

Partners **IN** PROGRESS

SMACNA & SMWIA—Building A Future Together WINTER 2006

Focus on the Future

Preview: Spring 'Partners' Meeting

Logo Use • 2005 LMCC Update

What Best Value Promises



HVAC EXPERTISE
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NEWS AND SHORTS

Market Investment: BOM Magazine Insert

No, it's not a bomb—it's *Building Operating Management*, a publication that reaches more than 70,000 decision-makers...future customers, we hope, for SMACNA and other SMWIA-signatory contractors. To get



their attention, the SMWIA-SMACNA team placed a four-page insert, promoting HVAC Expertise, in the magazine's November issue.

Market Share Report: Western Washington

SMACNA of Western Washington recently analyzed more than 5,000 mechanical permits issued over three years to determine whether SMACNA contractors were getting their "fair share" of the construction market.

Conclusion: SMACNA contractors in Washington state are winning 65% of available medium and large-sized jobs over non-union contractors; non-union shops are winning 65% of jobs in the small project category.

SMACNA's Wilson Profiled In SNIPS

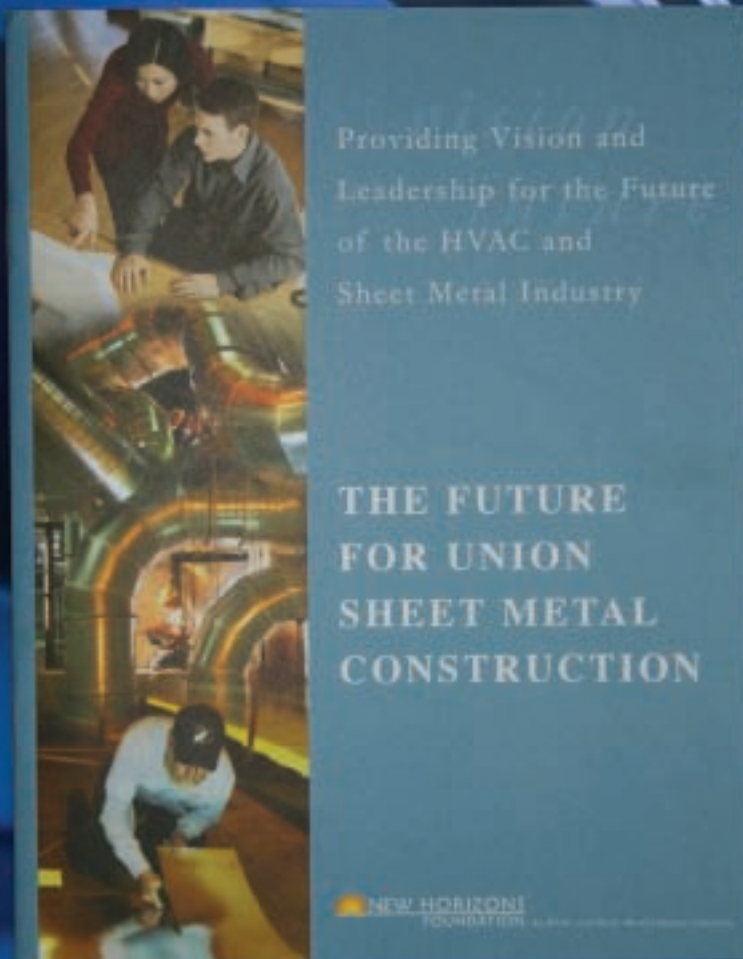
Keith Wilson, new president of SMACNA, was profiled upon his rise to the position by *SNIPS* magazine. The 840-word article was headlined, "From Dentures to Ductwork"—stemming from his early-in-life decision to go into the sheet metal business instead of dental school.

SNIPS has long URLs for its articles—the one for the Wilson profile was 77 characters long! *Partners* created a shortcut to get to it: www.tinyurl.com/dkt32/ ■



We Can't Build A Future On Myths

Unless union members and their
signatory contractors can
discard outdated ideas and
embrace today's reality,
they are headed
toward oblivion.



Editor's note: The New Horizons Foundation, a sheet metal industry initiative, is the industry's research arm. Among its missions: "To position sheet metal contractors as positive, knowledgeable, key participants in the construction process."

The Future of Union Sheet Metal Construction is one early NHF project. A PDF of the research project (conducted by a futurist) is available FREE online at the NHF bookstore—www.newhorizonsfoundation.org/bookstore.

To order the publication, go to the bookstore, complete the ordering info (you need not provide credit card data), and download the PDF. You might also have to download (also free) an Adobe Acrobat Reader plug-in to "unlock" the document.

