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THE LEADING BUSINESS MAGAZINE FOR CONTRACTORS

When Disaster Strikes

5 HR lessons from Torrey Hawkins that revived his business after Hurricane Harvey

PLUS

3 more ways to transform your HR strategy

IN THE OFFICE
4 GROWTH BARRIERS KEEPING YOU FROM YOUR GOALS

IN THE FIELD
5 WAYS TO BENEFIT FROM PROPANE AUTOGAS VEHICLES



Thomas "Torrey" Hawkins
Founder & President, Angler Construction

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FROM THE EDITOR | Kathy Wells

On our cover this month is Thomas "Torrey" Hawkins, founder and president of Angler Construction. As a 15-year veteran of the commercial construction industry, Hawkins has seen his share of what Mother Nature can do to commercial structures, as well as the businesses inside. From a human resources (HR) perspective, it's crucial to have a plan in place for occasions such as this: when disaster strikes. When handled incorrectly, rebounding from the unpredictability of a bad storm can tear a business apart. Turn to page 26 to read "When Disaster Strikes," in which Hawkins shares his firsthand experience of Hurricane Harvey and the five lessons he learned after bringing his business back to life after the storm.

Next in our cover series, we're pinpointing three shifts that can take your HR strategy to the next level. "What You Can Do to Build a More Engaged Workforce" on page 30 shares insight from some of the industry's top HR experts on how you can make the most of your recruitment efforts. On page 33, "The Doubt of the Benefit" covers what your business needs to know about quality, competitive benefits packages and how these can attract and retain valuable employees. And, closing our series on page 36, "Maximize HR Leaderships Effectiveness" provides five steps for taking your company's HR role from tactical and good to strategic and great. We hope these articles offer insight and new ways to transform your HR strategy for the better.

Last month, our team pounded the pavement at The Work Truck Show in Indianapolis, Indiana, March 6-9, 2018. As anticipated, the show proved to be a hotbed for innovation in the industry, with the launch of many new vehicles in almost every weight class. A record 13,570 attendees saw new releases from Ford Commercial Vehicles (Class 1 Transit Connect Cargo Van), Hino Trucks (XL Series Class 7 and 8 trucks), Chevrolet Commercial Vehicles (first Silverado Class 4, 5 and 6 chassis cabs), International Truck (Class 6/7 MV Series), Mitsubishi Fuso Truck of America Inc. (gas-powered Class 4 and 5 FE Series cabover work trucks) and Ram Commercial (Ram 1500 Tradesman model). Many new truck and van bodies were also introduced, including some from Knapheide, Morgan Corporation, Morgan Olson, Omaha Standard Palfinger and Reading Truck Body. A highlight of creativity this year included Nissan's "Smokin' TITAN1" concept TITAN XD Gas King Cab truck, with an integrated in-truck-bed smoker and mobile kitchen. Visit constructionbusinessowner.com to read a recap of the trends facing the truck industry, as well as the latest releases from manufacturers we saw at the show.

This month, as part of our ongoing educational webinar series, CBO has partnered with Viewpoint to bring you "How to Master Technology Strategic Planning." With technology shifting from just enabling businesses with new capabilities to influencing how a business operates, it's important to learn how to properly leverage that tech to achieve your strategic business objectives. Join us for this webinar to explore the process of technology planning, including why business strategy is enhanced when companies have a supportive technology strategy; why businesses in today's environment need a technology strategy to properly serve their market and fully unlock the capabilities of their resources; and how to learn the framework for an exceptional technology strategy. Registration is free at constructionbusinessowner.com/webinars.

Next month, in partnership with Procore, we'll bring you yet another great webinar, answering the question: "What Does Lean Really Mean?" Lean construction provides simple procedures for improved work efficiency, so construction firms can get more productivity out of their project teams and workforce. Join us to uncover what exactly "lean" means in a construction setting, the benefits of lean construction and lean construction principles you can apply to your business.

One more thing—theHuddle, CBO's latest e-newsletter, is changing the way the construction industry looks at news. If you haven't signed up yet, visit constructionbusinessowner.com/subscribe to get your copy. In this bi-weekly e-newsletter, our team provides the industry's top news in a quick summary format for theHuddle subscribers—all in one easy, 4-minute read. When it comes to keeping up with industry topics you need to know about, we hope you'll continue to look to theHuddle.

