

# Partners **IN** PROGRESS

SMACNA & SMWIA—Building A Future Together JUL 2004



## HVAC EXPERTISE

PERFORMANCE • TRAINING • STANDARDS

Beyond Industry Week—  
Year-Round Joint Efforts!



# Partners IN PROGRESS

## CONTENTS

NEWS AND SHORTS .....2  
 INDUSTRY SPENDS A WEEK  
 OUT OF THE BOX .....3  
 APPRENTICE CONTEST .....6  
 DID SOMEBODY SAY  
 "PIECEWORK?" .....8  
 LOCAL 66 DOES SOMETHING  
 ABOUT THE WEATHER .....9  
 FROM THE HORSES' MOUTH ..10  
 GET BUFF IN  
 ARCHITECTURAL METAL .....11  
 INDUSTRY WEEK IN PICTURES ..12  
 LET'S DO THE MATH .....14  
 SOURCE OF HVAC EXPERTISE?  
 IT'S THE WHOLE INDUSTRY ..15  
 MARKETS & TRENDS .....16

## PARTNERS IN PROGRESS

JULY 2004 VOL.3/NO.2

**MICHAEL J. SULLIVAN**

**MARK WATSON**

CO-PUBLISHERS

**JOE SALIMANDO**

JSALI@CRIS.COM

EDITOR

**DEBORAH APPEL**

CREATIVE SERVICES

PARTNERS IN PROGRESS IS A PUBLICATION  
 OF THE SHEET METAL INDUSTRY LABOR-  
 MANAGEMENT COOPERATION FUND.

ALL CONTENTS ©2004 BY THE SHEET METAL  
 INDUSTRY LABOR-MANAGEMENT COOPERATION FUND,  
 P.O. BOX 221211, CHANTILLY, VA 20153-1211.

FOR SUBSCRIPTIONS AND ADDRESS CHANGES,  
 VISIT WWW.SHEETMETALPARTNERS.ORG.

PUBLICATIONS MAIL AGREEMENT No. 40725004  
 RETURN UNDELIVERABLE CANADIAN ADDRESSES TO CIRCULATION DEPARTMENT  
 STATION A, PO BOX 54, WINDSOR, ON N9A 6J5  
 EMAIL: CANADA\_RETURNS@SMACNA.ORG

PRINTED IN THE U.S.A.



## NEWS AND SHORTS

### INDUSTRY WEEK: THERE'S STILL MORE INFO!

This issue is devoted entirely to coverage of the first-ever Industry Week, held in May in Las Vegas. There was literally so much going on that our coverage is merely a drop in the bucket!

But there's much more information available, at [www.sheetmetalpartners.org](http://www.sheetmetalpartners.org)

Go to: [www.sheetmetalpartners.org/news\\_events/partnership\\_conf.cfm](http://www.sheetmetalpartners.org/news_events/partnership_conf.cfm).

From there, you can find presentations and other information from the Partnership Conference. What's so hot?

*Well, how about the piecework issue?* See page 6 for coverage. Even those at the event itself did not have access to all of the information presented, including:

- The Florida Residential Agreement Memo.
- The Florida Residential Collective Bargaining Agreement.
- Joint presentation (a PowerPoint file presented as a PDF) by Mike Jeske of SMWIA Local Union 15 and Susan Karr of Florida SMACNA.
- A presentation on the piecework agreement in Toronto from Local 285.

### SMACNA'S RESIDENTIAL REPORT:

#### WHY FLORIDA IS A KEY TARGET

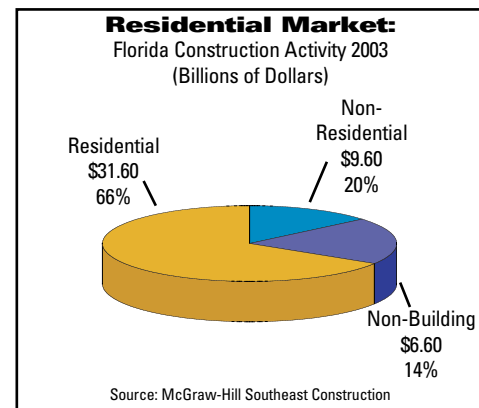
SMACNA's *Residential Report* newsletter (out in June) provided the *why*: Why is Florida's an initial target of the industry's market expansion efforts. Using data from a NEMI study, the newsletter noted:

"The residential construction market is too big for SMACNA contractors to ignore. Tom Kelly, SMWIA general secretary-treasurer, said it best at the recent Labor-Management Partnership Conference noting, we can't let this market go; we must go out and get this work.

"Current research indicates that SMACNA members complete only 10% of all construction work in Florida and less than 1% of new residential construction.