We can't print the entire 37-page report here. What follows is a summary; for the original document—and more detail—download NHF's free PDF of the report at the Web address above.

Unions no longer have the power—or the jobs—they once had. Union members now have fewer union brothers and sisters than at any time in their careers.

For labor, the rules have changed, and unions—including the SMWIA and SMACNA—must make some hard choices.

That's the gist of *The Future for Union Sheet Metal Construction*, which says: "Actions and decisions undertaken over the next few years will determine not just how well [union sheet metal construction] thrives over the next 20 years, but if it survives."

Seven Myths To Live Without

Making the *right* choices will protect union jobs in the long run, but that requires letting go of some outdated ideas that are now myths. Seven particular myths, the research document claims, hold the seeds of disaster:

Myth 1. Locals control union sheet metal construction.

Myth 2. The market bends to the will of the union.

Myth 3. SMWIA and SMACNA have an adversarial relationship.

Myth 4. Training advantages make unions the preferred source of skilled labor.

Myth 5. Workers are more loyal to their unions than to their employers.

Myth 6. Seniority is a sound basis for pay scale.

Myth 7. SMWIA members and SMACNA contractors share a common vision of the industry's future.

By embracing these myths—rather than today's realities—our industry is losing its grip on construction employers in the present...growth...and the future.

Letting go of these myths won't suddenly thrust unions into an era of total bliss and group hugs with employers, but they might help unions survive.

Why should SMWIA members and SMACNA and signatory contractors treat these ideas as...myths? *What is the truth?*

After all, the New Horizons Foundation didn't fund this research to chronicle the industry's ultimate decline. Where's the positive? What can unions do to prosper, rather than shrink into oblivion?

Truth #1: Forget Control

Locals are losing control of local work . . . that includes sheet metal work. Locals do not have the captive market they once had, the document asserts.

What to do: Realize that being the only game in town isn't worth much these days. That's because employers no longer need to shop in one town.

Stop thinking in terms of control. Think in terms of opportunity. One edge of the sword cuts against local control, but the other edge allows union labor to penetrate new markets.

Truth #2: Vinegar, Bees & Honey

Unions are losing size and influence among employers and workers. Union membership is at a 100-year low—and sliding. This drop is in both raw numbers and as a percentage of the labor force.

Many of the blue collar jobs from which unions sprang are disappearing in the face of automation—a process that began in the late 1950s.

What to do: Re-think what unions can and should offer to workers and employers. Unions have long made a point of telling workers they are better off with unions than without.

But the real payoff will come from *showing employers* they are better off with unions than without. *Showing* means taking actions to make that happen.

Employers think in terms of *their* needs, not those of the unions. Unions win only by playing to that reality. This “give the customer what they want” approach can otherwise be defined as—basic salesmanship.

Union labor is selling its services, isn't it? The adage “You can catch more bees with honey than with vinegar” applies. In today's marketplace, the bees (construction jobs) are no longer in small local jars.

Truth 3: Add Flexibility

Training does not give union labor the edge it once did. In fact, outdated training methods have actually cost unions jobs—and membership.

What to do: Ask employers how union labor can be more flexible and valuable to them. Use the modern training techniques other industries use. Match training to the work employers pay for.

Truth 4: Adjust To The Marketplace

Seniority is a poor basis for pay scale. Years ago, seniority reflected experience, skill, and competence, and employers were willing to pay it.

Seniority-based pay works in a world where you aren't dealing with new technology, new business methods, changing customer expectations,

and a thousand other things that require constant adjustment.

In today's fast-paced, technology-drenched, unstable world—it's the kiss of death.

What to do: Understand marketplace realities. Ask yourself:

- Do you select your dentist based on seniority? Or are you more concerned about the quality of care you receive?
- Have you ever gone into a supermarket and chosen the check-out line with the most senior clerk? Or do you look for the shortest line?

Construction end-users—the ultimate customers for signatory contractors and SMWIA members—think much like you do. They make purchase decisions based on their perception of *received value*. You shape that perception by the quality and speed of your work.

Essentially, the marketplace pays for performance. Pay scales that reflect performance will improve job prospects for all union workers.

Remember, not all sheet metal work is worth the same price. Unions need to be flexible. Charging variable rates based on the actual work is one step in the right direction.

Truth 5. Create & Use 'Top Talent'

Workers are becoming more loyal to employers than to their unions. Many firms now depend on skilled trades as a competitive edge.

Consider Joe, who seems to perform miracles on the brake. His good-looking installations lead to referrals and additional sales for his company. So Joe's boss pays him bonuses and does other things to keep him from wandering off to the competition.

