



108 Years Later, Markets Change— But Tri-City Electric Still Thrives

No one can close the book on Tri-City Electric Co., which has its headquarters in Davenport, Iowa...It's a long story—the company was founded in 1895—but President Dan Palmer and the company's 500 to 550 employees keep writing new chapters.

Want an example? Just recently, the company acquired ABC Electric, Inc. of Des Moines, Iowa—which itself had more than 100 electricians in the field.

Want another? In recent years, the company has "evolved," if that's the right word, as the industrial base in its service area has declined. "Industrial is still an important business for us," says Palmer. "But at one time, it was 50 to 60% of our volume. Now, it's probably closer to 30%."

Tri-City Electric Company's success pre-dates its involvement with McCormick Systems by, oh, eight decades or so. But the company's impressive history, its creative use of our software in the past (and on into the future)—and the fact that the company has kept a relatively low profile over the years—has led us to present its story in two parts.

This month, we'll cover the basics, including how the company's estimators make use of McCormick's software for "standard" electrical work. Next month, we'll cover ancillary but important uses—such as CAD Estimating and voice-data-video.

Health Care Growth

Industrial customers in Iowa and western Illinois use Tri-City Electric Co. to speed their maintenance efforts. "A lot of these companies have limited the size of their

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Tri-City Electric Co. has diversified—as its industrial base has been reduced over time—and now does more commercial and institutional work. That switch includes more work in health care, including new construction and renovation of hospitals.

Highlights

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Let's Forget the First Quarter

Data from the U.S. Commerce Department (construction "put in place") and McGraw-Hill Construction/Dodge (construction "starts") show why many contractors found this year's start disappointing. Those relying on nonresidential construction have fought a stiff wind. As adjusted for inflation (Table 1), construction spending was lower than at any time since 1996. New nonresidential starts have suffered, too, Dodge reports (Table 2).

Note: These tables are here for perspective—a statistical "why" for what you have been experiencing. Our invasion of Iraq began late in March. Many of your customers delayed decisions, choosing to wait out the war and slow early-year economic conditions (worsened in some areas by a heavy February snowfall). ✖

Table 1. Nonresidential Construction Spending

Current dollars, NOT seasonally adjusted (**actual dollars spent**)

Year	Jan	Feb	March	Total Q-1	2003\$
1996	\$10.1	\$10.3	\$10.5	\$30.9	\$36.3
1997	\$11.9	\$12.1	\$12.4	\$36.4	\$41.8
1998	\$12.3	\$12.2	\$12.9	\$37.4	\$42.3
1999	\$13.6	\$14.1	\$14.9	\$42.6	\$47.1
2000	\$14.9	\$16.3	\$17.2	\$48.4	\$51.8
2001	\$16.7	\$16.4	\$17.8	\$50.9	\$52.9
2002	\$13.8	\$13.6	\$14.0	\$41.4	\$42.4
2003 (p)	\$11.9	\$12.1 (p)	\$12.8 (p)	\$36.8 (p)	\$36.8

Source: U.S. Department of Commerce. (p) = subject to further revision

Table 2. Construction Contract Value, Year-To-Date

In millions of dollars, NOT seasonally adjusted or inflation adjusted

Segment	Jan-Mar 2003	Jan-Mar 2002	Change
Residential	\$57,790	\$55,407	+4%
Nonresidential	\$30,935	\$36,250	-15%
Nonbuilding*	\$20,235	\$26,012	-22%
TOTAL	\$108,960	\$117,669	-7%

Source: McGraw-Hill Construction/Dodge. *Nonbuilding construction = mostly public works.

Not Crowing, But... We're Growing!

We're not the kind of company (or people) that like to "crow" about ourselves. But we did want you to know that, over the past year-plus, McCormick had added one person per quarter to our employee roster.



Most recently, we've re-hired Gary Winslow, who worked for McCormick Systems for more than five years, left, and has now returned. He brings with him an in-depth knowledge of Windows applications—which will be helpful to our customers.

We thought you'd like to know that in this, our 24th year in business, your electrical estimating software provider is still growing! ✖



Did You Know ... LABOR CATEGORIES in the Paste From Job screen allows the User to paste labor

category multipliers for different difficulty levels of work from previous jobs into a new job.

ALSO: The DATABASE MAINTENANCE has several elements.

The **APPLICATION** database which drives the program, the **SYSTEM** database that supports the program, the **PARTS** database that contains all the parts and associated components such as menus, and the **JOBS** databases that have all the Takeoff quantities and reports.

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maintenance crews, and the people they have on-staff, because of the economic times we're in," says Palmer. "They use Tri-City Electric Co. personnel to supplement those limited crews."

With one customer class in decline, Tri-City Electric Co. found another on the increase—health care. The company recently completed a \$4 million electrical remodeling job (including some systems work) at Genesis Medical Center, a hospital in the Quad Cities area. And it has recently won a \$5.5 million new

construction hospital job on the Trinity Medical Center at Terrace Park. Both jobs were won via the competitive-bid route. That's where McCormick comes in, according to senior estimator Tom Lanum.

Choosing Software

"We had tried two other major electrical estimating systems over the past 20 years," says Palmer. "When Tom came to our company, he had experience with McCormick. He fine-tuned our use of the software.

"The neat thing is that I'm not an estimator," Palmer continues. "I ask my employees—how is this working? We kick different ideas around to see what will best complement our estimating department. When we acquired ABC Electric in Des Moines, they were not using McCormick software.