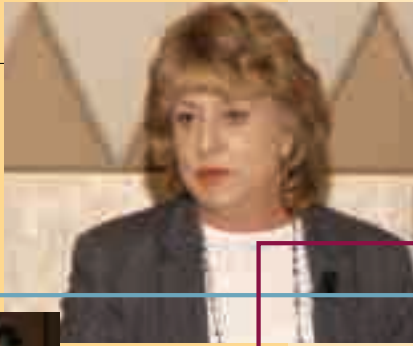
"Previously untouched by SMACNA contractors, the Florida market ranks third in the country behind such giants as California and Texas. The SMACNA-SMWIA Best Practices Task Force is working with local contractors to capture this lucrative market through a new pilot program."

To see the complete *Residential Report*, go here: [www.smacna.org/council/index.cfm?fuseaction=view\\_issue&newsletter\\_id=6](http://www.smacna.org/council/index.cfm?fuseaction=view_issue&newsletter_id=6).



### BACK ISSUES OF PARTNERS

Download PDFs of complete back issues of this publication from the Sheet Metal Partners' Web site: [www.sheetmetalpartners.org/resources](http://www.sheetmetalpartners.org/resources). ■



# Industry Spends a Week Out of the Box



The first-ever Industry Week, held this past May in Las Vegas, proved that the range of topics, speakers, and information that SMWIA and SMACNA must embrace to grow and thrive constitutes a wide, wide, wide world! ►

By Joe Salimando



**M**en and women in the sheet metal industry are tough people. They work hard. They work smart. They give customers more than their dollar's worth (as customers attested during Sheet Metal Industry Week, May 2-8, In Las Vegas). It's not unusual for contractors to put in 16-hour days. It's not unheard-of for sheet metal workers to put in long hours, week after week.

But most of what was happening in Las Vegas was meetings and transfer of information. Tough men and women can't give in to that, can they?

We're happy to report that they didn't. They persevered in listening, questioning, and discussing an avalanche of new and high-quality information—much of it likely to melt or bend one's brain. Alternative ideas and approaches are certainly necessary, but that doesn't make thinking about them all that easy to do!

"Two years ago, I posed a simple question: Are we willing to take a chance, to step outside the box, and to try new things," asked Michael J. Sullivan, General President of SMWIA, at the Partnership Conference's kick-off session.

"When this week is over, the evidence will be obvious. We've done more than step out of the box. We've redesigned it—and built upon it."

#### A MEGA-MEETING

Industry Week was built upon two main industry events: The 32nd International Apprentice Contest (held every year) and the SMACNA-SMWIA Partnership Conference (held every other year).



Putting these two major events together with others led to a week in which more than one participant said aloud, "There's a lot going on here!" Other gatherings included:

- TABB's 3rd annual conference;
- Trustee training sessions;
- "Tech U." workshops;
- A health fair, as well as OSHA 500 training;
- Emerging Markets sessions on HVAC, residential, architectural, and industrial markets.
  - An open forum with directors of ITI, SMOHIT, and NEMIC trustees and NEMIC directors;
  - And even more.

#### SHARING SUCCESS STORIES

What was unique about the SMWIA-SMACNA Partnership Conferences in the past was the focus on the future. Instead of discussing hurdles to creating success stories or indulging in who-struck-John discussions of past problems, the partners have looked to overcoming problems and giving customers reasons to use the SMACNA-SMWIA team.

## Watson & Sullivan Provide Perspective

Closing remarks from SMWIA General President Michael J. Sullivan and Mark Watson, president of SMACNA, provided perspective on the first-ever Industry Week.

*Watson on the apprenticeship contest:* "The ITI contest that challenges apprentices is, itself, undergoing significant challenges. Our training curriculum is evolving into a streamlined, modular-based training system that is more responsive to the dynamics of a changing landscape."

*Sullivan on the industry's changes:* "Think about it this way: We are talking now about what has been done—to do better *what we now plan to do*. I will no longer accept the proposition that we are the best-kept secret in this industry. We are the best, period!"

*Watson on the future:* "While there will always be new construction, there is no question that future growth and job opportunities will be concentrated in the service and retrofit markets. If we ignore this market opportunity, our partnership will have failed you—and the future of this great industry."

*Sullivan on the event:* "We have clearly demonstrated that the process of combining our efforts in new and challenging directions can expand this industry to unbelievable heights. You could feel the buzz throughout the week, as



Michael J. Sullivan

speaker after speaker presented the "Best Practices" that have emerged from the partnerships forged over the past four years."

*Watson on the apprentices:* "The apprentices here tonight are the epitome of expertise. They've been honing skills and facing new challenges each competition threw their way.

That's why must all follow their lead and set our personal and professional goals to a new, higher level."

*Sullivan on "homework" for Industry Week Attendees:* "When you get back home, schedule a meeting right away to identify what can be used from the Industry Week program. Make a decision to try at least one new initiative—that could be the basis for showing progress at our next Partnership Conference. Take it a step further and get other contractors and local unions to do the same." ■



Mark Watson

headline news:

## ABC Program De-Certification, Florida Piecework Agreement

News and information of interest—helping to create opportunities for workers and contractors all over the industry—could be found in great abundance during Industry Week. The biggest news, however, seemed to center on two main events:

1. Announcement of a piecework agreement in Florida. This tool will enable the SMWIA-SMACNA team to intensify its market share recovery efforts in the state. “Our members like it,” said Tom Kelly, secretary-treasurer of SMWIA. “The more you get done, the more you get paid.”