Sharp employers retain quality workers, but unions pay for seniority. Which do you think will generate more loyalty?

What to do: Help employers create a “company culture” that appeals to union workers. Don't fight that effort. Rigid rules of pay hurt everyone, but when contractors can reward outstanding workers, everyone wins.

Relaxing the rules would increase loyalty to the unions, not just by union workers, but also by employers.

Contractors use “top talent” as a marketing tool to win the work. If unions stand in the way of attracting and retaining solid talent, customers will continued to avoid union labor. ■



The New Horizons Foundation commissioned Atul Dighe, principal & senior futurist with Social Technologies, LLC, to conduct the research involved in this project. See www.socialtechnologies.com. The summary of the NHF report was written for *Partners in Progress* by Mark Lamendola, a technical writer and proprietor of www.codebookcity.com



What Best Value Promises

Customers and contractors are finding that Best Value Contracting creates win-win outcomes.

By Cari B. Clark

Unexpected cost overruns. Shoddy workmanship. Poor-quality products. Delays. Excessive change orders. Untrained staff. Industrial accidents.

Nobody wants his or her business associated with the preceding negative perceptions. How is it possible to win bids using quality products and labor?

Private customers have long been willing to look at the relative merits of bids, realizing that a higher initial bid may provide the best long-term value. They understand that low price doesn't always get you the results you want. *continued on page 17*

the

Partners Conference:

What Awaits You

Our industry last gathered for a labor-management conference in 2004.

What's in store this March 29 - April 1 in Las Vegas?▶

W

What is a “Partners In Progress” conference? It’s the organized sheet metal industry’s attempt to get on the same page—for at least three days in 2006.

Co-located in Las Vegas with the 34th ITI Apprenticeship Conference (which starts March 27 at the Las Vegas training center), the conference runs from Thursday morning March 30 to a final session that breaks at lunch on Saturday, April 1.

Highlights include:

- Introduction of a DVD featuring General President Michael Sullivan. Distribution and use of this DVD will enable our industry to “get on the same page” as we grow together into the future.
- A special pre-conference session, for SMWIA members only, is set for Wednesday March 29—“Strategies and Tactics for Top Down Organizing.” Discussion leader is the noted Mark Breslin.
- We’ll get a chance to hear from our customers—construction owners—on the subject of “Revolutionary Changes in Construction Contracting. At a scheduled 90 minutes, this important session is the longest of any on the Partners conference program.

Broad range of topics

While those topics are the headliners, the 2.5-day agenda is fully scheduled (i.e., there’s no big gaps for golf!). While the official conference brochure (page 9 to 12 of this issue of *Partners In Progress*) lists the events chronologically, here’s a topic-by-topic breakdown:

Best Practice Market Expansion Efforts—a discussion of branding/marketing efforts, including introduction of the Best Practices road show—and more.

Fit For Life—wellness and healthy living are advantageous for workers (they live longer and healthier lives) and their employers (who get a workforce with healthier lifestyles and attitudes).

Future of the Sheet Metal Industry—a session highlighting results of a study funded by the New Horizons Foundation (which was founded by SMACNA). See page 3 of this magazine for an introduction.

General President’s DVD—see above.

Gulf Market Assistance—partnership developments are forming to help rebuild the devastated Gulf region. Learn more.

Impact of Union Mergers on the Industry—union leaders are exploring the possibility. What impact will potential union mergers have on the HVAC and sheet metal industry?

Implementing More Effective Health Care & Workers’ Comp Programs—how labor-management programs have resulted in more efficient program management and premium savings for the industry.

Lean Production—this is shorthand for a set of principles that have led many companies to higher profitability and lower costs. Can they be successfully applied in the sheet metal and HVAC industry?

Legal/Accounting Tools for Your JATC—sound financial management helps families, companies, and even national governments...it will work for your JATC, too!

Owners—see third bullet at left.

Promoting Continuous Training & Career Opportunities—“lifelong learning” is more than a slogan. How does it apply to sheet metal?

Project Specifications/HVAC Opportunities—how sheet metal contractors can use contract specifications to their advantage. *Included:* Findings from a study conducted by the Bid Specifications Task Force.

Recruiting Your Most Important Asset—quality workers are the top asset, for the organized sheet metal industry and for individual companies. What do we need to do to attract top-notch candidates...the SMWIA-SMACNA workforce of the future?

Residential Retrofit—the nuts and bolts of the business, different marketing strategies—the whole nine yards! This is set as a “continuous” session, running from 8 a.m. to 2:45 p.m. on Thursday March 30.