"I discussed what estimating software to use in the Des Moines office with Tom and several others, and they highly recommended using McCormick for several reasons, including the ability to network between multiple office locations. This is the way to go.

"In fact, I have had nothing but positive reports from Tom and the other members of our Estimating team. I have never heard anything negative—except for one of our estimators, who had a little glitch. And in that case, I followed up and found that McCormick bent over backwards and worked with our estimator to fix the glitch."

Using assemblies simplifies take-offs on \$5.5 million jobs.

Lanum came to Tri-City Electric Co. 12 years ago; he had used McCormick software with his previous employer. Tri-City Electric Co. now has 18 estimators at its four offices (with 21 work stations). The company uses the Win 12000 system, which allows for easy networking.

"As the types of jobs have changed, we've massaged our database," Lanum notes, talking about the emphasis change from industrial to commercial and institutional work (such as health care).

"Our main strategy is to use as many assemblies

as we can to simplify the take-off on the bigger jobs. For example, on the \$5 million hospital job, we created perhaps 200 temporary assemblies in estimating the project."

Tri-City Electric Co. likes the speed that its estimating team can achieve with the McCormick software, according to Lanum. The ability to link estimators—"have more than one estimator on a given project, and have each see what the other is doing"—is important.

Another aspect working in the company's favor is its experience with the software. Having worked with McCormick since 1986 (and with the Windows version since 1999), the Tri-City Electric Co. estimators are champs at going as fast as possible with the software.

"When ABC Electric in Des Moines became part of the Tri-City Electric Co. team, we hired a couple of new estimators and we also had some estimators that stayed with us," says Palmer. "As I said earlier, they weren't using

McCormick. When we showed them what McCormick systems can do, they were excited to see how it would benefit their estimate.

"Why? They really liked the user-friendly aspects of the software." ✕

Next month: How Tri-City Electric Co. uses McCormick software for voice-data-video work; and plans for implementing CAD Estimating.

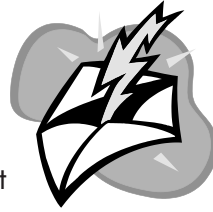


ABC Electric

A Division of Tri-City Electric Co.

The recent purchase of ABC Electric of Des Moines, IA, added 100+ electricians to the roster of Tri-City Electric Co.

E-mails To Todd



Dear Todd,

I am sure that you get calls and e-mails that complain about what the estimating program doesn't do, or doesn't do right. Well, this is an e-mail telling you about how the program is doing a good job!

We recently loaded the latest version of the estimating program. My Chief Estimator loves the universal copy function for the Bid Summary. He used this function in the DOS version; now that it is back, he is a very happy camper.

In these times, owners are trying to figure out what every piece of a project is worth. This results in numerous breakouts; and, sometimes, in alternates to what is proposed. Universal copy helps transfer labor rates and quotes for pricing scenarios.

**Universal copy helps
H.E. Nutter give customers
different pricing scenarios.**

Restoring Old Jobs

Usually around the first of the year, I circulate a list of jobs in the program to the estimators and project managers. This year we archived (and deleted) more than 100 jobs.

Since we have had "issues" with the restore function, everyone has been leery of removing old jobs. If there were database changes between the time the job was archived and when we had to restore it, the restore has not worked. We have done a "work around"—copying the job and then-existing database onto another server. This was not a good situation, but it did accomplish what we needed.

Last week, the Chief Estimator got a call on a job we bid two years ago; the owner wanted an updated price. It was a significant job—to take off again would have meant quite a bit of overtime.

Overcoming a Skeptic!

After discussing this with the Chief Estimator and the IT guy, we gave the restore function another try. I was skeptical, because I had made quite a few database changes—including changing labor units, adding items, adding assemblies, and changing material multipliers. In short, I did just about everything imaginable to mess up the restore function.

Regardless, when we tried the restore function, it worked perfectly. I was pleasantly surprised. So, good job, Todd, to you and your staff. The enhancements have helped make our estimating tasks more efficient.

Gary Foster, Project Manager, H.E. Nutter, Roseville, CA

E-mail President Todd McCormick at tmccormick@mccormicksys.com or fax him at 480-820-2422 to provide your feedback. We won't print your e-mail in this space without first obtaining your approval.

Get Windows Training Now!

Standard Estimating

The class is structured to take you from "Job Startup" through "Bid Summary". It provides in-depth instruction, including good manual experience and "brush-up" exposure for those who want to get more out of the product.

Advanced Management

Designed for the database manager or chief estimator, this class drills down into the bottom of the program. You will learn how to build specification formulas, write reports and reports formulas, and more. Before taking the class, you should be proficient in all takeoff phases of the product and understand your company's needs.

Upcoming Schedule

Unless specified, all classes are at the training center in our office in Chandler, AZ. Classes start at 7 a.m. and wind up about 4 p.m. daily. We make hotel reservations using information from the registration forms sent in from participants. We must receive your registration form in order to reserve a space in our class. To obtain a registration form, call 800-444-4890. ✕

Chandler, AZ

Advanced Estimating

August 13-15

Standard Estimating

June 18-20 and 25-27

July 16-28 and 23-25

August 6-8 and 20-22

Baltimore, MD

Standard Estimating

June 26-27

July 24-25

Aug. 21-22

*We'll bring training to YOUR site.
Ask us about this!!!*