See page 6.

2. De-certification of an ABC “apprenticeship” program in Washington state, thanks mostly to the leadership of SMWIA Local 66. The program, in the eastern part of the state, had an annual “graduation” rate of 6.7%.

See page 7.

There was news in these two items, beyond the “information” value in the presentations. Both events occurred in April. ■

That was the case again in Las Vegas. Here is just a bit of what one correspondent heard:

From **Dwayne Stephens** of Local 9: Having just started a program to grow the market, Stephens had—in just four days—called to discuss work for SMWIA contractors on 30 jobs. Of that group, he made appointments for 10 interviews—and actually secured two projects for the SMACNA-SMWIA team!

From **Peyton Collie** of SMACNA’s national staff: “There’s a growing dissatisfaction with flex duct in the field—we’ve seen this via feedback on our Web site.”

From **Thomas Householder** of American Electric Power: “I hope safety is the first thing that you train. It’s vital to get a quality product.” Later, he said to the assembled sheet metal workers and contractors: “When you want to, you can outproduce anybody.”

From **Dean Myers** of Oklahoma SMACNA: We market SMACNA standards to ASHRAE. At each meeting, we have a drawing and give a different one away. The SMACNA technical manuals are one of the biggest marketing tools we have.”

From **Robert Zahner** of A. Zahner Co., in a “hands-on” demonstration and presentation on state-of-the-art architec-



tural sheet metal practices: “When we talk about quality, we’re not just talking about today, but also tomorrow, and on into the future.

From **Mark Watson**, president of SMACNA—in answer to a question on the new MasterFormat ’04: “We wanted to see to it that the bid documents changed [to have separate bids for HVAC and plumbing]. They have been—against the noise of other crafts that didn’t want them changed . . . If our contractors will take the risk to bid the HVAC spec directly—they can bid it, win it, and not be a subcontractor to anyone. It’s our labor and our equipment!”

From **Peter Cockshaw**, construction labor expert (and newsletter publisher), who was asked to provide perspective on the Partnership Conference as the last speaker: “When labor and management come together, it’s so powerful . . . You can take these ideas [from the conference]—successful ideas—and implant them . . . anywhere!”

### MORE AVAILABLE ONLINE

Presentations from many Partnership Conference speakers, as well as supplemental material from some, can all be found (and downloaded) on the Sheet Metal Partners site—at this Web address: [www.sheetmetalpartners.org/news\\_events/partnership\\_conf.cfm](http://www.sheetmetalpartners.org/news_events/partnership_conf.cfm). ■

NOTE: SALIMANDO AND KAARIN ENGELMANN, VIRGINIA-BASED WRITERS WHO WORK REGULARLY WITH THE SHEET METAL PARTNERS, WROTE THE ARTICLES IN THIS ISSUE. SALIMANDO IS EDITOR OF PARTNERS IN PROGRESS.



'The industry will advance with apprentices who have a constant hunger for new skills and knowledge.'

—David Norris

"Apprentices are the future of the union sheet metal industry," said SMWIA General President Michael J. Sullivan.

If the 36 apprentices who competed at the 32nd International Apprentice Contest in Las Vegas are any indication, that future looks hot. "These apprentices are the best of the best," added Dennis Murphy, of the International Training Institute (ITI).

Competitors took top honors in local and regional competitions through the United States and Canada. "Success at this level requires good training and lots of studying," said Jason Fulton, winner of the 2nd year competition.

Jason Ferguson, who won the 3rd year contest after placing second at the International level last year, said the experience has boosted his confidence. "It is a testament to the great program in Kansas City," he added.

## APPRENTICE CONTEST

### The One Sure Thing In Vegas

Yes—the 32nd apprentice contest ended with first-place finishes and others. But every contestant was and is a winner...as are, in the end, the contractors, local unions, and customers in the future.

By Kaarin Engelmann

'Success at this level requires good skills—and a lot of studying.'

—Jason Fulton

#### SKILLS PUT TO THE TEST

"Tests" in the contest's three days tried participant skills at shop fabrication, drafting, reading plans and specifications, welding, and a two-hour written exam. ITI conducted the contest, providing the Contest Committee and Judges.

As their hands-on projects, second-year apprentices crafted lanterns out of sheets of copper; third-year apprentices were each asked to create a planter. Fourth-year apprentices showed off their skills fashioning flashy copper bird feeders.

Hosting the contest was Local 88's recently upgraded training facility, a showplace. Featuring interactive classrooms filled with computers and labs furnished with the state-of-the-art equipment, the Las Vegas facility is to be the site of all future instructor training classes.