Take good care,



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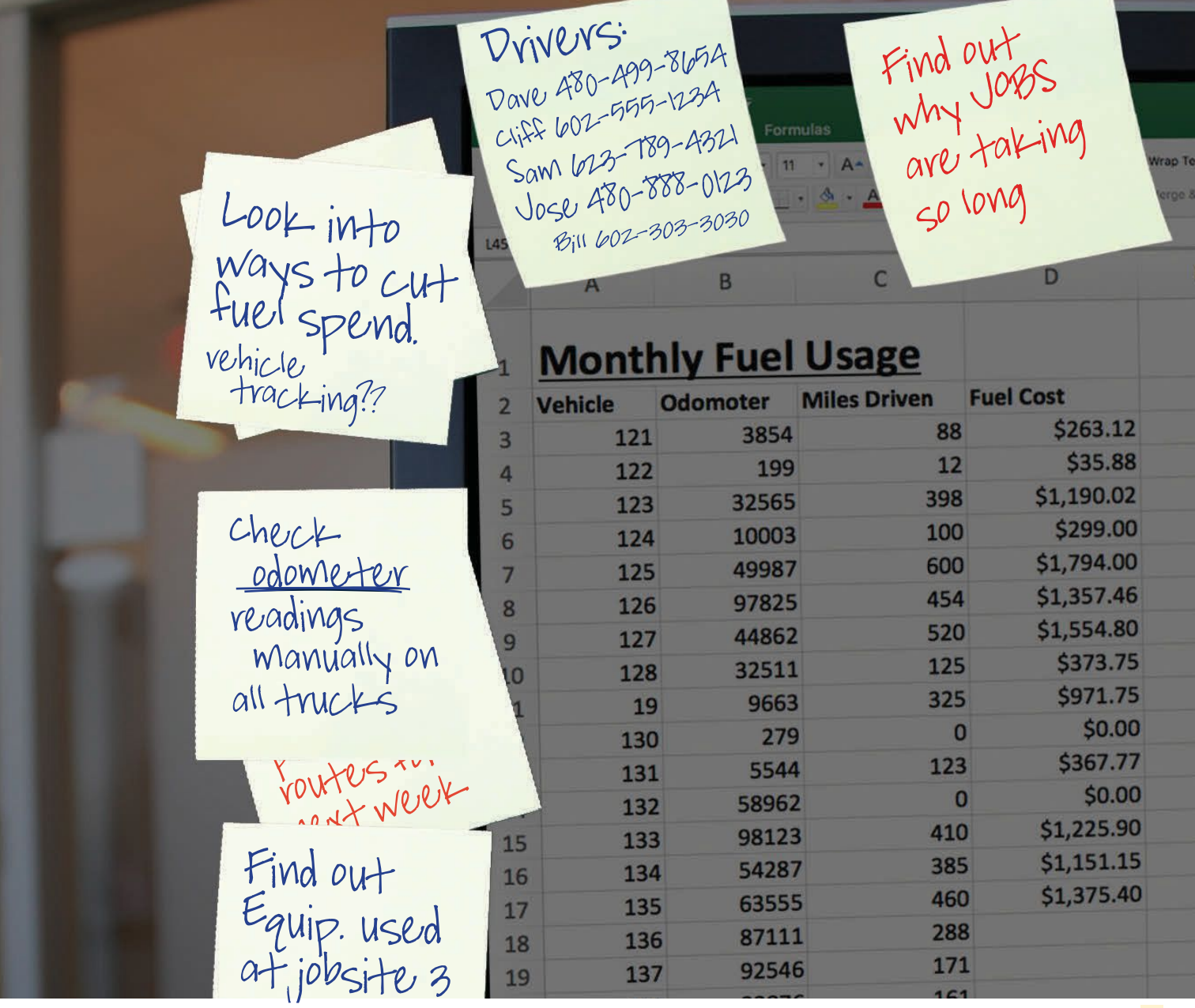
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APRIL



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▶ NAPA Installs 2018 National Officers

Craig Parker was sworn in as 2018 chairman of the National Asphalt Pavement Association (NAPA) at a ceremony during the association's 63rd annual meeting. As chairman, Parker is responsible for guiding NAPA's efforts to support the asphalt pavement industry. Parker is executive vice president of Silver Star Construction, in Moore, Oklahoma. The company operates an asphalt plant and offers paving and related construction services in the Oklahoma City area. Other national officers serving with Parker for 2018 on the NAPA board of directors are as follows: First vice chairman—John Harper, president of Wiregrass Construction Co. Inc. in Dothan, Alabama; Second vice chairman—Dr. James Winford Jr., president of Prairie Contractors Inc. in Opelousas, Louisiana; Third vice chairman—James Mitchell, president of Superior Paving Corp. in Gainesville, Virginia; Secretary—Brady Meldrem, president of Norris Asphalt Paving in Ottumwa, Iowa; Treasurer—Timothy Lee, chief executive officer (CEO) of Lakeside Industries Inc. in Issaquah, Washington. The NAPA Board of Directors is responsible for the governance and oversight of the operations of the National Asphalt Pavement Association. Visit pavement.org.

▶ Dotson Promoted to President at Cultec

Fred Dotson has been promoted to president of Cultec Inc., a Brookfield, Connecticut, manufacturer of plastic stormwater chambers for commercial and residential projects. Dotson succeeds Robert DiTullio Jr., who will become the business's chief business development officer (CBDO). Robert DiTullio Sr., who founded the company in 1986, is the company's CEO. "I'm proud to be a nonfamily member that could step up and assume this role," said Dotson, who joined the company in 1997. "My immediate goal is to get everybody working together like a finely tuned machine. That includes all the departments—technical support, sales, testing, production and design. It's essential to work together as a team." Dotson, a resident and native of Connecticut and graduate of Western Connecticut State University, joined Cultec's sales team at the outset of his professional career. He has helped increase Cultec's market share and rose to the rank of vice president. In his new role, he will oversee the business's daily operations. Visit cultec.com.

▶ Komatsu America Signs Agreement to Purchase East Coast Distributor Pine Bush Equipment

Komatsu America Corp. announced that, through its subsidiary F&M Equipment Ltd., it has entered into a purchase agreement with Pine Bush Equipment (PBE) Group, consisting of Pine Bush Equipment Co. Inc. and East PBE Inc., to purchase the assets of PBE group. The purchase is subject to a period of due diligence and final approval of Komatsu Ltd. (with the exception of the Kubota line of equipment and parts). The new entity, to be named later, will assume PBE Group's trade territory, which ranges from all of Connecticut, excluding Fairfield County, to select counties in southeastern New York state. This includes all Komatsu construction, mining and utility equipment sales and rentals, parts, service and customer support activities. The Boniface family, who launched Pine Bush Equipment in 1956, will continue with the new operating company, providing continuity and support. The new unit will support Komatsu's long-term, strategic plans to grow and strengthen the distribution channel. Once the sale is complete, the new entity will be part of a much larger group of premiere distributors, which for customers, will mean more equipment and parts inventory availability and greater service and support resources. Substantially, all employees, facilities and customer support infrastructure from PBE will be retained. Visit komatsu.com.

▶ ALLU Appoints New Vice President of Sales

Continuing its global expansion, ALLU has announced that Jeroen Hinnen has been appointed its new vice president of sales. Dutch-born Hinnen has a wealth of sales and business development experience to the role, having built up an impressive track record of success in a variety of companies across the globe. Visit allu.com.

▶ Ryan Specialty Group Announces Agreement to Acquire New Day Underwriting Managers LLC

Ryan Specialty Group LLC has announced it has reached a definitive agreement to acquire the assets and operations of New Day Underwriting Managers LLC (New Day), a specialty intermediary with offices in Hamilton, New Jersey. New Day will become part of R-T Specialty LLC (RT Specialty), the wholesale brokerage unit of Ryan Specialty Group (RSG). "This is a great opportunity for New Day to maintain its focus on environmental and construction-related professional liability and to leverage the resources of a larger organization," said Jeff Slivka, president of New Day, who will lead the environmental and construction professional liability practice group. Visit ryansg.com.

