

*Translating the Power of Technology into Performance*

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"By and For Independent Control System Integrators."

Norm O'Leary, Executive Director  
1-800-661-4914, fax: 1-888-581-3666  
execdir@controlsys.org

Bob Zeigenfuse, Chairman  
610-458-8700  
bobz@advancedautomation.com

## Welcome to our new CSIA Members

### Associates:

- General Control Systems, Green Island, NY, Clay Robinson, President
- L.H. Controls & Automation, Fort Wayne, IN, David Smith, Business Development Manager

### Partner:

- Computer Aided Solutions, Chesterland, OH, Pete Martin, Sales Manager

## Happy "Year of Rat"--the Chinese New Year:

Or if you speak Chinese, it's better known as "Wu Zhi". Somehow this seems an appropriate term for the present state of our economy, since with all of its uncertainties and the daily ups & downs, quite a few of us are really getting "whoozy". What's 2008 going to be like for the majority of our System Integrator members? And, what's in store for our Partners? (Or based on the Chinese calendar, what is 4705 going to be like?) It would appear that we can't depend too much on China for a forecast, since we're some 2697 years apart to begin with.

Seriously, just when we seemed to have recovered from the previous economic downturn and everything appeared quite rosy for automation opportunities, along comes the real estate crisis triggering a credit crunch. Now a recession appears to be inevitable. If it comes, how bad and how long will it be? What's the best way to get through this "sink or swim" cycle? Are there any real opportunities in this downturn?

One way to find out is to ask the experts. Fortunately we have a few of them scheduled for our forthcoming Conference in May. Those of you who have heard Alan Beaulieu, know that he is one of those rare economists who can explain sensible concepts in clear terms. He also happens to be frequently right with his forecasts. Alan is our keynote speaker again this year. And he will be followed by four of our major Partners stating their views, perspectives, and strategies for a downturn market. You'll hear gurus from GE Fanuc, Rockwell Automation, Siemens, and Schneider Electric. That's more than enough reason to attend this year's Executive Conference. And, this all takes place on the first day. But it gets better. The program for the next two days is filled with CSI business topics from industry experts or our own CSIA members who have proven experience to share with you. Just check out the Agenda on our website.



*You just don't want to miss  
this great conference in  
Savannah. It's going to be  
the best ever, so come aboard.*



## **Legal Tip of the Month:**

### ***Make Room for Green ---- It's Here to Stay.***

Tie-dyed shirts and discos or penny loafers and cell phones - some trends come and go while others become woven into the fabric of our society. It is not always easy to tell the difference when trends are first popular, but all indications are that Green Building and Green Manufacturing, however defined, is here to stay, and anyone operating in the construction or automation industry who does not keep up with its requirements, both technological and legal, is going to be squinting at the distant taillights of his competitors.

Given the growing public concern over global warming and increasing acceptance of our need to become more energy independent, anything that promotes conservation and efficient use of energy is going to receive a lot of attention. For the construction industry, the response has been "build green." I won't bore you with a string of statistics. Suffice it to say that the number of green building projects nationally has grown exponentially in the last two years, and all indications are that it will continue to expand at that pace for the foreseeable future. As with any societal phenomenon, there are a number of reasons for its dramatic emergence. For example, not only is Green Building driven by social concerns (it is said that in the United States buildings account for approximately 38 percent of carbon dioxide omissions), but certification as a "Green Building" is becoming a significant financial benefit to building owners and developers. Not only can "Green Building" save on utility and maintenance costs over the life of the building, and increasing data is showing that building occupants are healthier and more productive, but developers and owners of Green Projects are learning that the right certifications will dramatically affect the dollar value of a project. Not surprisingly, it is this financial aspect that gives rise to a number of legal risks that need to be addressed in any Green Building or Green Manufacturing project.

While there are others, the Green certification those in the industry care most about is the "LEED" certification of the U.S. Green Building Council (the "USGBC") a non-profit coalition of building industry leaders. As most of you know, USGBC's LEED ("Leadership in Energy and Environmental Design") program establishes criteria for sustainable buildings by evaluating the location, design, construction and operational aspects of buildings. With the added financial value these certifications are carrying, significant legal questions arise that have the capability of giving rise to wide-spread litigation if they are not addressed in carefully drafted construction contracts. For example, who is responsible for preparing, collecting, coordinating and compiling the documents for submission to the USGBC as a part of the LEED review process? Who is responsible if LEED-related design criteria reviewed by the designer and the contractor for constructability and design integrity results in a construction failure? Who is responsible for a failure to achieve a LEED-certified goal?

These issues must be discussed, negotiated and resolved during contract negotiations because of the potential serious economic consequences. Possible damage claims for not achieving LEED goals could include such things as the loss of government incentives, breach of prospective lease agreements, cancellation of donations to university and hospital projects, and penalties on public jobs that have Green Mandates.

In addition, because much of the technology and "Green Building Elements" incorporated into the buildings are new and untested, there is exposure to claims based on long term performance issues. Therefore, the parties must contractually account for these concerns by creating realistic performance requirements that are equitably balanced and clearly communicated to all involved. Careful review of certification documents submitted by the design professional to the USGBC for LEED certification is important, because some certification documents have language that could easily be interpreted as providing warranties or guarantees of performance. Also, Green Building or Green Manufacturing specifications can easily be interpreted as performance specifications shifting significant risk of accomplishment onto the contractor or integrator.