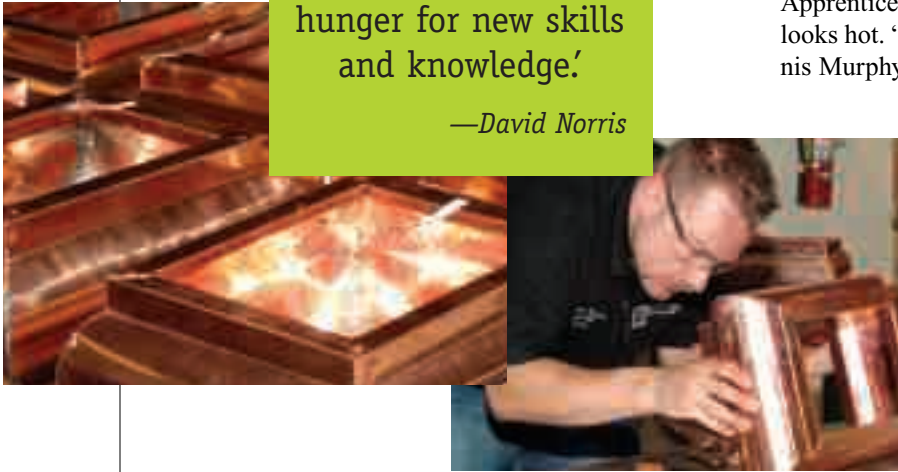
"It is a template of what we should have in all our training centers," said David C. Milano of Aero

Heating & Sheet Metal, Inc., in Novato, Calif.

Milano was one of more than 500 SMACNA contractors and officials and SMWIA local union officials who ventured over to the facility (cutting some time out of other Sheet Metal Week events) to see the contest first-hand.

#### MOVING FORWARD

At the competition's awards ceremony, David Norris, co-chairman of ITI's board of trustees, commended the competitors. He



## Top Apprentices

Contestants who traveled to Las Vegas—only 36 of them—were already recipients of top honors. These are the top 36 among 13,000 indentured apprentices around the United States and in Canada.

Winners took home cash, a Lincoln Electric SP-135 Plus GMAW welding machine, and a \$5,000 INVESCO mutual fund. Second- and third-place finishers received cash awards.

### 4th Year Competition

- 1st place** Matthew T. Whitlock, Sterling, Illinois  
SMWIA Local 219 JATC  
Norstar Mechanical Industry
- 2nd place** William R. Wilkins, Bath, New York  
SMWIA Local 112 JATC  
Southern Tier Custom Fabrications
- 3rd place** Marcus J. Sam, Tempe, Arizona  
Phoenix Local 359 Sheet Metal JATC  
Metro Mechanical, Inc.



*Matthew T. Whitlock*

### 3rd Year Competition

- 1st place** Jason E. Ferguson, Edwardsville, Kansas  
Apprentice and Journeyman Training Fund  
of SMWIA Local 2  
J & L Sheet Metal, Inc.
- 2nd place** Gene C. Staton, Genoa City, Wisconsin  
SMWIA Local 265 JATC  
Metal Master
- 3rd place** Kevin M. Taylor, New Westminster, British Columbia  
Local 280 Sheet Metal Industry Training Board  
Fraser Valley Refrigeration, Ltd.



*Jason E. Ferguson*

### 2nd Year Competition

- 1st place** Jason W. Fulton, Belmont Michigan  
Local 7 Western Michigan Sheet Metal JATC  
Certified Sheet Metal, Inc.
- 2nd place** Brian E. Dahlman, New Lenox, Illinois  
SMWIA Local 265 JATC  
Dahlman Sheet Metal, Inc.
- 3rd place** Christopher R. Whatley, Senoia, Georgia  
George Sheet Metal JATC  
Perimeter Sheet Metal, Inc.



*Jason W. Fulton*

urged them to continue raising the bar within the sheet metal industry.

“In the past, our fathers and grandfathers took our industry to a great future,” Norris said. “We are counting on

apprentices like you to take us to new trails and have a constant hunger for new skills and knowledge.”

About 13,000 union sheet metal apprentices are currently in training in North America. ■

# Did Somebody Say 'Piecework'...?

Yes, you heard it right! Once taboo, compensation via 'piecework' is one tactic the SMWIA-SMACNA team will use to capture residential market share in Florida.

By Kaarin Engelmann

**S**hould SMWIA and SMACNA strenuously try to regain a significant share of the residential market? During 2004's first four months, private residential work grabbed 55% of construction spending. Separately, McGraw-Hill Construction's data showed housing up 20% at \$100 billion, compared to 2003's first four months.

Non-residential contracts, at \$27.5 billion, were down 4% vs. 2003; public construction, at \$45.3 billion, was off 3%.

"We can't let this market go; we must go out and get this work," proclaimed Tom Kelly, SMWIA's general secretary-treasurer.

Thus, with a certain "Yes" answer, the discussion turns to...How?

## GROWTH MARKET LABORATORY

In Florida, their chosen market-expansion laboratory, SMACNA and SMWIA are together pursuing a significant, effective, and previously "taboo" tactic: Piecework.

"When the idea for a piecework contract was introduced, it was met with skepticism," said Susan Karr, executive vice president of Florida SMACNA. However, only about 10% of all construction work in Florida and less than 1% of new residential construction is performed by members of the SMACNA-SMWIA team.