Strategies & Tactics for Top-Down Organizing—a pre-conference (March 29) event for SMWIA members only. See above.

Survival of the Business Enterprise—explore the kinds of changes labor and management need to make in order to be among “the fittest” that survive.

Tools for Recruiting the Future Workforce—the SMWIA-SMACNA LMCC has funded this study on the industry’s ability to attract and retain a skilled workforce. While the study is not yet completed, this update will provide insight you won’t be able to get anywhere else.

Train The Trainer for Safety—learn about excellent safety training tools that can help our industry (and your company) to better deliver safety training to workers.

Using HVAC Certifications—as you’ve seen in previous issues of *Partners In Progress*, the SMACNA-SMWIA team has created certifications. Can you use them? Tune in to this session for certification requirements—and success stories. ■

To register:

See pages 9-12 of this issue; the registration form is on the brochure’s back (page 12).

Construction and The Economy

Thanks to the boom in residential new construction, the construction industry has not experienced a decline (even adjusting for inflation) in the past few years. The news for 2006: Things look, more or less, the same.

Comment: The non-residential recovery seen for 2006 marks a departure from the 2002-05 experience, in which residential construction has been the strongest segment.

Construction 2006 Forecasts

	Total	Residential	Non-Residential (total)	Non-Residential Components		
				Office	Commercial	Industrial
AIA Consensus Forecast	n/a	n/a	+ 7.9%	+ 12.9%	+ 4.7%	+ 18.4%
McGraw-Hill Construction	+ 3%	- 1%	+ 7%	+ 9%	n/a	+ 9%
Reed Research	+ 5.4%	- 6.9%	+ 12.3%	+ 19.7%	+ 3.7%	+ 10.1%

Note: AIA—American Institute of Architects

Comment: Office construction is up 5.4% through nine months of 2005, possibly indicating that it has “bottomed” in the fall from the boom that led into 2001—both in terms of gross dollars and as a percentage of total construction.

Office Construction vs. Total

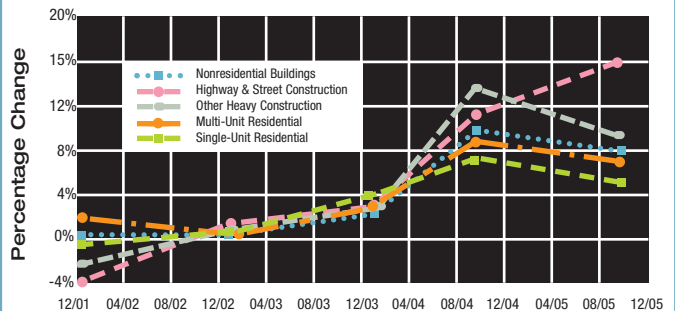
(unadjusted dollars in billions)

Year	Office	Total Construction	Office As %
1999	\$46.6	\$764.2	6.1%
2000	\$55.7	\$815.4	6.8%
2001	\$52.0	\$842.5	6.2%
2002	\$35.1	\$860.9	4.1%
2003	\$30.4	\$915.7	3.3%
2004	\$32.2	\$999.6	3.2%
2005*	\$26.1	\$827.6	3.2%

*2005 data = 9 months only.

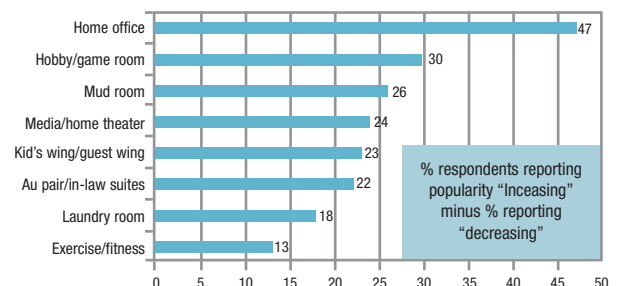
Source: U.S. Department of Commerce, construction put-in-place data.

Construction Cost Impacts



Source: Associated General Contractors of America

Home offices are Most Popular Add-On



Source: American Institute of Architects

Winning

With Faith & Teamwork

A Florida kitchen equipment maker and SMWIA Local 15 radically changed their compensation deal—creating a win-win-win outcome for customers, the company, and its workers.

“Yankee ingenuity” has been a pillar of the success of U.S. manufacturing for its entire history. So perhaps it’s no surprise that members of SMWIA Local 15 and the ownership of All Southern Fabricators (North Clearwater) came up with a bright idea recently to shape the company’s future—and expand the horizons of its workers.

