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ABOUT TAUC

THE ASSOCIATION OF Union Constructors (TAUC) is the premier national trade association representing the 21st Century union construction industry. TAUC consists of more than 2,500 union contractors, local union contractor associations and vendors in the industrial maintenance and construction field. We demonstrate union construction is the best option because it is safer and more productive, and it provides a higher-quality and cost-competitive product.

OUR MISSION

OUR MISSION IS to act as an advocate for union contractors, advancing the cause through an educated and action-driven membership. We aim to enhance labor-management cooperation, workplace safety & health and collaboration among construction users with the greater goal of making union contractors more competitive in the marketplace.

ADAPTATION IN THE 21ST CENTURY

THE ASSOCIATION OF Union Constructors evolved from the National Erectors Association, which was founded in 1969 by the leading union steel erectors in the construction industry. Over the years, membership grew to include all types of union contractors, and, consequently, the name and structure of the association was changed to The Association of Union Constructors in 2007. The new association reflects the changing face of the construction industry and more accurately reflects the growing diversity of TAUC members.

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FROM THE DESK OF THE PRESIDENT
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by ROBERT SANTILLO

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The power of collaboration

COLLABORATION IS A critical element to success if the union construction industry is to fulfill its potential. It is the heart and soul of our business, and as an association, we are lost without it. The essence of collaboration is simple: mutual respect and trust, setting and achieving goals, intensified planning, open communication and meeting deadlines. For instance, contractors and unions must work to foster an atmosphere of dedication and trust to complete a job safely. Meanwhile, contractors and owner/clients must ensure they’re on the same page as it relates to budgets, goals and deadlines. And contractors also have to collaborate with numerous subcontractors to make sure the thousands of individual details on a project are handled correctly.

As we continue to deal with economic uncertainty and increased competition from non-union companies, collaboration in union construction has never been more necessary. To survive in an increasingly competitive business environment, we all must do our part — the union, contractor and owner. As Vince Lombardi once said, “Individual commitment to a group effort — that is what makes a team work, a company work, a society work, a civilization work.”

In keeping with that philosophy, I’m pleased to announce that the theme of TAUC’s 2011 Leadership Conference is “Achieving Success Through Collaboration.” Scheduled for May 10-13 at the Greenbrier Resort in beautiful White Sulphur Springs, W.Va., this year’s conference is focused on the importance of collaboration in all areas of a contractor’s business, both internally (with your own employees and business divisions) and externally (with unions, owners and, yes, even other contractors). Please go to www.TAUC.org and click on the “Events & Meetings” tab to register and make your hotel reservations before it’s too late.

If you have never attended a TAUC Leadership Conference before, you can expect a full roster of high-quality speakers as well as numerous networking opportunities, gourmet meals, a gala reception and dance, and a golf tournament, to name just a few events. The conference also hosts the James J. Willis Craftsperson of the Year and Thomas J. Reynolds Safety Awards presentations — two of the industry’s most prestigious recognition programs. Having the opportunity to network with your peers and meet industry leaders can be invaluable in these times of rapid change and economic challenges.

It’s fitting that our 2011 conference theme is collaboration, because this year also marks the 40th anniversary of one of the best examples of industry cooperation in the country: the National Maintenance Agreements (see story on facing page). As most of you know, the NMA is the collective term for a set of 14 project labor agreements, one for each participating building trade. The Agreements were created in 1971 by TAUC’s predecessor organization, the National Erectors Association, and over the past four decades have become an integral part of the heavy construction and industrial maintenance business.

The NMA was founded on the principle of collaboration; its guiding philosophy has always been one of tripartite cooperation between owner/clients, contractors and the building trades.

The success of the NMA is proof that collaboration is not only possible in the union construction industry, but can also be enormously profitable when everyone, from the CEO to the craftsperson on the ground, is dedicated to the same goal. I hope you will join me at this year’s Leadership Conference where we can explore the principles of collaboration in more detail. I look forward to seeing you there.
At 40, NMA continues to evolve
by DAVID ACORD

THIS YEAR, THE National Maintenance Agreements turns 40 years old (see related story, page 8). Both the National Maintenance Agreements Policy Committee, Inc. (NMAPC) and sister organization TAUC are planning a year-long celebration to honor one of the most widely used project labor agreements in the country.

“Forty years is an incredible milestone, and the NMA shows no signs of slowing down,” noted TAUC CEO Steve Lindauer, who also serves as Impartial Secretary and CEO of the NMAPC, which administers the Agreements. “Well over 2 billion work hours have been worked under the agreements, and in one recent year, payments to workers on NMA projects averaged more than $2 billion.”

The NMA has evolved significantly since it was created in 1971 by the National Erectors Association, TAUC’s predecessor organization. What started out as a project labor agreement geared toward specialty contractors who mainly employed iron workers quickly blossomed into a set of agreements involving 14 separate building trades international unions and some of the largest union contractors and owner/clients in the nation. To put the popularity of the Agreements into perspective, it took more than 20 years for the first billion hours to be worked under the agreement, but that number was doubled in just over a decade . . .

The day-to-day process of doing business under the NMA has also changed dramatically. The NMA boasts one of the most technologically advanced business-to-business websites in the industry (www.nmapc.org). Gone are the days of filling out paperwork and faxing multiple copies back and forth between contractors and unions. With the new website in place, contractors can notify unions electronically when requesting work under the NMA, and the unions reply online instantaneously. Contractors can also pay fees online, file for site extension requests (new work) and report their work hours. Customized home pages for each signatory contractor, owner and labor union were created, allowing each user to easily keep track of the dozens (if not more) of NMA jobs underway at any one time.

During this 40th anniversary year, the NMA will continue its evolution and undergo a new set of revisions. “The NMA is a living document, and the NMAPC itself is a never-ending work-in-progress,” Lindauer said. A lot has changed in the industry since the last major revisions in 1996, and both labor and management have come up with a list of proposed changes to the system.

“In the 21st century, a 1996 model just isn’t going to be able to keep up with the changing needs of our industry,” Lindauer added. “Our goal is to stay flexible and keep the NMA nimble and relevant. The Committee feels the Agreement as a whole is still very solid and sound. But we also recognize that it’s incumbent upon us to look at it in the context of where our country finds itself today.”

