." And whatever else might be said of the San Francisco meeting of last month it most assuredly was a gathering abounding in the religion of "get a profit," "sell construction," "create a demand for your services."

George W. Kelham, past-president, Northern California Chapter, A. I. A., started things off with his advice that contractors should tell owners the truth about incompetent architects who get their jobs on the basis of "more building for less money." He criticized contractors severely for cutting prices and throwing away profit in their attempts to justify the promise of the architect whose preliminary estimate bore no relation to the true cost of the job. He stated that the A. G. C. is the *only organization* that can correct these troubles—that we can rectify them all if we really want to.

Speaking before the Builders' Division, Col. Starrett of New York City, minced no words in his remarks. Stating that contractors all are too prone to overstate themselves and undervalue their competitors, he reminds us that in the light of past experience, 50% of all contractors now operating will be out of business in five years. Contractors were charged with being anxious only to set down a low figure and those who consider themselves builders were called upon to make certain they were paid for the ability they claim.

Bid cutting is "selling short" and is responsible for about fifty per cent of the industry's troubles, the Colonel said. We were reminded that the builder does not sell material—he sells service, and the builder who has no service to render should get out of the business. Col. Starrett touched upon Mr. Kelham's thoughts

when he told us the cost of a building is the owner's risk, that a contractor should not be required to underwrite the architect's whole idea and his low preliminary estimate.

Then there was Henry J. Kaiser, California contractor, whose diagnosis was that "the trouble with contracting we are developing ourselves faster than we are developing the public." Which is only another way of saying that if we want volume we must create it—not in the office sad-facedly awaiting the announcement of a project. Other industries create a demand for their products; contractors must create a demand in construction. People buy radios and automobiles because they are "sold" on possessing such things. They buy construction because they finally come to a passive decision that they would like to build if they can get a price cheap enough to conform to their opinion of what the cost should be.

President Greensfelder impressed everyone by his complete grasp of all problems and by the efficient, sensible, wholehearted manner in which he proposes to meet them. On the floor of the convention, in the Board Meetings, in the secretaries' meetings he continually gave expression to new thoughts, new ideas and new ways to attack questions.

"Fair Proposals," as discussed by C. Lambie, president of Texas Branch, printed in full in this issue. The paper speaks for itself and well indicates study and thought evidenced in the remarks of other speakers in their various discussions. Plenty of food for thought was available to those who desired it.

O. R. McGuire, counsel of the controller general of the United States, is another of his very interesting discussions of the relations between his office

(Continued on page 18)

Who Pays the Estimating Cost?

"AT ONE time in Chicago a survey and estimate was made as to just how much competitive bidding cost the building industry. This estimate resulted in showing that an average of 3 per cent was the cost of this system of getting estimates and selecting a general contractor. Last year the total cost of buildings erected in the Chicago district was more than \$300,000,000, which, multiplied by 3 per cent, makes the enormous sum of approximately \$10,000,000 as the cost of estimating in Chicago for that year.

"As each contractor only gets a small proportion of the contracts on which he makes estimates, a great portion of this expense is wasted but at the same time is added to the overhead expense of each concern involved. This overhead expense is paid for by every owner in the city who erects a building. This lays a heavy tax on the owner."

C. Herrick Hammond,
President, American
Institute of Architects.

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Frisco Convention (Continued from page 12)

general contractors who build for federal government. Dr. Elw Meads' vivid picture of the construction difficulties involved in the construction of Hoover Dam was well worth hearing. One of the most inspirational talks of the whole session was made by Harry Culver, past-president of the National Association of Real Estate Boards. Many other speakers, too numerous to mention individually, were on the various programs and there were few dull moments during the whole session.

Numerous resolutions were passed, the first of which was one condemning exploitation of labor by contractors who used such means to squeeze a profit out of a low bid or to secure new work through price competition. Conviction on public construction was condemned and the use of convict labor in reformation and rehabilitation of worn-out lands were recommended.

Resolution No. 3 commended the Bureau of Contract Information for its excellent work and recommended to surety companies that no bond of \$2,000 or more be written without first conferring with the Bureau. Another resolution pledged cooperation to surety companies, urged members of the A. C. to file their reports with the Bureau, requested members to recognize and favor those surety companies supporting the Bureau in its operations.

One resolution advocated financing public building construction through bonds. Another opposed the use of gasoline tax funds for any use but that highway construction. Quantity purchasing of construction materials by public bodies was condemned.

Texas Branch received recognition from the new administration in the following appointments. Members of the National Advisory Council, C. S. Lamb, Frank N. Watson, H. W. Underhill, Chairman of the Building Division, H. W. Underhill. Appointment to various standing committees, A. J. Kenzie, J. T. Haile, Jr., S. B. H. B. M. Lindsley, Frank N. Watson, Herman Brown.

No account of the convention can be complete without telling of the ability of our California hosts in matters of entertainment. Beginning at Pasadena guests of the Southern California Center and closing Thursday night at

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convention as guests of the Northern California Chapter at a dinner dance and cabaret performance, there was entertainment galore. Northern California Chapter were the official hosts of the convention, and what hosts they were.

Open Valley Factory

The Western Metal Mfg. Co., Houston, announces the opening of an office and factory at 320 North Third Street, Harlingen. The new plant is equipped for fabricating Armco Ingot Iron Corrugated Pipe and galvanized surface irrigation pipe. Various types of irrigation gates will be carried in stock for immediate delivery. The Western Metal Manufacturing Co. now has five plants in Texas located at Houston, Dallas, San Antonio, El Paso, and Harlingen.

New Factory Branch

The Allis-Chalmers Manufacturing Co., Milwaukee, recently have opened a tractor division branch in Dallas at 3612 Commerce Street. This new office is in charge of R. S. Lowe, district manager for north Texas and Oklahoma. The Dallas branch will handle a full line of road building and construction equipment, in no way being limited to Allis-Chalmers' products. Customers and dealers in the Southwest will have available at the Dallas office a large stock of repair parts for Allis-Chalmers tractors.



Crane-Compressor

Being mounted on a McCormick-Deering 10-20 Industrial Tractor, the Loadmaster crane-compressor combination is quite easily maneuvered. The crane can be fitted with 10, 12 or 14 foot booms and is rated at 3500 pounds capacity. It does those jobs which can not be handled easily by hand-labor. Rigidly mounted on the rear of the tractor is the 160 cubic foot capacity air compressor, which is capable of taking care of three paving breakers, four riveting hammers or two rock drills. It is made by Frederic H. Poor, Inc., New York.

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