Obviously, there was little to lose. "Gaining even 1% of the market would be huge," Karr said.



**'Our process  
was a  
collaborative  
effort.'**

*Susan Karr*

Six months after they first broached the idea with each other, SMWIA and SMACNA parties in Florida signed an agreement that addresses that state's unique market conditions.

## FLEXIBILITY FOR ALL

"Our process was a collaborative effort," Karr explained. Contractors and union leaders worked together to determine material and equipment costs and installation man hours for typical Florida houses.

"It won't help to win the contracts if we don't have qualified union labor to take on the work," Karr says. "The piecework incentive program gives the sheet metal workers flexibility as well as the ability to make a decent wage."

Within one month of putting the agreement into play, SMACNA and SMWIA are seeing results. John Parker, Business Manager of Local 435, reported in May that a Jacksonville non-union contractor, impressed by the new approach, has become signatory to the contract.

Much more work remains. According to Mike Jeske, business manager for SMWIA Local 15, the next steps include signing additional contractors, targeting campaigns to national home builders, and recruiting workers from the non-union sector.

## A TEMPLATE FROM TORONTO

Florida's piecework agreement was based on a successful housing addendum in Toronto. Using this addendum, Toronto's unionized contractors captured 90% of new residential low-rise construction work in 2003.

SMWIA Local 285's piecework addendum has been in place for more than 30 years. "We are certain that piecework contributes to our success in the Toronto area," said Angelo Bozzato, Local 285 president and training coordinator.

"For contractors, piecework makes labor costs known ahead of time. Taking out the uncertainty eases project management," added Bob Gougeon, Local 285's business agent. "Also, contractors' profitability increases when workers have incentive to complete more jobs." **CONTINUED ON PAGE 16**





# Local 66 Does Something About The Weather!

*'Everyone talks about the weather, but no one ever does anything about it.'*

That can be applied to the non-union element's so-called 'apprenticeship' programs, too. In Washington state, they did something about it—decertifying a four-trade ABC program.

Perhaps this scenario is familiar in your area: Sheet metal union members and contractors put time and effort into the SMWIA-SMACNA apprenticeship program. The result is a thriving program with graduates who are qualified to do the work.

There's also some kind of non-union apprenticeship program in your area. It gets equal (or better) press. The word "sham" comes to mind; there is little, if any, actual training going on. Few, if any, graduate. Those who graduate aren't really qualified.

What can be done?

Your knee-jerk answer might be "not much." But that's not the answer they gave in Washington, where Charles Mulcahy and John David of SMWIA Local Union 66 succeeded in a campaign to get a bogus non-union training program decertified.

## FOUR TRADES, NO TRAINING

Operating on the east side of Washington state, the Associated Builders and Contractors program purportedly trained sheet metal workers, plumbers, painters, and electricians. Over time, members of the organized construction industry noticed that few, if any, graduates were materializing.

It has taken time, but the program was de-certified by the state of Washington. It has also taken work: The initial filing by Local 66 detailed 47 violations of the state's apprentice-

ship regulations—in 1,200 pages. Additional complaints were filed by IBEW and UA.

As described by Mulcahy (business manager) and David (business representative), some keys in the process were:

- Visits to the instructional facility.
- Hiring a former ABC instructor into the SMWIA-SMACNA fold.
- First-person testimony by Youth-to-Youth organizers, who enrolled in the "apprenticeship" program and kept daily logs.

## A SICKENING FEELING

While the de-certification victory is important, it is only one crack in a wall. If anything, the things Local 66 learned (and documented) are perhaps worse than anyone has previously alleged about non-union "training" programs. One gets a certain sick-to-the-stomach feeling upon getting details.

1. One becomes an "instructor" in the ABC program after only four hours of training.
2. Apprentices are allowed to sleep in class.
3. Attendance is not taken in class.
4. "There were apprentices training apprentices in that program," Mulcahy noted. "The on-the-job training they were getting was just plain inferior."

Is there any justice? Thanks to the hard work done by Local 66 and other members of the organized construction industry in Washington state, there certainly is. While it took time, the state authorities pursued ABC in a lengthy process. The program was, in fact, de-certified.

Some interesting results:

- a. Under Washington state law, ABC cannot apply to have its apprenticeship training efforts re-certified in the area for five years.
- b. Those enrolled in the ABC program were given the opportunity to enroll in local JATC programs in the trades.

CONTINUED ON PAGE 16

## Can You De-Certify ABC, Too?

Can de-certification be accomplished everywhere? While state laws differ, it's not impossible. Local 66 is more than willing to share its experience. For a start, download the 21-slide PowerPoint presentation from Mulcahy and David. To find it, go to the URL that follows and click on "ABC Apprenticeship Program."

[www.sheetmetalpartners.org/news\\_events/partnership\\_conf.cfm](http://www.sheetmetalpartners.org/news_events/partnership_conf.cfm)

# From The Horse's Mouth

If 'he who has the gold makes the rules'—what are the rules, anyway? Representatives from two large construction customers, American Electric Power and Merck, reveal what owners like them expect from their HVAC contractors and crews.