Looking ahead to the next four decades of the NMA, Lindauer is optimistic, even in the face of the current sour economic news. “Everything moves more quickly now. We’re in a global economy, but without a solid industrial manufacturing base in the U.S., we’ll find ourselves in deep trouble. I’m confident we’re going to find a cost-effective way to maintain that base — and I’m equally confident that the NMA is going to be a big part of the solution.”
The National Maintenance
Part one of four
by DAVID ACORD

This year marks the 40th anniversary of the National Maintenance Agreements (NMA), one of the most successful project labor agreements in the country. Many TAUC members use the NMA on a daily basis and the Agreements were actually created by TAUC’s predecessor organization, the National Erectors Association. In this issue we begin a special four-part series on the history of the NMA and the unique role it has played in the growth and development of our country’s industrial infrastructure and union construction over the past four decades.

ELECTRIC UTILITIES. OIL refineries. Steel mills. Automotive plants. No major superpower could survive without them. They employ millions of Americans and pump billions of dollars into the national economy. Their innovations allow us to enjoy a standard of living that is the envy of the rest of the world. Each time you flip on a light switch or start your car, you have one of these companies to thank for the privilege.

It takes a lot to keep these industries up and running. One of the most important tools is the National Maintenance Agreements, or NMA, a set of project labor agreements specifically designed for the industrial maintenance and heavy construction industries. Today the NMA is one of the most widely used agreements in the country, utilized by 14 participating international unions and roughly 2,500 union contractors.

Since its creation in 1971, more than 2 billion work hours have been performed under the NMA. In just a single three-year period — from 2007 to 2009 — NMA projects facilitated on average 40,000 full-time construction jobs per year. In 2008 alone, payments to workers on NMA projects averaged nearly $2.5 billion.

The types of work that fall under the NMA include periodic equipment maintenance, repairs, upgrades and expansions at hundreds of the nation’s
Agreements: Four decades of success

largest companies — Ford, Chrysler, General Motors, U.S. Steel, ArcelorMittal Steel, BP Oil and American Electric Power, to name just a few. A typical NMA project can involve anything from performing vital maintenance on a boiler at a power plant to installing a 180-foot coker unit at an oil refinery. On any given day you’ll also find NMA contractors using skilled union craftspeople to retrofit assembly line machinery, repair blast furnaces, wire sophisticated electrical systems, or erect hundreds of feet of scaffolding around a cooling tower.

Over the past four decades, the NMA has also played a significant role in strengthening the cooperative relationships between labor unions and management. The founders of the NMA were acutely aware of the long-term conflict and animosity that existed between the two factions. When the first Agreement was drafted in 1971, the founding fathers made sure that the guiding philosophy behind it was one of tripartite cooperation between the three major elements of any industrial maintenance or construction job: the end users, or clients (the companies that hire the contractors); the contractors (who hire the workers and plan and supervise the work); and the unions (who supply the skilled craftspeople to get the job done on time and on budget).

If you’re going to use the NMA on a project, it doesn’t matter whether you’re an electrician or the CEO: three-way communication and a strong emphasis on workplace safety are mandatory, not optional. The NMA requires that all three parties get together before work begins and hold a comprehensive conference to review the scope of work, run through the necessary safety procedures and ensure that everyone is on the same page.

Although it has had an enormous impact over the years, the NMA still remains the construction industry’s best-kept secret, an almost invisible tool that keeps the country’s economy growing, its industrial base running and its citizens working. Here is the story of how the NMA was created, and what it means for the construction industry — and our country — in the 21st century.

CONTINUED ON PAGE 10

Since its creation in 1971, more than 2 billion work hours have been performed under the NMA. In just a single three-year period — from 2007 to 2009 — NMA projects facilitated on average 40,000 full-time construction jobs per year.
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The NMA has evolved over time. Today, its primary decision-making arm, the Labor-Management Committee, consists of 28 members made up of an equal number of representatives from labor and management. The labor side of the committee includes one member from each of the 14 participating international unions. Two representatives—one each from labor and management—preside as co-chairs, with the labor co-chair also serving as president of the NMAPC.

The creators of the NMA also followed through on their pledge to make the new Agreement less cumbersome and restrictive. Gone were the long-term contractual requirements that other agreements mandated. The NMA was designed to be a portable, open-ended tool for using skilled union labor on crucial maintenance and industrial construction projects. Eventually a flat-fee pay structure was introduced (in contrast to the penny-per-hour charges associated with most other agreements), eliminating guesswork and allowing contractors to better estimate their budgets and bids. In other words, you only paid for the NMA when you needed it.

The advent of the NMA also meant that NEA members now had an identifiable product they could market to the industrial community to both maintain and grow market share. The first sales pitch for the NMA in the early 1970s was, “Maintenance contractors save you money when you use them and cost you nothing when you don’t.” Because the NMA was so easy to use, contractors could, for the first time, present themselves as a credible and cost-saving alternative to the full-time in-plant maintenance crews employed by many industrial owners.

Other building trades unions soon adopted the Agreement as well; after all, Iron Workers weren’t the only ones performing industrial maintenance and repair. In November 1971, just a few months after the Iron Workers signed on, the Boilermakers came on board too. The following year, 1972, saw five more trades adopt the NMA: the Carpenters, Operating Engineers, Laborers, Painters and the United Association (plumbers and pipefitters).

Over the next three years, the Bricklayers, Cement Masons, Teamsters, Sheet Metal Workers and Insulators unions all signed the NMA too. It would take a few more years to convince the remaining two building trades, but eventually the Roofers and the Electrical Workers came aboard in the 1980s.

The building trades unions’ overwhelming support of the NMA gave contractors a huge momentum boost. In 1973, a little more than two years after its creation, more than 7 million hours were worked under the NMA. The annual total jumped to over 10 million soon after and continued to skyrocket, topping out at more than 50 million in 1979 before the full impact of the recession hit and the construction industry entered a sharp but temporary decline.

Another important development occurred in 1975 with the publication of the NMAPC Book of Decisions. The book was a collection of interpretations of various provisions of the Agreement, as rendered by the NMAPC’s Labor-Management Committee. Although the agreement was written in a relatively straightforward manner (one of the reasons for its success), inevitably disputes arose over how certain passages were interpreted by either labor or management. The binding decisions handed down by the committee constituted what then-Impartial Secretary La Rocca referred to as the “last word” on these disputes. Thus, the Book of Decisions became a valuable part of the Agreement itself. More than 1,000 copies were sold in just six months — yet another indication of the popularity of the NMA. Today the book is still available to all NMA participants as a free download on the NMAPC website.

