

Alliances Conduct Joint Meeting

Ionia, MI – A joint meeting of the Mid-Michigan Construction Alliance and West Michigan Construction Alliance was conducted on August 6. Alliance presidents Andy Mosser, Mid-Michigan and Walter Christophersen, West Michigan hosted the event. Approximately 40 Michigan contractor and labor leaders were present for the luncheon meeting. A summary of issues important to Michigan’s construction industry are highlighted below.

Ed Haynor, Consultant for the West Michigan Construction Alliance reviewed the status of working with schools and municipalities regarding the responsible contractor initiative. Haynor stated that he can document about 45 schools who have adopted responsible contracting policies, although Michigan school board leaders tell him the actual number is nearer to 75. Haynor stated that a responsible contractor policy is a set of enforceable qualifications adopted by the building owner and incorporated into the job’s construction bid specifications. Once adopted and generated into bid documents, these qualifications let bidders know the owner wants competent and qualified construction firms and personnel to work on their construction projects. Haynor stated that responsible contracting is not about taking the lowest bid. It is, however, about taking the lowest “responsible bid.”

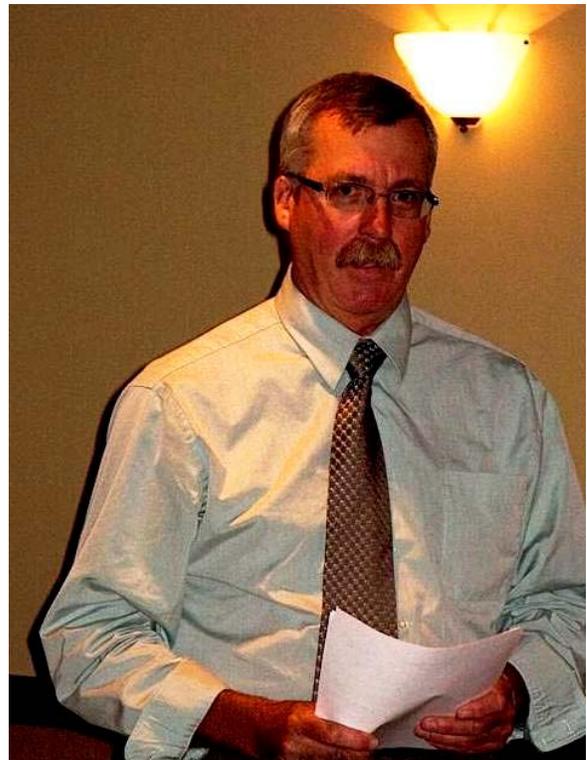
Former school superintendent, Bart Jenniches introduced himself to the membership. Jenniches has recently been retained by the Detroit Area Plumbers & Pipefitters in partnership with the Mechanical Contractors Association of Detroit. He stated that he has been busy visiting with school officials in Southeast Michigan and reports that Roseville Schools has just adopted a responsible contracting policy.

Pat Devlin, CEO, Michigan Building & Construction Trades Council reviewed the status of a variety of legislative bills pending in the Michigan legislature as well as issues important to Michigan’s construction industry including Public Act 141, Hire Michigan First legislation, Michigan Interagency Task Force on Employee Misclassification and the Right-to-Work (for less) concern.

Devlin reported that Public Act 141, which deals with the deregulation of utility rates is stalled in the Michigan Senate. It came out of the Michigan House with a great deal of support. He reported that the next meeting date to discuss Public Act 141 in Lansing is scheduled for August 13.

The Hire Michigan First legislation reported by Devlin that has passed the Michigan House would give preference for state tax credits and contracts to companies that employ only Michigan workers by ensuring that workers get the first crack at jobs created by companies that benefit from state economic development programs or tax breaks.

Michigan has a significant number of workers who are being misclassified as independent contractors that is hurting tax revenues and breaking state laws, according to Devlin. An Interagency Task Force on Employee Misclassification was created by Governor Jennifer Granholm under the auspices of the Department of Labor and Economic Development (DLEG), Management and Budget, and Treasury in order to determine the extent of the problem. Taxpayers are being hurt because businesses that misclassify workers don’t pay the taxes they should and legitimate construction



Pat Devlin, CEO, Michigan Building & Construction Trades Council discusses proposed construction legislation and issues important to Michigan’s construction industry.

contractors are being hurt because it inhibits their ability to compete with illegitimate construction contractors who cheat reported Devlin.

Devlin stated that the Right-to-Work (for less) campaign has become a state issue well funded primarily from powerful business groups and wealthy individuals in and out of Michigan. Devlin reported that he would not be surprised if the Right-to-Work (for less) issue becomes a future ballot initiative. Devlin reports that validated studies show that states that have adopted Right-to-Work (for less) statutes, increase corporate profits, workers make on average \$5,000 yearly less in wages, have no health care or pension benefits and worker safety and health is endangered.

Mike Crawford, Executive Director of the Michigan National Electrical Contractors Association reported on two issues, the process for hiring Michigan's new Director for the Bureau of Construction Codes and Fire Safety and Renewable Portfolio Standards.

Regarding the Bureau of Construction Codes position, the person selected, replaces Henry Green who has taken an new job out of state and it's important for the construction industry both labor and management to give their input to Keith Cooley, DLEG Director, Crawford stated.

Crawford discussed Michigan's 21st Century Energy Plan. Crawford stated that the plan, under a directive of Governor Granholm calls for the development of a comprehensive energy strategy for Michigan to offer safe, reliable, clean, and affordable supply of electric power, utilize energy efficiency, include renewable and emerging energy production technologies, identify new technologies and promote Michigan's interest in continued growth of alternative and renewable energy. Crawford discussed wind turbines as well as solar installations, which Michigan could build. Crawford concluded by saying that by 2016 alternative energy could be a 130 billion a year business.

Theo Pappas, Executive Director/Principal, Fanning/Howey Architects/Engineers, who was a special guest, spoke on "How do we better communicate our concerns with design professionals." He talked about the de-evolution of relationships between design professionals and contractors and the skill trades. Pappas told a number of stories about relationships he has had with numerous mentors who were a part of his own construction education. He stated that he believes there has become a great schism between master builders and owners. Builders become "contractors", and then construction managers. Construction Manager now act as "filters" between owners and everybody else, thereby inhibiting vital communion between architects, contractors, the skilled trades and owners.



Theo Pappas, Executive Director/Principal, Fanning/Howey Architects/Engineers, makes a point during his presentation on industry communications.

He talked about how complex architecture has become showing drawings from a recent project that had 151 sheets of architectural drawings vs. a job done nearly 100 years ago that had just 22 drawings. He gave many reasons why the amount of drawings have increased including issues of codes and life safety, technical standards and complexity of systems, infinite customer options, energy efficiency through LEED (Leadership in Energy and Environmental Design) standards, and legal and liability issues.

Pappas wondered if construction professionals are really reflecting our client's values, where faster/cheaper, more for less and throw away buildings have become the norm. He was also critical of today's use of the computer whereby today's construction students are whizzes at the computer but do they really know how to build a building?

So where do we go from here. He encouraged more ties directly with the trades and craftsmen and used the Masonry Institute as a positive example. Pappas stated that more involvement between the skills trades and architecture and engineering schools is needed; training of young craftsmen and artisans; raise the self-esteem of master craftsmen and teach architects how to build again, not just design; get rid of the low bidder mentality and initiate a quality-based selection (QBS) process to be used by owners that hire construction professionals similar to what the Alliances have advocated regarding responsible contracting in hiring contractors; and re-establish the trust in the construction industry and root out the unqualified bad guys.