▶ GZA Acquires Emery & Garrett Groundwater Investigations LLC

GZA GeoEnvirnmental Inc. (GZA), a Norwood, Massachusetts-based, multi-disciplinary company providing geotechnical, environmental, ecological, water and construction management services, announced the acquisition of Emery & Garrett Groundwater Investigations LLC (EGGI), a New Hampshire-based firm focused on groundwater exploration, development, management and protection. The acquisition of EGGI strengthens GZA's position as a provider of water-related services. The EGGI team will continue to provide consulting services to municipal utilities, public water authorities, hospitals, universities, Fortune 500 companies, developers, counties and state and federal agencies, with additional services now available to these clients as a result of GZA's comprehensive practice areas. James M. Emery, president and CEO of EGGI, said, "Joining GZA will empower EGGI to scale up our reach and impact." EGGI was most recently a wholly owned subsidiary of NextWater LLC. Visit gza.com.

10,000 *Engcon, a Strömsund, Sweden, manufacturer of tiltrotators—a tilting and rotating quick coupler for excavators—has delivered its 10,000th DC2 control system, which offers remote support via cellphone networks. Visit engcon.com.*

▶ PERC Promotes Jeremy Wishart to Director of Off-Road Business Development

The Propane Education & Research Council (PERC) has promoted Jeremy Wishart to director of off-road business development. Wishart has more than a decade of experience, knowledge and industry relations. In his new role, Wishart will lead propane application research and development and oversee market communication strategy and outreach in multiple outdoor power equipment market sectors that utilize propane applications, including commercial landscape, golf, sports turf, light construction and material handling. Most recently, Wishart served as deputy director of business development. PERC is a nonprofit that provides propane safety and training programs and invests in research and development of new propane-powered technologies, operated and funded by the propane industry. Visit propane.com.

▶ ARA Forecasts Equipment Rental Industry Growth to Nearly $60 Billion by 2021

In its latest 5-year forecast, the American Rental Association (ARA) expects equipment rental industry revenue to continue to grow consistently in the United States over the next 5 years, resulting in total revenue of $59.6 billion in 2021. According to the ARA Rental Market Monitor 5-year forecast updated in February, total rental revenue in the U.S. is expected to grow by 4.5 percent in 2018, 5.6 percent in 2019, 5.0 percent in 2020 and 4.4 percent in 2021. The February forecast is identical to the previous forecast released in November 2017 for 2018, with slight upticks in the expected revenue growth rates for 2019 through 2021. In Canada, equipment rental revenue is also expected to show consistent growth, reaching $5.35 billion in 2018 with growth rates of 4.1 percent in 2019, 5.0 percent in 2020 and 4.7 percent in 2021 to total $6.125 billion, which is nearly identical to the November 2017 forecast. Visit ararental.org.

▶ Kenworth Names 2018 Parts Council

Kenworth Truck Company has named its 2018 Kenworth Parts Council. Leading parts directors and managers from Kenworth dealerships in the U.S. and Canada serve on the council, which focuses on further enhancing parts quality and customer support for truck operators and fleets. The members of council are as follows: Chairperson—Jo Frost, Edmonton Kenworth in Leduc, Alberta; Cory Anderson, Murphy-Hoffman Company Kenworth in Leawood, Kansas; Eric Bontrager, Wisconsin Kenworth in Windsor, Wisconsin; Samuel Letendre, Kenworth Maska in La Présentation, Quebec; Lisa Nichols, Kenworth of Columbus in Hilliard, Ohio; Jeremy Thompson, Kenworth Northwest in SeaTac, Washington; Jeff Weaver, Truckworx Kenworth in Birmingham, Alabama; Clayton Zuchotzki, Greatwest Kenworth in Calgary, Alberta; Council Representative—Boyd McConnachie, Inland Kenworth in Burnaby, British Columbia. Kenworth dealers offer Kenworth proprietary parts and provide all-makes parts and service through more than 400 locations in the United States and Canada. Kenworth dealers also offer TRP parts. Visit kenworth.com.

▶ Darren Roos Appointed to CEO of IFS

Industrial and Financial Systems (IFS), a global enterprise applications company, announced it has hired Darren Roos as the chief executive officer (CEO). The appointment became effective April 1, 2018, and aligns with the retirement of Alastair Sorbie. "I am excited and privileged to lead IFS in this next chapter. The combination of its strong enterprise resource planning (ERP) heritage, leadership in enterprise assessment management (EAM) and financial services marketing (FSM) and exemplary customer satisfaction gives it the platform to play a dominant role in the enterprise software industry," Roos said. Visit ifsworld.com.

▶ Turner Construction Company Hires New Project Executive

Turner Construction Company, a North America-based, international construction services company in Nashville, Tennessee, has announced that Christian Lipke has joined the company as a project executive in the Nashville office. He will lead, manage and coordinate all phases of commercial projects from preconstruction through closeout and will contribute to business development initiatives. Lipke, a 35-year veteran of the construction industry, is returning to Turner after having served as a project manager from 1982 to 1993. In the intervening decades, he has held leadership roles on several large construction projects. "Lipke's deep expertise in managing logistical challenges and technical hurdles makes him perfectly suited as a leader on major commercial projects," said John Gromos, vice president and general manager at Turner. Visit turnerconstruction.com.

▶ Guardair Corporation Appoints New Director of Global Supply Chain

Guardair Corporation, a U.S. manufacturer of Occupational Safety and Health Administration (OSHA)-compliant safety air guns and pneumatic vacuums, has announced the addition of Mark Wysk as the new director of global supply chain. Wysk has 30 years of industrial purchasing management experience, including international sourcing, tool industry knowledge and materials expertise. In his new role, Wysk will support manufacturing through innovative sourcing strategies and optimizing cost-saving opportunities in conjunction with annual operating plans. His focus is building and strengthening partnerships, providing true strategic relationships. Wysk holds a master's degree in engineering management and a bachelor's in mechanical engineering, both from Western New England College. He currently serves as the president of the Institute for Supply Management of Western New England and has published articles in Supply Chain World Magazine and Cutting Tool Engineering. Visit guardair.com.