SELECTING ROUGH DIAMONDS

by MARK BRESLIN

LAST YEAR I spoke to around 25,000 union apprentices of every trade. My job is to educate and inspire them as they prepare for the serious challenges that lie ahead. So in December, I was shocked to get a disturbing phone call from a client. The day before, I had addressed an audience of 1,100 craftspeople, of which 600 were apprentices. He told me, “Hey Mark, after your speech yesterday, two apprentices came down this morning and quit our program.” I thought my client would be angry with me for running off his apprentices. But instead he said, “I just called to thank you for saving me from 20 years of dealing with a couple of guys who didn’t know what they were getting into.” I was relieved, but the real question for me was, how did those two guys get to be apprentices in the first place?

The union construction industry has perhaps the most old-school, ineffective and ill-advised method of selecting entry-level talent of any industry on the planet. In most cases, the process of screening new prospects has changed little in the last 40 years. This lack of professionalism, commitment and adherence to best practices costs contractors, owners and the industry tens of millions of dollars a year.

My suggestion is that the construction industry should adopt the same process for interviewing and screening potential job candidates that fire and police departments use on a daily basis.

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In the next 10 years the North American union construction industry is going to need anywhere from 100,000 to 250,000 new apprentices to replace aging Baby Boomers. During this economic downturn, unions, contractors and those who run the joint apprentice training programs need to develop highly sophisticated screening processes if they hope to remain competitive in the future.

THE PROBLEM – AND THE OPPORTUNITY

Apprentice selection is one of the most important competitive tools available to labor and management. It determines the talent pool that will serve as the foundation of the entire industry. But today’s apprenticeship evaluation and selection procedures are deficient. Most programs have some base-level criteria or testing that generates a list, which then becomes the reference source for entry-level talent. This often results in selection of sub-par talent, including many guys who will wind up quitting halfway through training. Or worse, it allows those without the necessary commitment, character or values to enter an industry and spend decades bouncing around from employer to employer.

By utilizing best practices in their screening and selection process, labor and management can avoid a lot of these problems altogether. A re-vamped evaluation system for new talent can accomplish a lot, including:

• Creating uniform standards and procedures to serve organizational growth objectives.
• Consistently recruiting the best available talent from a crowded field.
• Improving attitudes, work ethic and team orientation on jobsites.
• Reducing the percentage of apprentices who either drop out or are removed from training programs, and cutting down on those “lost” training costs.
• Creating greater peer-to-peer respect by implementing uniform performance expectations.

USE OF POLICE AND FIRE PROTOCOLS

A detailed face-to-face interview is vital to finding the right talent. For the candidates, it’s their chance to make the
**From the jobsite to the courtroom**

The U.K. government’s safety regulator and construction industry are using mock legal trials to educate companies on the importance of workplace safety

by DAVID ACORD

A PROSECUTOR IN central England paces the length of the courtroom while the judge looks on impassively. The senior executive of a large construction contracting firm is on the witness stand. Two of his employees were recently seriously injured on a jobsite, their legs crushed beneath a steel beam. The prosecutor wants to know why.

The executive squirms uncomfortably as he is forced to answer a series of rapid-fire questions: Who was responsible for making sure the workers were following proper safety procedures? Why didn’t the jobsite have the proper safety equipment? How often did you check with the onsite supervisor to make sure everything was running smoothly? Meanwhile, in the packed gallery, over 100 spectators — many of them construction executives too — watch intensely.

If this scenario sounds like a contractor’s worst nightmare, you’re right. But while the courtroom is real (as are the lawyers and judge) the case itself is pure fiction, part of a mock trial exercise. Think of it as Scared Straight for contractors — an innovative, up-close-and-personal way to drive home the importance of jobsite safety and the dire consequences of lax safety standards.

The trials are the brainchild of the Working Well Together Campaign (WWT), a partnership between the U.K. construction industry — individual companies as well as trade associations — and the Health and Safety Executive (HSE), the country’s equivalent to federal OSHA. Their shared goal is to reduce the number of injuries and fatalities in the construction industry. Regional WWT branches hold numerous safety awareness activities across the U.K. geared toward construction professionals and workers, but a few years ago organizers decided to try a new approach. Rather than schedule another seminar or print up a new safety leaflet, they gave the mock trial idea a try. It was an instant hit; in 2010 alone, WWT has put on more than a half-dozen trials at various locations, and several more are planned for this year. A mock trial in Cardiff, Wales last March attracted over 200 builders.

Everyone pitches in at the scripted trials. Local contractors and construction

The trial itself takes place over the course of a few hours, and although the judge delivers the final verdict, the audience — made up of local contractors and laborers — is asked to vote by show of hands for the defendant’s guilt or innocence and explain their decisions.
executives are invited to observe. HSE provides a small amount of money to the local WWT group to help fund the event, and other members chip in as well. All of the trials are either free or cost very little to attend.

Lawyers and judges often donate their time and court space, and WWT members, including HSE staff, play the parts of the defendant, safety inspectors, wounded employees and witnesses. Hours are spent beforehand creating a realistic accident scenario, one that could conceivably happen on almost any jobsite in the country — a fall from a great height or someone getting injured by heavy equipment, for instance. The trial itself takes place over the course of a few hours, and although the judge delivers the final verdict, the audience — made up of local contractors and laborers — is asked to vote by show of hands for the defendant’s guilt or innocence and explain their decisions. They’re also asked to predict the penalty if there’s a guilty verdict.

“The trial is the first time many of these contractors have ever been in a courtroom,” explained Neil Stephens, head of planning and communications for HSE’s Construction Division. “One of the comments we hear most often is, ‘I understand how this process works now, you’ve taken away a lot of the mystery for me.’”

Knowledge of the process is extremely important, especially in the U.K. Unlike OSHA, HSE doesn’t have the power to administer financial penalties for safety violations. However, it can shut down a jobsite altogether if deemed unsafe, but the agency saves its biggest weapon — the power to prosecute criminal charges in court — for the most serious offenses, usually, but not always, accidents involving fatalities, serious injuries, or significant exposure to harmful substances such as asbestos. Under U.K. law, senior executives can be taken to court for the violations along with the company as a whole; in fact, the executive and the company will often be tried simultaneously.