By Kaarin Engelmann

**“C**ontractors and union workers should remember that owners are their ultimate employer,” said Thomas Householder, director of Administrative Services for American Electric Power (AEP). “It’s important to learn what it takes to win our business.”

AEP, based in Columbus, Ohio, is one of the largest electric utilities in the United States. AEP and Merck (a global pharmaceutical company) each provided a speaker at the recent Sheet Metal Industry Week in Las Vegas.

“Our primary interest is safety. We are also concerned about improving the quality and speed of construction through technology deployment,” Householder said.

“Safety and quality of work is crucial in the highly-regulated pharmaceutical industry,” said Steve Mongiardo, senior director of Infrastructure and Environmental at Merck.

Another concern, according to Householder, is the declining quality of documentation. “We need contractors and workers who begin with the end in mind. Clear, useful documentation should be prepared from the start of a job.”

## **ADVICE: AVOID AMNESIA**

Once jobs begin, owners are affected by lack of harmony among the trades, Mongiardo claimed.

“Too many tradesmen become free agents when they hit the job site. Nothing is worse than different trades fighting on the job site. It hurts everyone involved,” Householder reported. “Settle things at pre-job conferences and don’t get amnesia when you arrive for work.”

“Of course, competitive pricing is always at the top of our list of needs,” Mongiardo added. He believes that Merck gets more competitive bids because the company employs both union and open shop



**‘We need contractors and workers who begin the job with the end in mind’**

firms. Still, he admits, non-union contractors often expend more man-hours to do the same job as a union contractor.

Between 1997 and 2003, Merck averaged more than 2,000 tradesmen in their domestic facilities. Workers in the building trades put in more than 3 million man hours annually at Merck.

## **FUTURE WORKFORCE CONCERNS**

One of the most serious concerns of owners is the acute shortage of skilled craft workers. “Our internal workforce is aging. The average age of a maintenance worker is 47.2 years. Approximately 20% of this workforce will be of retirement age in 4 years,” Householder said.

Trying to find replacements for the internal workforce isn’t easy. “Numbers of craft workers in the external labor pool have declined as a result of retirement, difficulties in recruiting, and the fact that industry simply hasn’t provided enough work,” Householder said.

“We need to recruit young people into the workforce by revitalizing the image and attractiveness of the industry,” Mongiardo noted.

According to Householder, owners need to do their part to address manpower shortages. “We must travel to recruiting sites, colleges and technical schools, and even elementary and middle schools to discuss construction opportunities. We need to communicate the positive side of the construction industry.”

Associating craft jobs with particular workplaces helps trainees get a clearer sense of how they will apply their knowledge and skills, he said.

Both Householder and Mongiardo see former military with trade experience as an excellent focus for recruiting efforts.



**‘One key owner concern: The aging workforce—and an acute future shortage of skilled craft workers.’**



# Get Buff In Architectural Metal

Sheet metal workers and contractors need to take another 'look' at the most visible projects involving our industry—architectural sheet metal.

By Kaarin Engelmann

In the beginning, there was architectural sheet metal.

...Copper roofing shone brightly in the morning light.

...and it was good.

Over time, sheet metal frequently became invisible, hidden behind walls and under floors. Many sheet metal workers stopped performing architectural work. Over time, some architectural metal roofing work even wandered off—way off—into the jurisdiction of other trades.

"We used precedent when we fought to bring architectural roofing work back under the jurisdiction of the sheet metal industry in New York," said Larry Plevy, president of Schtiller & Plevy, a New Jersey-based contractor.

Plevy not only knows his history, but also he knows the value of such knowledge. His firm specializes in historic restoration, including fabricating and installing corrugated metal siding and standing-seam and batten-seam roofing in various metals.

S&P is among only a handful of fully-accredited Historic Restoration Contractors in the New York metropolitan area.

"Engineering and building technologies have come a long way in a hundred years," Plevy claimed. "We adapt new high-tech solutions to solve structural problems in historic buildings."

His company's recent work includes restoration of the Hoboken Rail Terminal, with a copper façade and copper windows and cornices.

## IT'S MODERN, TOO!

"Architectural sheet metal is not just for historic buildings," said Dennis Bailey, vice president of operations for San Diego Sheet Metal Works. He also chairs the JATC for SMWIA Local 236. "It is being incorporated into all aspects of modern buildings."



Bailey's firm had nine airports across the country under contract last year, including those in Seattle and Houston. "People don't realize how much sheet metal goes into an airport, subway or bus station. There are metal ceilings, roofs, furniture, and ticket kiosks," he noted.

San Diego Sheet Metal Works' competes with specialty manufacturers by performing all of fabrication work for a project. "Using our shop, we provide a single source instead of the 60 required when shopping item by item," Bailey said.

Typically, the Santee, Calif.-based contractor doesn't bid jobs. Rather, it sells shop fabrication services to the prime contractor.