▶ Snyder Joins Peckar & Abramson New York Office

National construction law firm, Peckar & Abramson P.C. (P&A) has announced that construction attorney Mark A. Snyder has joined the firm's New York office as an associate. Snyder focuses his practice on construction disputes, commercial litigation and complex construction issues for general contractors in New York, New Jersey and Pennsylvania. He received his Juris Doctor from Seton Hall University School of Law and holds a bachelor's degree in political science with a concentration in American government and politics from Trinity College. Peckar & Abramson, P.C. maintains offices in New York City, New Jersey, Washington D.C., Miami, Chicago, Oakland, Los Angeles, Austin, Houston, Dallas and Pennsylvania and has affiliations with global firms in Latin America, London, China and India. In addition to its core construction practice, the firm has affiliated practice groups that counsel contractors on labor and employment matters, corporate and regulatory compliance issues and real estate matters. Visit pecklaw.com.

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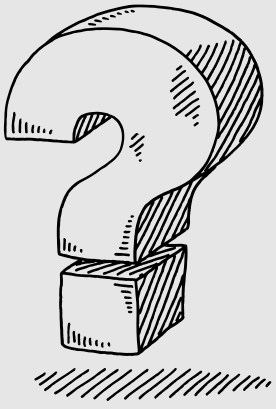
Preventing Injuries on the Jobsite

What is the best way to lower your experience modification rate (EMR)?



PHIL CASTO
Senior Vice President
Risk Services
HUB International

"The best way for a company to improve their EMR is to incorporate a comprehensive and detailed strategy that addresses EMR drivers, including previous losses and ways to prevent future loss. One step in improving the EMR is to implement a health and safety program that empowers employees to work safely. The program should outline employee education, hazard identification, incident reporting and a return-to-work program. Another step to improve the EMR is to launch a claim closeout initiative. Reviewing open claims with your insurance broker and carrier can sometimes uncover claims that should have the lower reserves or should be closed out completely. Old claims that are kept open can artificially inflate the EMR. The EMR calculation includes a discount on claims that are medical only, but does not for claims that involve an indemnity payment. Indemnity payments are compensation that the insurance carrier pays a sick or injured employee for lost wages due to a workplace injury and should be eliminated whenever possible. A formal return-to-work program that provides light-duty positions for an employee injured at work can eliminate indemnity payouts and keep employees at work.



Do you have a question for our team of experts?

We want to help you get the answers you need to improve your processes and make your jobsite more efficient.

To submit a question, email Managing Editor Elizabeth Manning at emanning@cahabamedia.com.



JORDAN WEBSTER
Safety, Health & Environmental Director
Balfour Beatty

"A company's EMR can either help drive growth or significantly hinder its success. Not only does a higher EMR cost the company more in insurance premiums, but it may also prevent procurement of new contracts. Three keys to lowering your EMR include:

1. *Safety program*—Just as companies put substantial energy into creating effective business models, the same effort should be invested into safety programs. The most important aspect is a detailed job hazard analysis (JHA), created with the help of those who perform the work.
2. *Claims*—Far too often, companies have little to no involvement in managing the care of their workers, which can negatively affect EMR rates. As part of their claims process, supervisors should accompany workers to the clinic to ensure proper and appropriate care is received. They should implement return-to-work programs that help employees get back to work sooner.
3. *Safety culture*—The most powerful way to lower EMR is by creating a true safety culture. When employees take ownership of safety for themselves and everyone around them, maximum success can be achieved. The companies with the best safety cultures are also the most successful in production and quality.

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Without Risk, There Is No Reward

3 growth barriers that keep you from reaching your goals



GEORGE HEDLEY, CSP, CPBC, is a professional construction BIZCOACH and industry speaker. He helps contractors build management teams and get their businesses to work for them. He is the best-selling author of "Get Your Construction Business To Always Make A Profit!," available on amazon.com. Email George at gh@hardhatpresentations.com to sign up for his free e-newsletter, start a BIZCOACH program, attend a 2-day BIZ-BUILDER Boot Camp or get a discount at hardhatbizschool.com online university for contractors. Visit hardhatpresentations.com for more information.

Ask George

To submit a question for George Hedley, email Editor Kathy Wells at kwells@cahabamedia.com.

Construction business owners usually begin their industry venture with a long-term vision of what they want their company to do for them. For example, when you buy stock in a public company, you want the stock to earn dividends and increase in value over time. When I coach contractors, I begin by asking, "What is your long-term vision? Can you define where you want your business to be in 5 years? To help find the answer to this complex question, my clients complete an exercise that explores:

- The type of company they want to build
- Growth and revenue goals
- Mark-up and net profit targets
- Management team structure
- Estimating and project management systems
- Systems, processes and technology
- Field safety, quality, production and equipment
- Customers and markets to attract
- The type of projects in which they prefer to specialize
- The owner's role and time commitment
- Wealth and investments
- Financial management standards

Once you have answered this question, your company must continue to grow at a steady pace and make a good profit margin to bring the vision to fruition. Without growth, overhead expenses and costs eventually erode your profits. In observing other new construction businesses, you might notice that some grow quickly for the first 4 to 5 years, flatten out and eventually stop growing. Others stop at two, three or four crews, while some grow to a higher level and then stop.

WHY DO COMPANIES GET STUCK?

Most firms eventually reach a roadblock, or what I call a growth barrier. At this point, the business owner typically doesn't want to take on more risk, let go of control or try new markets and project types. Stuck at the same level of performance year after year, the business owner can become frustrated, working at maximum capacity and getting little in return for the stress and workload they assume. They are left in the uncomfortable position of having sole responsibility for making all of the company's important decisions, being responsible for every aspect of operations and struggling to enjoy the benefits of business ownership.

WHAT CAUSES A GROWTH BARRIER?

Business owners want their companies to grow and make money, but as they grow, it becomes harder to do what is necessary to implement positive changes that will guarantee a bright, profitable future. They typically increase their workloads, taking on more duties themselves, which actually holds back the company from reaching its long-term vision and goals. In fact, a stuck business owner is generally the growth shut-off valve that restricts the company



from reaching its full potential. So, what are the reasons a growth barrier occurs?