“If you can prove that the [executive] knew something was happening, or should have known but didn’t, they can be held responsible as well,” Stephens said. These real trials can last several weeks and it’s difficult for contractors to keep track of what actually goes on inside the courtroom. The mock trials help to remove that veil of secrecy.

But just as importantly, the mock trial forces contractors to confront their own shortcomings, especially when there’s a guilty verdict. “The thing that comes out most strongly from these exercises is that many of the contractors will turn around afterwards and say, ‘That really brought it home to me, because a lot of things the defendant got in trouble for actually happen in my company all the time,’” Stephens added. “It’s at that point when people suddenly realize that they personally have made decisions similar to those made by the contractor on trial. You see the light go on in their heads. They also get to see how their actions look in the cold light of day, and how a prosecution lawyer can use those actions against them.”

The level of scrutiny often surprises many contractors. During breaks, the lawyers will chat candidly with the audience and point out just how difficult such cases can be to successfully defend. For instance, say a contractor gets a call from one of his supervisors complaining that there isn’t enough scaffolding at the jobsite, but the client is pressuring the crew to move forward anyway and finish. The contractor is busy at the moment and tells the supervisor he’ll get back to him in a few minutes but then forgets to follow up. Under cross-examination, such minor mistakes can spell the difference between guilt and innocence. “Why didn’t you call back?” the prosecutor presses. “Is that how you run your business? Do you routinely leave your supervisors high and dry?”

“It’s all about getting the safety message across in a novel, slightly different way,” Stephens said. “We want to show people how the system works and see what their failings might lead to.”

You can find out more about the Working Well Together Campaign at www.wwt.uk.com.

In 2010 alone, WWT has put on more than a half-dozen trials at various locations, and several more are planned for this year.
The TAUC Interview: Walter Wise

IN FEBRUARY, WALTER WISE became the new General President of the International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers. Mr. Wise, an Iron Worker since 1975 who previously held the post of General Secretary with the union, succeeded Joseph Hunt, who retired after serving as General President for nine years. Recently The Construction User Executive Editor David Acord spoke with Mr. Wise about the challenges and opportunities facing the Iron Workers.

Q: What do you consider to be your biggest challenge as the new General President of the Iron Workers?

Walter Wise: The biggest challenge for union Iron Workers is the same one our contractor partners face: How do we deal with the economy and create more work opportunities? The country has been in a recession for the past two and a half years, but for those of us in the construction industry, it was a full-scale depression. There are good signs that we’re finally on our way out of this downturn, but still, a lot of people have been unemployed for a long time. We need to get our members back to work, plain and simple.

In order to take advantage of future opportunities, we must be prepared to meet the demands of the industry. When President Hunt first initiated our key performance indicators (KPIs) six years ago, one of the things that jumped out at us from the data was the large percentage of our membership that would soon be retiring. Like me, many of our members are in the demographic bubble of the “baby boomer” generation. We had to plan and recruit for this generational shift to make sure we are training the next class of Iron Workers. Here’s a perfect illustration of that challenge: We’ve graduated more than 11,000 apprentices to journeyman since 2006, which is great, especially given the economic climate. However, during that four-year period, we lost almost exactly the same number of veteran journeymen who left the industry. So all of those new recruits essentially helped us to just break even rather than grow the membership ranks. When work starts picking back up, we are confident that we have the programs and capacity in place to rapidly grow our ranks.

Safety is always in the forefront of our goals and the daily challenge to make sure everyone returns home safe from their work. When an accident or fatality occurs, it is a collective failure on all our parts and we will strive to fight for life and eliminate this tragedy from the jobsites.

Q: Speaking of work picking up — when you examine the business landscape, where do you see the greatest opportunities for your union?

Walter Wise: There are 300 million people in this country, and they all need good roads, efficient water and sewage systems and adequate electrical generation capacity — in fact, we’ve seen projections that by 2030, the U.S. will need to increase generation capacity by 25 percent to meet the needs of our growing population. We feel that all of these sectors, given their heavy reliance on concrete and structural steel, are “tailor-made” for Iron Workers and will provide us with great work opportunities in the coming years.

Mining is another growth area. I don’t think people realize how heavily the mining industry relies on the skills of the Iron Worker. The scarcity of certain high-value raw materials is expected to increase in the next few years, and upwards of $180 billion in new mining projects in the U.S. and Canada have been proposed.

Overall, the private commercial construction sector may take much longer to recover. Certain regions that are not as overbuilt as others may show promise, but you have to take it on a metropolitan or case-by-case basis.

Q: What are you hearing from owner/clients, contractors and the locals regarding the general business forecast/outlook for 2011 and beyond?

Walter Wise: I’m a perpetual optimist. I always believe there is something you
can do to make things better day in and day out. Almost all of the contractors and local unions I’ve spoken with are much more optimistic today than they were a year ago. During the last quarter of 2010, many of our locals started to see an increase in man-hours, and contractors are starting to see their schedules fill in. This year may not be a boom year, but there will be an increase in business compared to 2010.

What’s happened over the last two years is that a lot of major projects have been postponed due to the economy. When those start coming online again over the next several years, I think we’ll see another boom period. People in this country aren’t going to tolerate having inadequate roads or electrical capacity. Sooner or later that pent-up demand has to be satisfied, and we’ll be prepared to seize those opportunities.

Over the next five years, if the work starts taking off like some of the projections show, our union could easily see a 50 percent growth in market share. Right now, if you look across the country, we have around 12-15 percent total market share. If we can just increase that by 10 percent a year for five years, we’ll have our 50 percent growth. I know that it can be done because we were doing it prior to the depression.

Q: How would you like to change the way your union is perceived by the industry as well as the general public?

Walter Wise: Our goal is to see the union Iron Worker recognized as the most valuable asset in the construction industry, period. We already have the reputation for doing quality work, and we’re well-respected in our jurisdiction; people involved in the iron working industry know what we bring to the table. Unfortunately, that knowledge isn’t always passed on to other owners and contractors, or to the public at large. Everyone is familiar with the big structural steel projects that Iron Workers put up, but most people don’t realize how large a role we play in other facets of American industry. I want everyone to know exactly what we bring to the table, who we are and what we do — and that includes the CEOs and bean-counters at major corporations around the country!