"We are looking for people across the country who are willing to partner with us. But too often, sheet metal contractors don't look at public transportation jobs. These jobs end up going to carpenters or other trades," Bailey reported.

Of course architectural sheet metal work is "visible," but Bailey urged efforts to increase visibility among sheet metal contractors and their workers—in effect, to "take another look" at the opportunities.

## ADDING SKILLS

Whatever the contract—whether historic building restoration or creation of a state-of-the-art ticket kiosk—Plevy contended that contractors with trained and qualified labor will be more likely to bid on architectural work.

Addressing this need, the International Training Institute has developed a class to enable instructors to teach architectural sheet metal programs at their local JATCs.

According to Michael Miller, of ITI, the program provides basic information on architectural fabrication and installation practices and an overview of the different types of materials and application procedures in use. ■

I N D U S T R Y W E E K I N P I C T U R E S



I N D U S T R Y W E E K I N P I C T U R E S



# Let's Do The Math!

Profits in residential work are as much as six times higher than those in the commercial HVAC sector. Contractors with vision—and the right service technicians—can build a future for themselves and the SMWIA-SMACNA team in residential service work.

By Kaarin Engelmann

**A**lthough residential work offers net profit levels up to 20% (versus the 3% typically available in the commercial sector), many SMACNA contractors and SMWIA workers have written it off.

Not a good idea, said Ruth King, CEO of HVACChannel.tv. “Residential service work offers another revenue stream when construction is slow. It evens out cash flow because your customers need you year-round.”

According to John L. Hughes, Jr. of FMI Corp., residential HVAC service and retrofit expenditures in the United States are about \$12 billion annually, with 11% growth expected over the next two years.

“The industry can’t afford to let this market go,” said Tom Kelly, SMWIA general secretary-treasurer.

## ABOUT THE ‘HOW’

What does it take to make a success of residential work?

Participants at a residential market focus group—SMACNA-member HVAC contractors—concluded that new construction is not the right segment to enter because it is highly competitive and margins are low. The focus group, sponsored by SMWIA and SMACNA, was moderated by Dan Sklaire of Systems Research Corp.

“Maintenance, service, and replacement work are ways to succeed in residential contracting,” Sklaire reported, based on the research session.

FMI, the leading construction industry consulting firm, performed follow-on research. Data uncovered also indicates that the residential service/retrofit business is less price sensitive and “easier” to crack.

“This market is accessible, but it requires discipline, vision, and the commitment of union and management resources,” Hughes reported.

## A DIFFERENT MINDSET

Part of that discipline and vision means remembering that service is not construction, King noted: “It is a different mentality. For example, you may get service calls at 2 a.m.; you’ll have more, smaller invoices; but also you’ll get paid when you complete the work...not 30 or 60 or 90 days later.”

One resource that cannot be neglected is service techni-

“The industry can’t afford to let the residential market go”

—Tom Kelly

cians. “Residential service techs need a specific set of skills, including the ability to converse with homeowners,” King said.

Tom Piscitelli, president of Applied Learning Associates, an HVAC sales training company, agreed. “The best service techs are confident and comfortable with talking with customers. They understand that it is vital to build personal relationships and look for opportunities on every service call,” he claimed.

“Technical skills are important, but it is people skills that bring customers back year after year,” according to Butch Welsch, owner of Welsch Heating and Cooling Co. in St. Louis.

“Find someone with selling experience,” King advised. “You can train the technical part.” Technicians have a built-in connection to your customers. “They are in the right place at the right time to make a sale.” ■



# Source Of HVAC Expertise? *It's The Whole Industry!*

**A** stranger to SMWIA and SMACNA, upon looking at the accompanying logo, might tell us, “You got one heck of a lot of moxie, claiming to have HVAC Expertise.”

And he might be half-right—sometimes it takes a bit of self-possession to state the obvious! Beyond that, you’d know from such a statement that the stranger could not possibly have attended Industry Week, the May 2-8 event in Las Vegas.

Even those on-site could not get their arms around the vast span of Industry Week events. For an idea, here are snippets from Wednesday morning, May 5:



- At the Local 88 training center, 36 top apprentices were enduring tests of their know-how.
- A general session for Trustees was sponsored by the International Foundation of Employee Benefit Plans.
- Industry trainers were taking one part of a multi-day OSHA 500 course.



- Tony Picarazzi of SMWIA talked with attendees about Effective Communication.
- Tony Piscitelli of Applied Learning Associates led a session on Service Technician Training.
- A shuttle bus ran to Local 88, taking conference attendees to see the apprenticeship competition.
- “Seismic Restraint” was the subject of a 90-minute presentation by Robert Wasilewski of SMACNA’s technical staff, while in another room Eli Howard, the technical group director, covered duct leakage and fire stopping.



- After Eli and Bob were done, SMACNA tech staffers Bill Navas (Round Industrial DCS) and Peyton Collie (IAQ) offered 90-minute pre-lunch presentations.

- Roger Hoover of Non-Crisis Management, Inc. discussed “Basic Sheet Metal Estimating.”
- A session on “Lean Production Process” was led by TQM Program Management’s David Skinner.
- In addition, the conference’s Health Fair continued; it attracted a high rate of participation.