1. FEAR

A stuck business owner is afraid and unwilling to do anything differently for fear of failure. They continue to conduct business the same way, waiting for something good to happen. These owners are afraid to make bad decisions, make mistakes, lose money, hire the wrong people, try a new project type, work for new customers and hold people accountable for results. They are stuck in their own comfort zones, without even truly being comfortable, a place from which no good things come.

Stuck business owners are afraid of losing control, and are, therefore, unable to delegate, let go or trust people. They don't think it is possible to find people as smart, responsible, caring or hardworking as they are. This fear prevents owners from hiring or building an accountable, responsible team of leaders and managers to handle the overall operations, projects, estimating, purchasing, decision making, contract management, sales and management of customer relationships. These duties are far too much for one person to handle successfully. As a result, the company cannot grow beyond the owner's capacity to do the work alone.

Similarly, because they are so busy carrying the company alone, many owners tend to tolerate poor performers and avoid confrontation with those who should be held accountable. They make exceptions and allow people to neglect company standards and systems while refusing to hire or fire. For them, it seems easier to control and micromanage, fearing the risk is greater than the potential reward.

2. LITTLE TO NO MARKETING

Most stuck construction business owners avoid selling or marketing their company. They are uncomfortable calling on customers and investing in a proactive customer-building program. In reality, the owner is generally the best salesperson in the company. They know the company best and have the most invested. Rather than spending time and money targeting and acquiring potential customers, stuck business owners take the easy route of offering low-price bids to win work. With a zero-dollar marketing budget and no written sales development plan, low-bid companies struggle to win profitable, high-margin work or develop loyal customers. The typical no-cost marketing plan for these fearful companies is to do good work and hope potential customers call them, only to end up on a bid list with too many competitors.

3. LACK OF STRUCTURE

Without written, implemented and tracked business systems and processes, companies have a difficult time growing. The owner can't delegate to good people without good systems, a detailed organizational structure, a clear chain of command and a detailed level of authority. To make sure things are completed effectively, each worker needs a clear position description, including the expected results, a scorecard tracking system and a management enforcement system. In the absence of these standards, an owner will spend far too much time verifying that tasks are being completed the way he/she wants them completed, rather than using that time to grow the company. This constant verification will keep the company stuck in place.

WHAT ARE YOU AFRAID OF?

When fear holds you back, you cannot reach your full potential. When you hold too many of the company's responsibilities, your business will remain stuck at the same level earning mediocre results.

With you responsible for everything, your people will not take on more responsibility. When you are constantly afraid of what might happen if you make a decision to hire or fire, you remain stuck. When your only sales development plan is to offer the minimum at the lowest price, you cannot make enough money to hire great people or find loyal customers who will award you high-margin work. Without the right systems in place, it is impossible to delegate responsibilities to others. Without risk, there is no reward. **CBO**

Lights, Camera, Build

The evolution of the talent director in today's construction organizations



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Consider how time has evolved certain roles within organizations. For instance, 40 years ago, corporations staffed full-time safety professionals to lead and support their endeavors in the life safety arena. Today, that same role continues to evolve, with the incorporation of risk management as an overarching theme. Similarly, information technology's speed and trajectory has rapidly morphed the human resources position, which was once often relegated to the margins of simply maintaining hardware, to that of a niche position that complements the financial, risk management and business development roles, handling everything from the company website and social media sites to data security. Often, the term "human resources associate" evokes images of a stodgy paper pusher who either helps process required paperwork during hiring or shows up on that fateful last day of employment. While this imagined job description may be an exaggerated stereotype, it is no longer enough to drive proactive and progressive strategies. Instead, today's successful corporations require a talent director.

LIGHTS

An essential goal of every company should be to cultivate human capital. With the prevalence of human resource issues surrounding the industry and the perceived inability to find experienced employees, it would be grossly negligent not to execute a plan of action centered around finding and retaining talent.

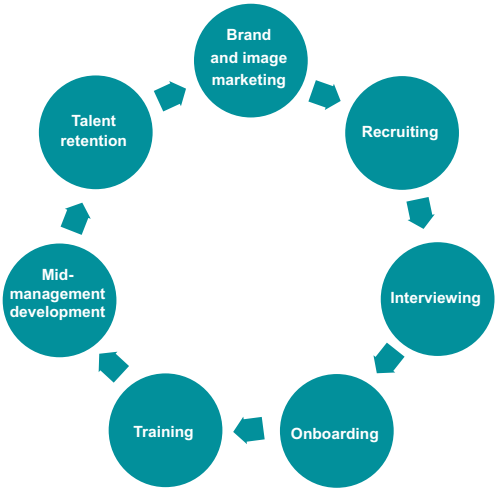


Figure 1

Consequently, construction businesses should closely examine every aspect of their human resources plan. Figure 1 illustrates the life cycle associated with furthering employee growth.

Whether it relates to the company's image among those in the candidate pool or the way in which managers, supervisors and associates are continually developed throughout their careers, it quickly becomes apparent how vast and complicated the human capital component of a strategic plan can be. Unfortunately, too often, the steps of human capital development

become side projects of other roles within an organization instead of a main focus. Aspirational goals on planning day eventually seem to be distractions from what is perceived to be the real work, like project and finance management, leading to procrastination or total neglect of those goals.



CAMERA

In comparison with corollary positions in corporations, this does not mean the talent director becomes the owner, manager and sole practitioner of all things human resource-related. Just as safety is everyone's job, everyone owns an aspect of the people-growing goal, but the talent director is the champion of the cause. They serve as the driver of this critical initiative and live people-focused on a daily basis. They provide the cadence to which the organization marches, relative to specific items within the human resources world.

- *Organizational recruiting*—Whether they actively participate in college and high school recruiting or delegate specific team members to participate, the talent director heads the process to maintain routine contact rather than simply showing up when there is an employment need.
- *Personnel development*—Working with managers and associates to tie organizational goals with real-time personnel development and training targets is an essential role of the talent director.
- *Training*—Rather than create a blanket training program, the talent director identifies internal needs, which not only shores up deficiencies, but provides real education on new trends and thought leadership within the industry.
- *Professional development*—Acting as the dean, the talent director creates the curriculum, identifies the subject matter experts (internal and external) and, most importantly, creates accountability to drive adherence to training and education standards.