One of the ways we can change this perception is to educate people on the Iron Workers’ apprenticeship and journeyman training programs. It takes about four years to go through an apprenticeship, and journeymen continue to upgrade their skills throughout their entire career. In fact, a lot of our journeymen have taken advantage of the economic downturn to come in during periods of unemployment and upgrade their certifications and classifications in various areas, like welding. Too many people don’t associate that kind of expertise with the construction industry.

Plus, you have other factors, like high schools continuing to steer students toward college almost exclusively, and ignoring the trades. All of these things have conspired to create the perception that being an Iron Worker isn’t a viable or safe career option. But when you look at the lifetime earnings potential of a journeyman Iron Worker, 75 percent of college graduates will never equal it! It’s a skilled trade that requires you to work with your hands, mind and heart. That’s the message we have to get across.

Q: How can the union contractor community work together with the Iron Workers to grow market share?

Walter Wise: We view our signatory contractors as partners in the industry. From time to time we’ll find ourselves in an adversarial role, but for the most part we have a symbiotic relationship. Contractors need skilled labor to do the jobs, and we need contractors to go out and secure the work in the first place. Together we can accomplish great things.

Open and honest communication is the best tool we have as we move forward and try to expand our industry. There are a lot of areas in the country with a low union density. We need our contractor partners to expand in those areas and hopefully recover some market share. Our best organizing tool, from a union standpoint, is having a large base of successful union contractors. They can go into a new area and show how union construction can be done both profitably and competitively. That will make non-union contractors and owners take notice.

Q: Do you have any final thoughts you’d like to share with the TAUC community?

Walter Wise: I’d like to invite everyone to join me in congratulating Joseph Hunt for everything he accomplished during his tenure as General President of the Iron Workers. Following Mr. Hunt’s vision, the union established the Ironworker Management Progressive Action Cooperative Trust (IMPACT) and created and implemented the KPIs that we discussed earlier, as well as the Ironworkers’ Standards of Excellence. I’ve been fortunate to work with him at headquarters these past several years, and he has my lasting appreciation and gratitude.
OSHA's Severe Violator Program:

by WAYNE CREASAP

FOR YEARS, GOOD union contractors have complained that their safety and health efforts are often undercut by low bidders who take shortcuts around the laws intended to protect workers on construction sites. Too often, these careless companies are awarded the job, and the contractor who included in his bid the necessary precautions to keep workers safe is left out in the cold. The contractor’s only recourse is to call the local OSHA office and file a complaint. Unfortunately, local OSHA offices are frequently understaffed, and more often than not, complaints lodged by contractors against their competition are seen as retaliatory in nature and pushed to the back burner.

However, contractors’ frustrations were eased somewhat last June when OSHA replaced its Enhanced Enforcement Program (EEP) with the Severe Violator Enforcement Program (SVEP). The SVEP concentrates resources on inspecting employers who have demonstrated indifference to their OSH Act obligations by racking up willful, repeated or failure-to-abate violations. In essence, what this means is that employers who have a negative history when it comes to protecting their employees and fighting OSHA could find themselves on a national watch list — not exactly the kind of publicity a contractor is looking for.

HOW DOES THE SVEP WORK?

OSHA’s new directive also establishes enforcement actions for severe violator cases, including mandatory follow-up inspections and implementation of measures to increase the company’s awareness of OSHA enforcement. Where appropriate, enhanced settlement provisions and federal court enforcement can also be implemented under Section 11(b) of the OSH Act. In addition, the directive includes new nationwide referral procedures, giving OSHA the power to inspect
What contractors need to know

Employers who have a negative history when it comes to protecting their employees and fighting OSHA could find themselves on a national watch list — not exactly the kind of publicity a contractor is looking for.

If declared a severe violator, the employer will also be placed on a nationwide severe violator list and may be required to hire a safety consultant to develop the employer’s safety program. Employee representatives will receive a copy of the Citations and Notifications of Penalty that is mailed to the employer’s national headquarters. In addition, getting your name removed from the severe violators list may prove difficult; focus on protecting your employees so you won’t have to worry about landing on it in the first place!

HEADS-UP FOR CONTRACTORS

Even though the purpose of the SVEP Compliance Directive is to target bad actors and improve their safety and health programs, contractors should be wary of this type of sweeping policy. Chances are, your company has exposures to more than one of these types of jobsite hazards. It wouldn’t be that far out of the norm for something to happen in one of the covered standards, potentially exposing your company to a severe violator case.

For example, if you’re a steel erector following the current OSHA Subpart R for steel erection activities and a worker was within the requirements of the standard, but fell and was fatally injured, an OSHA compliance officer familiar with the severe violator directive (but not as familiar with the steel erection standard) could potentially head down a path to put your company on the severe violator list even though you were following the OSHA standards. This applies not only to steel erection activities, but any of the above-mentioned standards. Therefore, as a proactive, safety-conscious union contractor, be sure to familiarize yourself and your employees with the information in this directive in case something happens on the jobsite.

To aid in your preparation, take a look at Appendix B of the SVEP Compliance Directive and make it part of your company’s incident management program. Once a potential severe violator is identified, the compliance officer is directed to use Appendix B of the directive to effectively evaluate employers during the inspection. This directive will ask questions about the leadership of the employer as well as corporate and local involvement in the safety and health processes on that jobsite. Employees will be asked their opinion about how effectively the company’s leadership is implementing and following the safety and health program and whether hazards like the one found on that particular jobsite are normal. Remember, this initial investigation will often take place after an incident and people may not be thinking clearly while being interviewed. Employees should be trained on the types of questions that could be asked, educated about their rights under the OSH Act and encouraged to use them if they choose.

While the SVEP directive may help level the playing field for quality union contractors, avoid being caught in the friendly fire. Remember: the more leadership, training and education you can provide before an accident occurs will help protect everyone’s interests down the road.

Wayne Creasap is TAUC’s Director of Safety and Health. If you have any questions, contact him at wcreasap@tauc.org or (703) 524-3336 x123.
State of the Union
TAUC’s union construction forum tackles hot-button issues

**TAUC’s Annual State** of the Union Construction Industry forum was held in Washington, D.C. on Dec. 7, 2010, and brought together more than 125 owners, unions and contractors for a morning of insightful presentations and debate on some of the most pressing issues of the day.