ASF manufactures and ships custom stainless steel kitchen equipment. According to Manuel Santana Jr., the company manager, it is perhaps one of only two companies of its type in the Southeast that is affiliated with the SMWIA.

“What makes that worse is that we probably have 20 or more non-union competitors just in Florida alone,” he says. “We have customers all over the United States, and it’s a steady customer base. They value our quality and creativity and we assist them in the design of their equipment that enhances their operation.

“Customers come to us and say, ‘we need something that will do this.’ Then we assist them in creating it.”

While the story sounds good so far, as the most recent labor-management negotiations approached, Santana took some deep breaths. His company was being boxed in by low-cost competitors.

“There simply was no room for a wage increase,” he explains. “Our customers were not going to go along with higher prices.”

Incentive program

Santana sat down with Local 15’s representatives. Together, they talked about alternatives. SMWIA’s reps expressed a willingness to work with the company to develop some sort of productivity-based incentive program—something that would appeal to the company’s employees.

What labor and management worked out was an “incentive program”—something that might seem almost radical. The heart of the idea was to rearrange compensation so that the SMWIA members working for All-Southern would make more money if they beat specific goals.

“We had to come up with a way to match, and perhaps even beat, our competitors,” says Santana. “In theory, the incentive program we discussed would allow All Southern Fabricators to gain market share, while at the same time allow our employees to make more money.”

Key to this proposal are two factors:

- ASF does a lot of repetitive work. This is basic to manufacturing.
- The company has, for years, kept excruciatingly detailed records on how long everything takes.

“We document every item that we manufacture, by every man, by every item, by every function,” Santana explains. “We know how much time it took to take the burrs off, how much time to break it, to shear it, to weld it. These records might not be typical; we developed this system, over the years.





“Data in our system is 100% based on input by the SMWIA members—they are the ones that turn in the time every day. With this information, we were able to set standards for each of our operations.”

Sharing the gain

Standards are established in terms of time. If a given manufactured project will take 3,000 hours to make, the individual tasks within that process are broken down to discrete work items.

“One specific item might be specified as taking 30 minutes,” Santana says. “If our workers can do it in 20 minutes, they’ve beat it by 10 minutes. That’s an example, but you can see how it adds up.”

Four elements of the SMWIA-ASF agreement are worth noting:

1. Gains are shared. If that 3,000-hour job takes 2,750 hours, ASF makes a profit—and the paychecks of its workforce are larger.
2. Gain-sharing is tuned to motivate the workforce to go for more. As the pool of savings increases to higher levels, a higher percentage of the savings is set aside for workers. “The more they beat those standards by, the higher their gain,” Santana notes. “There is no cap—our workers will make more as they beat the standards by more and more.”
3. Ongoing labor-management discussions are a must. “We tell them up front what’s expected on every job, and at the end of each month we sit down with labor and go over every item that was finished that month.”
4. The program is tuned to group performance. “Everybody wins or everybody loses. No one man can make more through this incentive program than another.”

The proper name for this is a group performance, income-enhancement program. “Everybody has to win,

including the company, for this to work. What this does for the company, beyond helping us be more competitive, is to generate funds to help us pay for the increases in benefits,” Santana says.

No roller skates

Such a program promises rewards for all. But one might envision sheet metal workers on roller skates equipped with mini-jet engines, working at unsafe speeds...toiling to beat tough time standards.

That’s neither what Santana wanted, he claims—nor what has resulted. “In discussing this with the union, I stressed that we had to have faith in ourselves,” Santana says. “It’s not about working harder—it’s about planning your work, working smarter, and helping each other.

“The ‘group’ element enters in here—it creates efficiency by leading to teamwork. If one of our workers knows how to make a given item in two hours, and another is taking three hours to do the same job—there is an incentive now for one fellow to teach another.

“This helps our workers. They are motivated to teach each other how to be the most productive. That’s our company focus now.”

Judgment Day for this arrangement came in December 2005. The groundbreaking SMWIA-ASF agreement specified a review at the nine-month mark. Santana’s “faith,” was fine, but members of the bargaining unit wanted to see how it would work in practice. At the end of the nine-month period, they would vote on whether to continue the program or terminate it.

Result: Overwhelming approval of the “group performance income-enhancement program” by members of SMWIA Local 15 who work for All Southern Fabricators. ■

This story is reprinted from Partnership Forum, a newsletter circulated to union members and signatory contractors in Florida by the SMWIA-SMACNA team.



news matters

In Memory: Bernie Flaherty

With great sadness, we report that Bernard Flaherty has passed away. Mr. Flaherty developed and conducted Mutual Gains Bargaining seminars for SMACNA and SMWIA for the last 10 years. Mr. Flaherty, associated with Cornell University's School of Industrial Labor Relations, was a consultant, facilitator, and instructor for joint labor-management training. Mr. Flaherty truly brought labor and management together and is credited with changing local labor-management relationships in the sheet metal and electrical industries from adversarial in nature to cohesive partnerships. His style and wit were unique and loved by all. He will be greatly missed.