Talent development is not just for mega-organizations. While establishing what seems like a full-service university within a corporation sounds like a daunting task, consider instead the benefit of a well-defined, structured training program that is united with the company's strategy and long-term wellbeing.

BUILD

Many organizations manage the business from the sidelines, determining there is no long-term efficacy to be achieved from a talent director. Owners ask, "Will this work for us? Is the construction labor shortage a short-term blip, or is this just the tip of the iceberg? How will we pay for it?"

First, it is important to push the issue of talent shortages to the side for a moment. As a leader, ask yourself what type of corporation you want to lead. Do you want to put human capital at the forefront, securing real talent, or treat it as an afterthought, settling for mediocrity? Leading organizations not only state their vision, mission and core values, but integrate hiring, recruiting and professional development strategies that drive real action to achieve adherence to those standards.

As a result, they are not reactionary pawns to macro-level forces, and their employees are empowered to help with the mission. So many companies are well-intentioned when it comes to training and associate development, only to have seemingly more imminent projects trump this essential part of the human capital cycle. Think of how often training gets put on the backburner and performance appraisals are delayed because of a challenging project. Similar to safety leadership, the talent director must be regarded as essential and revered. If they are not viewed as a true partner to operations, estimating and finance, associates will not only discount the validity and relevance of the position, but may subvert the intent of the strategic initiative all together.

The construction industry continues to grapple with an ever-changing environment. As ways of leveraging technology constantly need to be reevaluated due to continual change in the industry, the human element remains the one constant in all organizations.

Companies that take an active role in owning and directing the talent development process will certainly surpass those that merely consult an outdated human resources handbook when a new hire is needed. **CBO**

Managers Manage Things, Leaders Lead People

3 essential elements of a world-class safety program



JOHN J. MEOLA, CSP, ARM, is the safety director for Pillar Inc. in Richmond, Virginia. He has extensive experience in developing and implementing construction and industrial safety programs. Meola is a part-time instructor of occupational safety at Virginia Commonwealth University and serves as treasurer of the Colonial Virginia Chapter of the American Society of Safety Engineers. He is the author of The Construction Safety Guide and The Forklift Safety Guide. He is an OSHA 500 Outreach construction trainer in English and Spanish and presents webinars. Contact Meola at jmeola@pillaroma.com and visit pillaroma.com.

Are you still using Occupational Safety and Health Administration (OSHA) metrics as your safety standard? Do you plan on being in this business 5, 10 or 20 years from now? If you answered yes to both, you have a value conflict. Why accept some random statistical average composed of questionable data as your standard when it is more effective to create personalized best practices and performance metrics?

Some global giants in the construction industry tossed out the OSHA rule book, regarding it as marginally applicable for their intended purpose, and set up their own standard of performance to achieve zero safety incidents.

Today's growing workforce is increasingly comprised of millennials. The study of industrial and organizational psychology that delineates the millennial demographic is called "affective behavior," which recognizes that people are individually very different, with an increasingly broad range of freedoms and avenues of expression.

Some examples are easy to identify—preferred clothing style, hair geometry, facial ornamentation, etc.—but the thought processes that accompany these affective manifestations can be a bit more complex.

This new workforce of millennials tends to be better educated, more expressive, less accepting of authority, self-directed and highly connected with social media, among other attributes. Recent studies indicate that United States worker productivity is at a record-high level. This means that leadership must uniformly and conscientiously recognize workers' achievements, as individuals and as groups.

In the workplace, characteristics of safety leadership for this group should accommodate a wider range of motivations and incentives.

For example, in safety meetings and communications, the message should focus not on the hazard, cost or risk of penalty for unsafe behavior, but rather on why doing the right thing is in the worker's best interest.

Generally, organizational safety performance will be highly correlated to employee perception of their role in the safety process, their interactions with the program and system feedback on their achievements. Consider the following three key elements that affect program outcomes.

1. DEFINED ROLES

One important element of a successful business safety program is the clear definition of roles within the project. Specific roles and their respective duties you should consider include:

Project Management Role

- Confirm equipment is in safe, operating condition.
- Ensure work is completed:
  - to specification
  - ahead of schedule
  - under budget
  - without injury or incident



Leadership Role

- Recognize people, their diversity and achievements.
- Offer sincere praise in public and constructive coaching in private.
- Delegate tasks.
- Lead by example:
  - Wear the proper personal protective equipment (PPE).
  - Show up for the safety meeting, even if you do not speak every time.
  - Turn off your phone in meetings.

Practicing effective leadership on a jobsite can be surprisingly straightforward. Sincerity and honesty are valuable to the members of your team. Leadership is best displayed on a routine basis, such as in regular safety meetings or training exercises. When a crisis arises, it becomes even more important, especially when you have an ownership stake in the outcome. Translation: True leadership must start at the highest levels of your organization.

2. CONTINUOUS IMPROVEMENT

When applied correctly, continuous improvement is arguably the greatest contributor to the safety process. To affect meaningful change, managers need to create buy-in from team members by having them help with innovation. To achieve this, managers can foster innovation subtly, ideally when the innovation arises from within the group itself. Begin with simple things, such as tools, hardware, PPE, appliances, lighting, etc. Keep in mind that affective behavior is operating in the background of any movement toward change.

Continuous integration of electronic apps for practically every task, digital measuring instruments, cellphone cameras, GPS tracking, drone surveys, telemetry, virtual reality, building information modeling and others, offer proof that innovation, when understood properly, can be welcome. The task of figuring out how to apply these new improvements to enhance safety belongs to the third element.

3. EMPLOYEE INVOLVEMENT

When combined with the previous two elements, employee involvement will help put your safety program over the top, but it can be tricky to pull off at first because it involves social interaction and communication, which most people are practiced in avoiding.

However, it is extremely effective at creating ownership in the safety process. Leadership, engagement, delegation of responsibility and accountability are involved. Use leadership skills to ask for feedback and show you are open and welcoming of new ideas.

The levels of involvement can be passive, such as anonymous, close-call reports and suggestion programs, as well as active within a fully functioning safety committee. Your employees can make an important contribution to the organization when given proper opportunities.