Eric Harbin, Director of OSHA’s Office of Construction Services, kicked things off with an overview of the agency’s regulatory agenda for 2011, and provided an update on the agency’s Severe Violators Enforcement Program. He was followed by a panel of financial experts — Dave Dorsey of Bond Beebe, Jim Cole of Groom Law Group and Randy DeFrehn of the National Coordinating Committee for Multiemployer Plans — who gave the audience a wealth of information on FASB’s proposed changes to the reporting requirements for contractors who participate in multiemployer pension plans.

Bill Smith from NationsBuilders Insurance Services covered the implementation of OSHA’s new cranes and derricks safety standard; Wayne Rice of the Building and Construction Trades Department reported on the Drug and Alcohol Testing Program; and SMACNA’s Stan Kolbe presented the legislative outlook for contractors in 2011 in the wake of the Republicans’ major gains in the November elections.

The keynote address was given by Joe Hunt, outgoing General President of the Iron Workers. Hunt reviewed his union’s progress in recent years, including the creation of the Iron Workers Management Progressive Action Cooperative Trust (IMPACT) and the comprehensive overhaul of the ironworker training materials — a project that was accomplished with input from the contracting industry.

In his closing remarks, TAUC CEO Steve Lindauer praised Hunt’s leadership of the union as well as his willingness to work with contractors over the years. Lindauer also encouraged members to stay the course during this tough economic climate and remember the unique role that union construction plays in the American economy. “We work for the middle class,” Lindauer said. “We will take care of ourselves by taking care of others.”

If you missed this year’s forum and would like to make sure you’re on the list to be notified for the 2011 event, please send your contact information to TAUC Manager of Communications David Acord at dacord@tauc.org. The forum is free of charge.

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**Bill Smith from NationsBuilders Insurance Services**

**Eric Harbin, Director of OSHA’s Office of Construction Services**

**Former Iron Workers GP Joseph Hunt**

**L-R: Dave Dorsey, Jim Cole and Randy DeFrehn**
Does your company have an anti-bribery policy?

by STEVEN FELLMAN

RECENTLY, SEVERAL CONSTRUCTION company officials have been charged with commercial bribery. On December 21, 2010, the U.S. Department of Justice (DOJ) announced that a former construction company official, Wendel Torres, pleaded guilty to providing an illegal gratuity to the former chief of the construction division of the Fort Carson Directorate of Construction in Colorado Springs, Colo. Torres faces a maximum sentence of two years in jail and a $250,000 fine, which could be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime.

Just before Thanksgiving, the DOJ also reported that James Woodason, a former department manager of purchasing for Consolidated Edison of New York, pleaded guilty to a four-count felony indictment, charging that he accepted approximately $807,000 in bribes from two ConEdison pipe suppliers. Woodason faces a possible prison sentence of up to 10 years and fines of twice the amount of the bribes that he accepted.

But that’s not all. DOJ’s Antitrust Division has announced that it is conducting an ongoing federal antitrust investigation of bid rigging, bribery, fraud and tax related offenses in the power generation industry. The investigation is being conducted by the Antitrust Division’s New York field office with the assistance of the FBI and IRS.

The U.S. government’s crackdown on bribery hasn’t gone unnoticed. Last year, the United Kingdom enacted the UK Bribery Act of 2010, a comprehensive law addressing all types of illegal payments including entertaining and gift giving. In commenting on the new law, Richard Alderman, director of the UK Serious Fraud Office, indicated that the UK intended to follow the example of American enforcement officials and prosecute the top corporate officers of companies engaged in commercial bribery.

All contractors should have an anti-bribery policy in place as part of their standard corporate governance rules. The policy should clearly define what constitutes commercial bribery under the various laws that cover the company’s activities, including municipal regulations, state and federal statutes and, in many cases, statutes in foreign countries where you are doing business.

Bribery can be a murky issue. For instance, every contractor is aware of the fact that giving the contracting officer a cash payment of $25,000 in order to get a bid is obviously a criminal offense. In the same manner, treating the contracting officer and his family to an all-expenses-paid week in the Bahamas is also clearly illegal. But where do you draw the line? Can you bring in a dozen doughnuts for the contracting officer’s staff when you visit his office? Can you take a contracting officer out for a business lunch? If lunch is OK, how about dinner? Dinner with spouses? Dinner and the theatre with spouses? What about...

CONTINUED ON PAGE 20
a business trip to your plant? What about a business meeting at a resort? What are the rules?

Your anti-bribery policy should spell out exactly what corporate employees can and can’t do. Contractors should put procedures in place that encourage and enable employees to ask questions when there is some doubt. These employees must recognize that any form of bribery is prohibited and those who violate the company policy will be fired.

The anti-bribery policy must be established by top level management. The CEO and president must endorse the policy and make it clear to all that the policy will be strictly enforced — even if that means the company will lose out on certain bids. The risks of violating the law — including large fines, jail sentences and debarment from future bidding — must be fully explained.

Also, you should put in place a system for monitoring compliance and recognizing red flags. If you are told that the only way to do business without problems in Country X is to pay off certain officials and your company is doing business there with no problems, you should see that red flag waving. If a problem is found, your procedures should lay out what steps to take to investigate the problem, develop a course of action to deal with the issues involved and manage the risk in the most efficient manner.

Bribery is an issue that affects all companies, regardless of size. If you are the president of a small construction company, don’t assume that this can’t affect you. If one of your key employees has paid off a contracting officer without your knowledge and is then discovered, their problem is now your problem. When that employee is asked whether you, as president of the company, knew about the payoff, he’ll try to place the blame on you. If you don’t have a clear anti-bribery compliance policy already in place, you’ll have a tough job defending yourself.

We are living in an era when corporations are being held to a much higher ethical standard than in the past. Contractors can’t afford not to address the issue of bribery.

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case for hiring them. For the employer, it allows the opportunity to carefully assess character, personality and desire, as well as general qualifications.

Unfortunately, in many apprentice programs, the interview process has been reduced to a brief series of basic questions presented in a very informal setting. Often contractors aren’t even involved in the evaluation of their future employees. How does this make any sense? My suggestion is that the construction industry should adopt the same process for interviewing and screening potential job candidates that fire and police departments use on a daily basis.