As the industry moves further and inevitably down the Green road, it will be increasingly important for everyone involved to have an understanding of the issues Green Building and Green Manufacturing bring to the table.

*Legal tips are provided by CSIA General Counsel Mark Voigtmann. Mark is available for free 10-minute consultations with members. He can be reached at Baker & Daniels at 1-800-382-5426 (ask for Mark Voigtmann) or via e-mail (Mark.Voigtmann@bakerd.com).*

## **CSIA Insurance Update:**

As the result of the successful transition of insured's to Holmes Murphy, our Servicing Agents, have formed a new unit to handle all business generated by the CSIA Insurance Program. Led by Joe Watts the team features Monica Wilks with day-to-day responsibility for servicing membership. Monica has been in the insurance industry since 1994 and has specialized in professional liability for architects and engineers. Monica is supported by her assistant Amanda Aurillo who has specific responsibility for issuance of certificates. Joe Watts can be reached at 1-913-660-0128 or [jwatts@holmesmurphy.com](mailto:jwatts@holmesmurphy.com), Monica at 1-913-660-1220 and [mwilks@holmesmurphy.com](mailto:mwilks@holmesmurphy.com) and Amanda at 1- 866-574-6282 and [aurillo@holmesmurphy.com](mailto:aurillo@holmesmurphy.com). Monica will be contacting all insured members to introduce herself and answer whatever questions they may have.

Holmes Murphy will be represented at this year's conference by 2 senior members of the group management team, Nick Henderson and Jeff Spencer together with Joe Watts & Monica Wilks. This is a further indication of their strong commitment to CSIA and the success of our Insurance Program. The Underwriter of the Professional Errors & Omissions Program, Joe DeFrancesco of Partners Speciality will also be attending to meet with membership and answer their questions. Paul Barnard, our Program Manager will also be in attendance

## **Contract Review**

Control Systems Integration involves a complex series of relationships. Given that it is essential that everyone understands their role and responsibilities, a well written contract can help define all aspects associated with work being performed.

Holmes Murphy can offer you expertise in reviewing your contracts to assess insurability and indemnification. We can help you determine if the contract language is specific and unambiguous. Does it properly allocate risk? Does your current insurance program meet the requirements and expectations as they are expressed in the contract? We can provide you with sample contract language regarding various provisions of typical contracts (i.e. Assignment, Certifications and Warranties, Dispute Resolution, Code Compliance, etc.).

We encourage all insured CSIA members to have all contracts reviewed prior to signature. For more information please contact Paul Barnard, our Program Manager at 610-507-6595 or [paulbarnard@csia-insurance.com](mailto:paulbarnard@csia-insurance.com) or Joe Watts at Holmes Murphy to access this service. Joe can be reached at 1-913-660-0128 or [jwatts@holmesmurphy.com](mailto:jwatts@holmesmurphy.com)

## **Bonding**

Obtaining Bonds has previously been an area of weakness with our Program. Now with access to Holmes Murphy's specialty bonding department this has changed and our Program has been extended to include expert advice in this field. For more information contact again please contact either Paul or Joe.

## **Workers Compensation Coding**

As previously advised, Holmes Murphy is preparing submissions, jointly with CSIA and Firemen's Fund to the Workers Compensation Boards in California, Texas and Pennsylvania. If successful, our efforts will produce significant reductions for insured memberships Workers Compensation costs. Individual insured members can be part of this submission and if you would like to be included in this effort please contact Joe Watts to discuss.

### “The Business Owner” Publication:

In case you are unaware of this gem, we have been subscribing to this bi-monthly publication for our members for the past five years. Each issue is filled with articles relating to the small business owner. There is really a wealth of treasure house information in these past issues that we’re sure you will find relevant and useful. There’s an index of articles for each year. So it’s quick and easy to find information on every aspect of business.

Take a moment to look at the Jan.-Feb 2008 issue. It’s titled “2008 –Your Best Year Yet” and it’s loaded with some very interesting material on setting and attaining your “Mission”. Check out the “Be Something, Anything but Boring” and smile if you sometimes find yourself or your people in that category. You can quickly pull it up from our website ([www.controlsys.org](http://www.controlsys.org)) where you’ll find it in the “Members’ Only” section under “Newsletters”. In case you’ve forgotten, use the name (csia.member) and the password (integrator) to enter this section.

### CSIA’s 2008 Executive Conference-Savannah, GA:

The time to register is “*Now*”. We’ve made it a lot easier and you can make your conference and hotel reservations in a matter of minutes via our website. ([www.controlsys.org](http://www.controlsys.org)) We expect a capacity crowd, what with our Agenda, list of speakers and the beautiful Savannah location. And, don’t come alone. Bring an associate or two. They’ll thank you and believe me, your business will benefit appreciably. Still hesitant? Check out the Agenda listing the many powerful and relevant subjects and ask yourself where you could get so much meaningful information in three short days. More importantly, come to meet, interface, and share with your fellow integrators and you’ll find why many members rate this as their most important benefit in belonging to CSIA.

### Past Conference Memories:



Who will ever forget New Orleans?



And, our Russian members will never forget Elvis.

# See You In Savannah