There is room for employee involvement in activities, such as:

- New employee safety orientations
- Training in specialty disciplines (fall protection, lockout-tagout, confined-space entry, etc.)
- Training in cross-skills transfer
- Inspections of jobsites, shop, yard, equipment, fleet, etc.
- Controlled experiments and trials for PPE and seasonal gear
- Participation in job hazard preparation
- Coaching observations
- Process evaluations
- Critical appraisals

Ultimately, should you aspire to bid on coveted requests for proposal, you will be examined on the stringency of your safety program.

Because third parties will likely play a pivotal role in the vaunted $1 trillion infrastructure rebuild, private finance also demands the assurance of accident-free performance. For a preview of what the future of safety will look like, visit the safety sections of the Fluor (fluor.com) and DPR Construction (dpr.com) websites. These and several other major players in the industry are often open to sharing their processes, methods and findings. **CBO**

The Ins & Outs of Employee Benefit Plans

Overcoming the challenges of enrollment & compliance

BY RENEE COLLINS

As the industrywide talent crisis persists, business owners must get serious about using employee benefit plans as a way to recruit and retain quality talent. Many factors are involved in a hearty employee benefit plan, most notably the fiduciary responsibility of ensuring the plan runs according to specific Internal Revenue Service (IRS) and Department of Labor (DOL) rules and regulations. To mitigate the risk of common errors in a plan and to maximize participation among employees, business owners need to be educated about the ins and outs of setting up an individual plan.



One common challenge that construction companies face is properly educating employees about the importance of enrolling in a plan that helps them build for their retirement. To increase enrollment rates, construction companies should consider taking advantage of automatic enrollment as soon as employees become eligible to participate. Automatic enrollment is an excellent way to increase a company's participation rate, but business owners should keep in mind that it does not ensure that employees will update and adjust the automatic deferral amount (typically 1 to 3 percent) or their selected investments to meet their individual retirement goals.

Retirement education is another hurdle that construction companies must overcome when introducing a new employee benefit plan. With construction's high employee turnover rate, it is difficult to hold an annual, or even quarterly, meeting to discuss the retirement plan. Companies should consider using a local adviser to educate employees as a group, as individuals or via virtual meetings.

Once enrolled, it is common for employees to lose sight of their retirement account and forget to adjust their contribution rate. To account for this, construction companies can implement a yearly automatic deferral increase. Automatic increases help employees save for retirement in accordance with yearly pay increases. Once a company's employee benefit plan is up and running, compliance is the next big focus. Sponsors should be aware of the most common errors that occur when operating a plan. Companies must ensure that terms are being adhered to and that plan documents are regularly updated to account for any new regulatory requirements.

Because employee benefit plans have some unique nuances, it is beneficial for companies to have their plan documents reviewed by an accounting firm to evaluate

whether or not the company is operating accordingly. If a company is already required to have an audit performed, it is important that it is performed by a certified public accountant (CPA). The DOL recently sent a letter to retirement plan administrators urging the importance of hiring an experienced accountant to perform audits. In the letter, experience, training, license status and peer reviews were listed as some of the most important factors to consider when choosing an auditor for a company's employee benefit plan.

The most glaring error that advisers come across when reviewing plan documents is finding that the company is not using the correct definition of compensation. For example, companies often assume that including all wages as compensation is broad enough to avoid compliance issues, but this method actually tends to complicate things. When all wages are programmed as compensation, an employee is not allowed to take their bonus—free of retirement contributions—without special verbiage being added to the plan document.

The inclusion of The Davis-Bacon Act, which adds complexity to a plan if the company pays the prevailing wages as a retirement benefit, is of specific concern to construction companies with federally-funded work. Companies need to be sure that the third-party administrator, or record keeper, correctly tracks these wages separately, as they are not typically included in match calculations because they are not considered compensation.

A robust employee benefit plan is a great addition for companies looking to boost employee recruitment and retention efforts. The plan should be designed to provide the greatest benefit to all employees, with features that encourage the maximum amount of retirement savings. Providing access to a financial adviser, offering company match options and allowing take-out loans within a plan will appeal to potential employees and can help set a company apart from the competition. However, there are potential pitfalls when it comes to compliance with the plan document and various rules and regulations that govern employee benefit plans. These pitfalls can be avoided by focusing attention on plan design and operation and relying on qualified service providers (e.g., investment advisers, third-party administrators and accountants). **CBO**

Renee Collins, CPA, is a manager in Ellin & Tucker's audit, accounting and consulting department and is a member of the firm's construction services group. Collins provides high-quality audit, accounting and advisory services to the firm's most influential construction clients. Contact Collins at rcollins@ellinandtucker.com. Visit ellinandtucker.com.





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Reduce Litigation Risk to Major Construction Projects

5 ways you can proactively protect your business

BY SANDY COLLINS & BRIAN WRIGHT

Finally, your major construction project is complete. Unfortunately, a week after completion, you receive a claim letter from the other side. Annoyed, you draft a denial. They file suit. You now face years of litigation in which you will recount, in painstaking detail, every single contested aspect of the project. Some documents may be downright embarrassing to you or your colleagues. Things are about to get messy and expensive, but it didn't have to be this way. Read below for measures that both contractors and project owners can take to reduce litigation risks.



1. PREPARE FOR THE WORST

Always assume that your project will result in claims and possible litigation. A retired project manager once told us that the first thing he did on a project was open a change order file. Whether you are an owner, a contractor or a subcontractor, you should not be surprised when a major project results in claims. At the beginning of the project, you should educate all management-level personnel about litigation risks, such as those within composition of email communications, failure to maintain adequate records, failure to comply with record-retention policies, waiver of contract requirements, lack of understanding of contract terms and the like. Repeatedly remind your team about these risks throughout the project. Recognize, however, that the mood on a project can deteriorate quickly if each side is treating the other suspiciously. Cooperate in the field and work toward achieving common goals, but never let your guard down.

Ensure that roles and responsibilities of all contracting parties and stakeholders are clearly defined and understood. Are you relying on a government agency to approve plans or issue permits? Are you contracting separately with an original equipment manufacturer to deliver key components? What happens if the permits or the components are late? Who is on the hook? Consider whether your contract provides appropriate contingency for these scenarios.