There are many reasons for using these techniques, but perhaps the best one is that they have been tried and proven successful over a long period of time. These particular selection methods seek out candidates with many of the same traits and qualities that the construction industry requires, including:

• Independent judgment
• Effective communication skills
• Teamwork
• Problem-solving abilities
• Focus and goal orientation
• Personal responsibility
• Accountability
• Integrity and ethics
• Resourceful under pressure

The questions asked of candidates during the evaluation process are situational and open-ended, giving the interviewee the opportunity to show what they know and explain how they would solve problems and get along with other members of a team. Firefighters and police officers, like construction workers, sometimes find themselves in situations where life-or-death decisions must be made. Teamwork is paramount, not optional. And for firefighters especially, the requirement to live together cooperatively makes a candidate’s personality just as important as his skill set.

A modified version of these proven selection processes should be implemented in every apprenticeship program in the United States and Canada. Old-school methods get old-school results. We should stop celebrating the “great traditions” of our industry if they don’t help us move ahead. Let’s get very serious about selection and screening. A high-performance, high-value culture like union construction demands nothing less. The raw material we start with will determine how we finish.

For a free download of sample questions from fire personnel and law enforcement interviews, go to www.breslin.biz.

Mark Breslin is a strategist and author who focuses on improving organizational performance, leadership and work ethic. Known for his blunt and uncompromising style, he has addressed more than 500 audiences and well over 200,000 leaders, managers and craft workers. He is the author of Survival of the Fittest, Million Dollar Blue Collar, and Alpha Dog: Leading, Managing & Motivating in the Construction Industry.
LEOs: Who we are and why we matter

by BILL LIGETTI

MY NAME IS Bill Ligetti, and I’m chairman of TAUC’s Local Employer Organization (LEO) Committee. I also serve as executive director of the Ironworker Employers Association of Western Pennsylvania. Based in Pittsburgh, our organization represents contractors who work throughout Pennsylvania in all aspects of the iron working construction industry.

This issue marks the debut of a new column devoted to topics of concern to LEOs across the country. Hopefully you’ll learn something new about the unique challenges we face and how we’re working hard to make sure that not only our local businesses succeed, but the union construction industry as a whole. And if you’re not yet a TAUC LEO member, this column will be a great way for you to learn what we’re all about.

One reason for our growth is a new initiative we spearheaded regarding industry advancement funds (IAF).

I’ve been a LEO member since the membership category was originally created in 1999. LEOs are regional trade associations representing union contractors. We work with TAUC in many of the same ways that local or state chapters work with other national construction trade associations. Initially, LEO members were primarily steel erector groups, with some multi-trade contractor associations in the mix, but recently other specialty trade associations have started to join as well, including local chapters of the Mechanical Contractors Association.

One reason for our growth is a new initiative we spearheaded regarding industry advancement funds (IAF). Once it has signed on as an active TAUC LEO member, an employer association can submit its IAF for work performed under the terms of the National Maintenance Agreements for formal approval by both TAUC and the National Maintenance Agreements Policy Committee, Inc. The submission process requires the LEO to specify exactly how the funds will be used. Approval by TAUC and NMAPC verifies that the funds will be used for their intended purpose — to facilitate the advancement of union construction — and gives contributing contractors peace of mind and an extra level of assurance.

I have found my TAUC LEO membership to be extremely beneficial over the years. The LEO Committee meets two to three times a year, giving me an opportunity to sit down and talk to other member organizations about the unique issues we face on a daily basis. It’s a great forum to hash out problems and discuss possible solutions. We have LEO members from around the country, and their collective knowledge and experiences are invaluable. It’s rare to find someone who hasn’t already experienced something firsthand that my association is going through for the first time.

Our roundtable discussions often last for several hours, and topics range the gamut from multiemployer pension issues to how to conduct successful market share improvement programs. In many respects, these meetings serve as a “think tank” for TAUC itself, as they showcase solutions to problems great and small that could potentially be implemented on a larger level.

LEOs play an incredibly important role within our industry, and the TAUC LEO committee serves as a “force multiplier,” dramatically increasing our effectiveness. We can do a lot more together than we can on our own.

If your organization is interested in becoming a LEO member, contact TAUC Senior Director of Member Services and Government Affairs Todd Mustard at (703) 524-3336 x 112.
Lessons from a tragedy

by TONY DOWNEY

THE TRAGIC SHOOTINGS in Tucson in early January prompted many reactions from Americans. For some, even in the midst of their anger and grief, the events presented an opportunity for prayer, meditation and quiet reflection. For any life to be ended in mere seconds by a senseless act of violence is mind-boggling. Although most of us will eventually move past the horror of that day in Tucson, those who were directly impacted by the shootings may never find closure.

So why am I talking about all of this in a column dedicated to safety in an industry publication? Well, folks, in our world, tragic incidents occur on a daily basis. They may not equal the magnitude of the Tucson shootings or receive the same amount of worldwide publicity, but they are equally devastating to the victims and their extended families. Each person who clocks in at the start of a shift, climbs a scaffold, enters a confined space, dons a respirator, operates a piece of equipment or power tool, drives a vehicle, strikes an arc or just logs on to a computer can potentially face life-changing or even fatal hazards in the course of their workday.

Faced with this reality, we should ask ourselves the following questions: Have we as coworkers, supervisors, managers or friends done everything in our power to ensure that the workplace is safe? Have we educated our employees in safe work practices? Have we helped foster a positive safety culture on our jobsites? Have we fostered a culture in which it is acceptable and, in fact, expected that we care for each other when it comes to performing our tasks in the safest way possible, as opposed to the fastest or easiest?

If you have, thank you! Keep up the good work and fight the good fight. Do the right things every time. And if you haven’t been asking these questions, remind yourself that you have the ability to make an immediate positive impact on the people around you. Don’t waste the opportunity. Encourage everyone to open their eyes and look for hazards that have the potential to change the lives of their co-workers and families. They are counting on you, and so are their extended family members. Life is short!