Vehicle & Hard Hat Logos Help Motowners Build Industry Image

A vehicle and hard-hat identification program are helping SMACNA Detroit and SMWIA Local Union #80 to proudly put their image before the public.

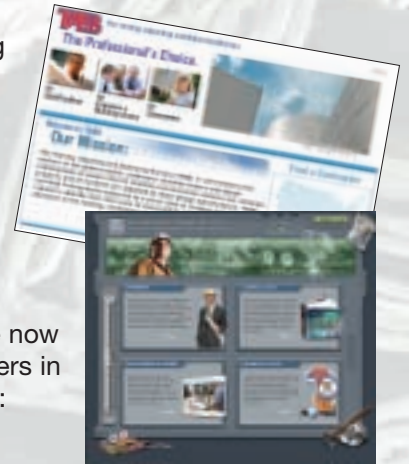
Contractors with white vehicles can obtain logos and artwork at no cost; as of late 2005, there were 33 participating contractors (with 136 vehicles in the program). The slogan, "Together We Do It Better," is prominently displayed on the back of all the vehicles along with SMACNA and the Sheet Metal Workers' Local 80 logos.

"Working day-to-day with a partner is much more productive, rewarding and fun than being in adversarial relationship," said Kevin Harpring, past president of SMACNA. "Your cooperation with these trucks and hardhats is paving the way for new work opportunities and greater financial rewards for each of you."

TABB & ITI Sites Renewed!

If you go to www.tabbcertified.org, you'll find a whole new look for the Testing, Adjusting, and Balancing Bureau—a SMWIA-SMACNA operation. Also new, revamped, and improved: www.sheetmetal-iti.org, home of the industry's International Training Institute.

Note that the ITI site now features a video on careers in the industry—see it here: www.sheetmetal-iti.org/video.htm.



Healthcare Report Available

The National Center for Energy Management & Building Technology last year sponsored the Healthcare Interactive Seminar for Energy Management & Indoor Environmental Quality. The purpose of the seminar was to analyze the current state of energy management and indoor environmental quality and its economic importance to healthcare operations.



Missed it? A 60-page PDF (available free) can fill in gaps in your knowledge. Download it here: www.ncembt.org/downloads/NCEMBT-050831.pdf.

Shipments of AC & Heat Pumps Soar

Factory shipments of central air conditioners and air-source heat pumps rose 73% in October (over the same month in 2004) and 68% in November, according to the Air-Conditioning and Refrigeration Institute (www.ari.org).

For the year's first 11 months, total shipments—8,016,756 units, according to ARI—were 15% ahead of those from 2004.

Note that most of the units were not ending up in inventory. Distributor shipments were up (year-over-year monthly comparisons) 64% in October and 60% in November, according to the ARI tally.

continued from page 6

For example, while a terrazzo floor is more expensive than vinyl tile, it lasts a lifetime!

At last, the public sector is catching on to the benefits of looking at more than bottom-line price when evaluating bid awards.

Three Little Letters: BVC

A new program, called Best Value Contracting (BVC), rewards quality contractors for excellent and timely service, rather than for cheap bids (see accompanying stories for details).

Federal agencies all over the country are using BVC; not all contractors and unions are aware of it.

BVC has wide support from project owners, procurement professionals, architects and engineers, contractors, and building trade unions. It's done using a competitive sealed proposal process and usually requires the submission of separate price and specific technical criteria proposals.

BVC Defined

Best Value Contracting (BVC) is different from traditional low-bid methods because it is involves creating a complete package consisting of quality personnel, precise scheduling, proven performance, pre-listed subcontractors, and price.

BVC bids are more complicated than low-price bids because contractors need to provide more information in their proposals. Overall, though, this type of contracting results in more accurate cost projections and includes the use of highly skilled, reliable workers.

BVC controls costs and improves delivery. In fact, the U.S. Navy recently reported that contract claims and bid protests decreased by 60%-plus during the 1990s, when BVC was implemented. This type of contracting delivered quality facilities faster and reduced cost growth from 5.7% to 2.5%.

Everyone benefits from BVC—the contracting community employs more of its skilled and trained union members because a quality workforce is required; taxpayers get better-quality facilities delivered in a timely manner because contractors submit more complete bids with more accurate pricing; and workers get a safer work environment because safety training is addressed at the bidding stage.