That’s 13 items, most of them happening at the same time on one Industry Week morning. We picked Wednesday on purpose, as the Partnership Conference (subject of much of this issue’s special coverage) ran Monday-Tuesday only.

## BEHIND THE LOGO . . .

Beyond those “happenings,” there was a great deal of accumulated HVAC knowledge, skills, and experience walking the halls of the Industry Week venue. Consider:

- Those 36 apprentices were selected from local competitions. They rose to the contest’s finals based on what they learned on job sites from SMWIA journeymen and from JATC instructors in classrooms.



- While Eli, Bob, Bill, and Peyton do yeoman work, when they create new technical information or update existing documents, they are adding to what has come before—SMACNA as *the* source for standards.
- Even that Health Fair is not a staple of contractor-union meetings; not every labor-management cooperation effort features a SMOHIT ([www.smohit.org](http://www.smohit.org)).

So while the first-ever Industry Week was unique, it was more a sharing of information and a culmination of individual and group activities that, in some cases, transcend generations. If that stranger should ask you, a member of the SMWIA-SMACNA team, where on earth you find HVAC Expertise . . . you can legitimately answer:

*“I see it in the mirror, every morning!”* ■



# Markets & Trends

## IAQ MARKET ESTIMATED TO GROW AT 11% ANNUALLY TO 2008

According to one research estimate, the overall indoor air quality (IAD) market in the United States was \$5.6 billion in 2003. After five years of 11.1% compound annual growth, it should hit \$9.4 billion by 2008, according to Business Communications Company.

According to BCC:

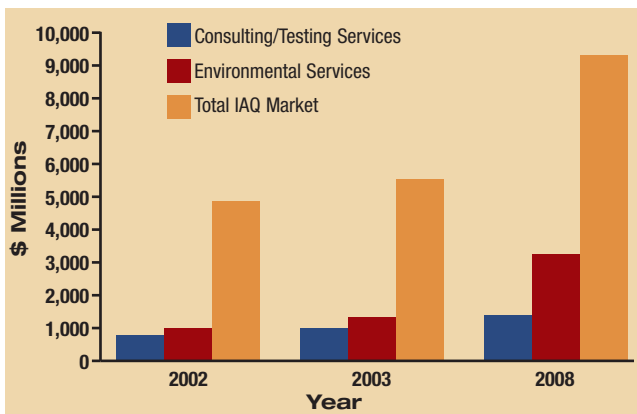
IAQ equipment sales will rise by nearly 7% annually, from \$3.3 billion in 2003 to \$4.6 billion in 2008.

Consulting and testing services, at \$950 million last year, will gain 8.1% each year—hitting \$1.4 billion.

Environmental services—such as those provided by HVAC contractors—will grow at a stupendous 21.2% annual rate in the five-year period. Estimated at \$4.9 billion in 2002 and \$5.6 billion in 2003, environmental work will bring in \$9.4 billion in 2008, BCC projects.

According to the research firm: “Currently there are 213 million facilities in the U.S....that can be expected to seek IAQ solutions in the very near future.”

That figure takes in schools, healthcare facilities, commercial buildings, and owner-occupied housing. ■



## PIECEWORK CONTINUED FROM PAGE 8

*What about the workers?*

“There are many benefits for workers. Piecework allows them to maintain more flexible schedules,” Gougeon noted. “Since earnings are calculated by the piece completed and not hours worked, workers may adjust their schedules to work early or late or fewer than eight hours as long as the work gets done.”

## FUTURE FARE FORETOLD?

Additionally, piecework provides increased earning potential while maintaining excellent benefits and a good pension plan.

Local 285 provided details on earnings; all figures that follow were converted into U.S. dollars. The union indicated that:

- typical rough-in mechanics working 40 hours or less per week earn \$56,000 per year;
- 20% of workers earn \$88,000 or more per year; and
- 5% of the local’s piecework-paid members earn \$150,000 or more per year.

While relating his area’s history, Bozzato added a prediction: “Once our workers start using this system, many don’t want to work any other way.” ■



## LOCAL 66 CONTINUED FROM PAGE 9

## WHAT’S NEXT?

After sinking their teeth into ABC and ripping off a chunk of flesh, SMWIA Local 66 isn’t finished. The east-side ABC program had a graduation rate of 6.9%; in comparison, the ABC program in western Washington has a graduation rate

of (hold your breath)—0% (in comparison, the SMWIA-SMACNA graduate rates are 89% west and 54% east).

Obviously, Local 66’s answer to “what’s next” is to help the state take a sharp look at that western-Washington ABC program. ■

**Partners** **PROGRESS**  
 THE SHEET METAL INDUSTRY LABOR-  
 MANAGEMENT COOPERATION FUND  
 P.O. Box 221211  
 CHANTILLY, VA 20153-1211

Nonprofit Org.  
 U.S. Postage  
 PAID  
 Permit #354  
 Long Prairie, MN