Tony Downey is the director of safety for Day & Zimmermann NPS, Inc. and chairman of the TAUC Safety and Health Committee. Day & Zimmermann is a TAUC Governing Member.
Are we using all the tools in our toolbox?

by GARY BOHN

WHENEVER TAUC CONTRACTORS gather for association meetings, our favorite subjects for discussion are how to ensure an injury-free workplace for our employees, improve our safety statistics and find ways to incorporate best practices into our work processes, thereby improving productivity and quality on our jobsites. Continued improvement by union contractors and their employees in these areas will help us increase market share and convince our clients that quality work — completed safely, on time and within a reasonable budget — is the value-added benefit that comes from doing business with union contractors.

Of course, we can’t make these strides without the support of our partners in the building trades international unions. Luckily, I believe many of the crafts have already given us a powerful new tool to help us win more business. Now it’s up to us to use it.

Currently, nine of the building trades have implemented separate “codes of excellence” for all of their workers to follow. These codes differ slightly from craft to craft, but they share one essential trait: each provides an official “mission statement” that every member is expected to follow. When craftspeople and contractors “buy in” to a code of excellence at the outset of a project, they create a powerful framework that sets realistic expectations for virtually every aspect of the job by promoting safety, punctuality, on-time performance, hard work, positive attitudes and open communication between employees and contractors.

I have spoken with many contractors who know firsthand how effective these codes can be, but like any tool, they must be used correctly. Contractors need to make the effort to include the codes in their pre-job orientation meetings and go over their contents carefully. Carve out an adequate amount of time upfront to discuss the expectations of all parties involved, including not just the workers but union management as well. Be sure to prominently post copies of the code on the jobsite where everyone can see them. And last but not least, make a sincere effort to adhere to the tenets of the code and establish metrics so you can track results.

Unfortunately, many union contractors are still unfamiliar with these codes. Some assume that it’s “a union thing” and doesn’t have anything to do with them. Well, it’s time to change those attitudes. All TAUC members can read (and download) the nine codes of excellence by logging on to the website at www.TAUC.org and typing in “code of excellence” in the search bar. You can also contact David Acord at dacord@TAUC.org and he will be happy to e-mail them to you. Every union contractor should be knowledgeable about the codes of excellence for the crafts they employ. Each of your supervisors should read them through carefully and start discussing how to implement them on the next project.

At a recent meeting, the general presidents of the nine building trades with codes of excellence in place reiterated their support for the concept. They also discussed the importance of getting union contractors more involved in initiatives to implement the codes and ensure that their union members are complying with the standards outlined in each document. In a small number of jurisdictions, contractors report that there is a pronounced lack of enthusiasm from some locals regarding the codes. In extreme cases, the locals might refuse to use the codes altogether, even though it comes from their international headquarters. When asked about these examples of foot-dragging, the GPs said that when this sort of pushback occurs, they expect the contractor to bring it to the attention of the union rep in the area or notify headquarters directly. The internationals stand behind their codes and want to support their use, but they need our help.

It’s up to us to do a little heavy lifting and make sure the codes of excellence are implemented on all of our jobsites. Contractors who sit in during collective bargaining negotiations need to work on getting the language and tenets of the codes written into the actual language of the new agreements. Also, if you utilize a craft union that hasn’t yet issued its own code, encourage the leadership to do so; it’s the right thing not only for the union, but also for the union construction industry as a whole. Finally, businesses might want to consider adopting precepts from the existing union codes to create their own Contractor Code of Excellence.

A tool doesn’t do much good if we never take it out of the toolbox. Let’s make sure that 2011 is the year we start making better use of the codes of excellence.

Gary Bohn is the TAUC Labor Committee Chairman. A 45-year veteran of the heavy industrial construction field, he currently serves as senior advisor to Kiewit Power Constructors.
THE CONSTRUCTION USER, TAUC’s official magazine, took home three prestigious prizes in the Association of Marketing & Communication Professionals’ (AMCP) 2010 MarCom Awards competition.

The MarCom Awards is an international creative competition judged by industry professionals that recognizes outstanding achievement by marketing and communication professionals. Judges are industry professionals who look for companies and individuals whose talent exceeds a high standard of excellence and whose work serves as a benchmark for the industry.

This year, AMCP received nearly 5,000 entries from the U.S. and several foreign countries.

Building on our success in the competition last year, when The Construction User took home a Gold Award, this year our magazine was awarded the highest honor possible — the Platinum Award — for our Fall 2009 issue, along with yet another Gold Award (Spring 2010 issue) and also an Honorable Mention (Summer 2010 issue).

UNION CONTRACTORS (and contractor employees): Have you been promoted? Did you join a new company? Are you retiring? Let us know. The Construction User would like to share the good news with thousands of individuals, nationwide, in your industry.

Please contact Todd Mustard via e-mail at tmustard@TAUC.org or telephone at 703.524.3336 x112. At a minimum, please tell us:

- Your first and last name (as you would like it published)
- Your former company or educational institution (if applicable)
- Your current company
- Your former title
- Your new title
- Date of the change
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TAUC welcomes new LEO, Governing Members

WE ARE PLEASED to announce that TAUC member Industrial Contractors Inc. recently became our newest Governing Member, and we look forward to them becoming much more involved in the association. Headquartered in Evansville, Indiana, Industrial Contractors handles work on everything from large industrial and power generation facilities to hospitals and corporate offices. Their mission as a self-performing general, mechanical and electrical contractor is to help customers achieve success, provide their employees fulfilling work, and contribute to the communities in which they do business.

Also, the Builders Association of Eastern Ohio and Western Pennsylvania (The Builders) has joined TAUC as a Local Employer Organization (LEO) member. The Builders represents about 200 members throughout Trumbull, Columbiana and Mahoning counties in eastern Ohio, and Mercer and Lawrence counties in western Pennsylvania. The Builders services 15 different skilled trades in the region, and is an ongoing resource for union construction contractors and industry suppliers. Members have access to state-of-the-art education and training, unlimited manpower from apprenticeship and union labor halls and contract negotiation support.

WE WELCOME ABOARD The Builders and congratulate Industrial Contractors on strengthening their relationship with TAUC!
Do you need something done up here?

We’re the ones that will do it.

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McCarl’s, a leader among U.S. industrial contractors, is committed to safety, client responsiveness, and working as a team with our union labor partners. This total commitment allows us to provide world class service to our clients in industries ranging from power and chemical to steel and manufacturing. Through diversification of services, we have expanded our expertise in almost every phase of the construction process.

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