Projects are evaluated according to a structured rating system and awarded to the contracting team that offers the best overall combination of price and qualifications. Qualifications include expertise, past performance, law compliance, prelisted subcontractors, reliability of craft labor supply, apprenticeship training, safety, and more.

“[BVC] is more favorable to qualified contractors,” says Keith Wilson, SMACNA’s president. He’s the CEO of Miller Bonded, a total mechanical and HVAC contracting firm located in New Mexico.

Why It Works

With BVC, a lot of legwork is completed up-front, resulting in a more complete and complex bid. It allows both contractors and customers to have a more realistic understanding of expectations for the job.

“Engineers and architects love this process,” says Eric Emblem, executive director of the National Energy Management Institute (NEMI). “They want the most qualified contractors employing highly trained and qualified people. When coupled with their specified products, this equates to the best value.”

According to Gary Nelson, senior project manager of NEMI, more than 70% of federal government contracts are allocated under BVC. Nelson travels the country working with SMACNA contractors and SWMIA locals, assisting them in initiating the BVC process.

Joining with industry professionals, Nelson helps work out a step-by-step action plan to get BVC adopted in local jurisdictions.

Getting BVC legislation passed in your jurisdiction takes time, energy, and resources. Low bid is simple: essentially a “rip and read” process.

Designing procurement systems that evaluate contractors’ qualifications accurately and effectively can be difficult.

Writing BVC Into The Law

Pennsylvania’s new BVC program has taken two years to design and implement.

John Wimer, COO of the National Center for Building Technologies, worked with Joe Sellers, business manager of SMWIA Local 19 in Philadelphia, to successfully implement BVC at the Philadelphia Naval Yard.

continued to page 18

Example of best value award method

<u>Evaluation Factors</u>	<u>Points</u>
Price	100
Past Performance	20
Management Plan/Schedule	20
Staffing/Training/Safety Plan	20
Wages & Fringe Benefit Plan	20
Local Economic Benefits Plan	20
Total	200

continued from page 17

In New Mexico, Terry Farmer, then-business manager of Local 49, and SMACNA President Wilson worked together to get BVC legislation passed. Implementation plans for the new law have been in development for almost two years.

At this writing, nine states have adopted various forms of BVC for public works projects: Arkansas, Colorado, Delaware, Georgia, Kentucky, New Jersey, Pennsylvania, Texas and Utah. Various cities, counties, and other local government entities are also beginning to use BVC.

In some cases, BVC requires legislation to override mandated “lowest responsible bidder” rules. In other cases, existing laws already permit the use of the sealed competitive proposal process, also known as the Request for Proposals (RFP) process, which means that BVC can be implemented through a policy directive or other executive action.

Laws vary from state to state and city to city. Bottom line: research is required in your own state, city, or town to learn whether applicable laws permit the use of BVC.

What Happened In Boulder

Community awareness is sometimes the source of BVC. At the University of Colorado in Boulder, the students chose to fund new building projects through increased fees when state budget restrictions cut funding.

When the law school faced losing accreditation, partly attributed to deteriorating facilities, the UC student legislature agreed to raise fees.

As part of the deal, they insisted the new buildings meet U.S. Green Building Council LEED (Leadership in Energy

and Environmental Design) standards and comply with high labor and job quality benchmarks.

Students went to the Front Range Economic Strategy Center (FRESC) in Denver to learn how they could write an RFP that would ensure labor-friendly construction standards.

Local 9 business manager Dwayne Stephens, the Denver Area Labor Federation (DALF), and SMACNA chapter manager Tom Keating facilitated the process with CU students, resulting in work for contractors and hours for union members.

UC student Steve Fenberg—an environmental studies major and now the student body Director of Capital Construction—says, “We wanted to make sure contractors had apprenticeship programs, safety training, and used state residents for the jobs.”

“We came up with a pretty revolutionary RFP. The students were part of the evaluation team that looked at the bids, researched the contractors, and did the scoring,” added Chris Nevit of FRESC.

Price was less than half of the value of the bid, and the students know that workers have health care and are making a career in the trades.”

UC’s new Wolf Law School broke ground in November 2004. It should be completed in fall 2006.

Fenberg calls the whole process a success. He insists that while BVC can be long and arduous, it results in a better product, better delivery, and a safer and more secure environment for the workers. ■

CLARK IS A FREELANCE WRITER AND EDITOR BASED IN SPRINGFIELD, VA.

BVC: Resources

To see RFPs distributed by the University of Colorado at Boulder, Department of Facilities Management, visit: <http://fm.colorado.edu/construction/ActiveProjects-RequestsforProposals-11-02-04.html>.

Additional resources on Best Value Contracting can be obtained from the following organizations:

National Energy Management Institute (SMWIA-SMACNA)

www.nemionline.org

Presentation Downloadable from NEMI Site:

www.nemionline.org/download/BVC.ppt

AFL-CIO – Building Construction Trades Department

www.bctd.org/govaffairs

Defense Logistics Agency 2005 release on BVC

www.desc.dla.mil/DCM/Files/CompetitiveBest-Value.pdf

PA Dept. of General Services

(see BVC link on left-hand side)

www.dgs.state.pa.us/dgs/site/default.asp

Pro-BVC Power Point Presentation

www.lecet.org/Clearinghouse_Public/LECET/bestvalue/bestvalue.htm

U.S. Navy Web Site

www.ar.navy.mil/aosfiles/tools/turbo/topics/aw.cfm

Many Many Ways to use the logos

How

can your local union or SMWIA-signatory company make use of the “Expertise” logos developed by the SMACNA-SMWIA team?

Here’s a short list—but, to paraphrase Paul Simon, there must be at least 50 ways to use our logos!

1. Contractors can use the logos on their letterhead.
2. Local entities can use the logos to create hardhat stickers.
3. Bumper stickers can be developed, for company vehicles and those owned by SMWIA workers.
4. SMACNA chapters, SMWIA local unions, and signatory companies can use one or more of the logos on Web sites.
5. At least one contractor is using the HVAC Expertise logo as a stamp on drawings.
6. T-Shirts.
7. Business cards.
8. Banners.
9. Booths at local trade shows.
10. The logos can be used in presentations to customers or industry groups.
11. Meeting notices can carry the “Expertise” logos.
12. Use of one or more of the logos in advertising will give the ads an “identifier” that repeats.
13. Releases sent to the press can carry the logos.
14. Building signage can include the HVAC Expertise logo.
15. Giveaway items – such as baseball hats and soft-sided bags—can be emblazoned with an Expertise logo.
16. Brochures promoting the industry, or a specific company, can carry one or more logos.

Logo Use How-To

First, as can be seen on this page, there are four logos:

- HVAC Expertise.
- Architectural Expertise.
- Industrial Expertise.
- The comprehensive Expertise logo (featuring all three).

How can your SMWIA local union, SMACNA chapter, or company get to work with our logos? See www.pinp.org. On the lower right-hand side, use the links to download forms. Fill in the forms to obtain a cost-free license to use the logos!



2005 Update: LMCC Activities

A thick binder, distributed recently, updates stakeholders in the SMWIA-SMACNA world on 2005 activities of the Labor-Management Cooperation Committee and the LMCC's Joint Best Practices Market Expansion Task Force. Here's an abbreviated version of that report:



- Following Hurricane Katrina, a **Gulf Coast Market Assistance Task Force** was formed.
- An action plan was created by the **Residential Service/Add-on Subcommittee**, in its August meeting. The LMCC's Best Practices Market Expansion Task Force is responsible for monitoring progress.
- Issues of *Partners In Progress* magazine were distributed. Each of three previous 2005 copies mailed to more than 130,000 members of SMACNA and SMWIA. This magazine has been judged to be the best way for the parent organizations, through their LMCC, to relay information about sponsoring organizations, the activities of jointly established institutions, and the products and services available to the industry.



- The **Expertise Branding** program was maintained and expanded.
- Efforts continued in the LMCC's **Florida Pilot Project**. The goal of this project is to provide the industry with the model and tools, as well as a complete understanding, of what's needed to regain a market where it has been lost. Leadership of SMWIA and SMACNA in the state is experimenting with a whole new approach to market expansion, based

on a measured, well-developed course of action arrived at in a joint labor-management setting. Results of this effort can and will be transferred to other areas.

- **Customer awareness initiatives** were pursued via several industry magazines, including *Engineering News-Record*, *Building Operating Management*, *Constructor* magazine (official publication of the Association General Contractors of America), and *BOMA.org* (a print magazine published for member building owners and managers by BOMA International).
- **Four Web sites** are maintained for the industry, including www.pinp.org, www.hvacexpertise.com, www.asm-expertise.com, and www.industrialexpertise.com. These sites collectively hosted more than 93,000 visits in the year's first 11 months.



Many other actions were discussed, planned, and pursued during 2005. Included: Advance planning for the **Partners In Progress Conference**, to be held in Las Vegas on March 30-April 1.

Partners **IN** PROGRESS

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