Every piece of the contract is important, but even common scenarios (delays, force majeure) deserve special attention. Identify these and discuss them with field management. Ask senior leaders how major disputes on prior projects have played out under certain contracts. Have a litigator review the proposed contract. Although you cannot eliminate all risks, you can consciously decide whether to take them. After contract execution, hold training sessions led by project managers and the legal department, explaining the change order

How to Master Technology Strategic Planning

CONSTRUCTION BUSINESS OWNER WEBINAR

FREE

APRIL 18, 2018
1 P.M. EST

As the industry moves forward, technology will become an even bigger driver in how businesses operate internally, provide services to their clients, and more importantly, position themselves within their market. Additionally, a business's annual spend on technology services, devices and software solutions is growing at an exponential rate. Owners have begun to note that a significant portion of resources are obligated to technology, but very few have developed a technology strategy.

Join us for this webinar to explore the important process of technology strategic planning to ensure you are properly leveraging technology to achieve your strategic business objectives.

SPEAKER

JAY SNYDER

TECHNOLOGY PRACTICE LEADER
FMI CORPORATION



Snyder has worked in the engineering and construction industry his entire career in positions including. He is a valued business consultant with experience as a construction project executive and an extensive background in SaaS technology, supply chain management and operational logistics. As an industry speaker, Snyder often covers best practices, owner-client relationships and digital/tech transformation, particularly for companies in engineering and construction. Snyder holds a bachelor's degree in construction management and an MBA.

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VIEWPOINT

process, main contract points, dos and don'ts on documentation and communications, unusual procedures and what to do when problems arise.

Manage for success. Dedicate a full-time individual to the project who is responsible for managing its success. Contractors almost always have a dedicated project manager, and project owners should as well. For all individuals working on the project, make sure to identify roles and responsibilities from the very beginning. If those roles and responsibilities change, the changes should be documented and discussed openly.

At the outset of the project, define, understand and communicate clearly the levels of authority in the field, including the ability to authorize additional costs or work. Minimize duplication of roles to eliminate conflict and ambiguity in how the project is managed.

2. BE INFORMED

Know your local Prompt Payment Act. Most jurisdictions have enacted prompt payment acts imposing interest, penalties and sometimes attorney fees against owners for improperly withholding payment to contractors. If a dispute arises, these statutes can give contractors leverage in settlement negotiations. Research whether your jurisdiction allows contracting parties to agree to terms other than those set out in the statute.

Know your liquidated damages (LD) clause. When a project is late, liquidated damages can be an owner's best defense against a contractor's claims. Knowing this, contractors and their counsel will be looking for ways to invalidate the clause. Whether you're a project owner, a contractor or subcontractor, you should know the strengths and weaknesses of the LD's provisions and use them to your advantage in negotiating claims. Also, consider renegotiating the LD clause, as a sort of reset button, if the two sides are at loggerheads in the middle of a project.

3. KEEP ACCURATE DOCUMENTS

Reconcile contract documents to ensure consistency with one another. A typical construction contract is made up of terms and conditions, as well as numerous exhibits and attachments. Different groups usually draft the document. Lawyers draft the terms and conditions; project managers draft the scope of work; and engineers draft the technical specifications. This greatly increases the potential for discrepancies. What you once thought was clear can become muddied, perhaps to your detriment. Be sure to review and consider how all parts of the contract work together. Keep the contract and related documents updated and handy. How will you respond when your lawyers ask you to show them the contract? Because of the complexity of construction contracts, amendments and change orders are typical. Be sure to keep current, complete, agreed-upon versions of all contract documents readily accessible to appropriate project personnel. Also, maintain a system that clearly tracks change orders and amendments.

4. REMAIN CONSISTENT

If you want to enforce a contract provision in litigation, enforce it in the field. Litigants often argue that the other side has waived a contractual requirement. For instance, if the contract requires notice of items potentially warranting a change order within 24 hours of the event's occurrence, but the owner has not enforced that requirement consistently, the contractor will argue (perhaps successfully) that it has been waived. If circumstances dictate that you occasionally not adhere strictly to a particular contract provision, tell your counterpart in writing that you expect the requirement to be adhered to in the future and you are not waiving your right to rely on it.

Keep an accurate and current schedule. The project schedule will be key to determining responsibility for delays should a claim result. If maintaining the schedule is the contractor's responsibility, then the project owner should consider retaining a consultant to periodically check the schedule. Due to their complexity, schedules can be manipulated, making regular, detailed reviews important. If you can, get periodic agreement from the other side that the current schedule is correct and updated appropriately. This will help prevent the other side from rewriting history in the case of litigation.

Use email effectively, not destructively. Always remember that email can become part of the permanent project record. That makes it both potentially valuable and potentially hazardous in the litigation environment. Consequently, email is better suited for some uses than others. Use email to provide clear directions or to document an agreement among a group. Do not use email to express ideas that you would not want to be shared in a courtroom. For example, do not use email to vent frustrations, as it almost always looks bad later.

5. MOVE FORWARD

Learn from mistakes instead of letting them wreck your cause. At the conclusion of major construction projects, it is useful to bring the team together to discuss lessons learned on the project. While these candid sessions can be productive, they can be dangerous. Before soliciting opinions on project successes and failures, consult with counsel about how you might keep these communications privileged so they do not burn you later.

The first step in avoiding risk is understanding it. Undoubtedly, issues will eventually arise. However, using these recommendations, you can draft a tighter contract and manage a better project. **CBO**

Sandy Collins is a litigation partner, and Brian Wright is an associate in the Richmond, Virginia, office of Hunton & Williams LLP. Collins and Wright have represented project owners in numerous disputes with contractors. Contact Collins at scollins@hunton.com and Wright at wrightb@hunton.com. Visit hunton.com.

What Does Lean Really Mean?

Understanding lean construction & creating a plan for more profit

CONSTRUCTION BUSINESS OWNER WEBINAR

May 3, 2018
1 p.m. EST

Join us to find out how and why "lean" is gaining popularity in the construction industry. Lean construction provides simple procedures for improved work efficiency, so construction firms can get more productivity out of their project teams and workforce. We'll cover:

- What exactly "lean" means in a construction setting
- The benefits of lean construction
- Lean construction principles you can apply



SPEAKER

EDDIE MARTINEZ
Corporate Safety Director
MCM

Eddie Martinez is an executive at MCM, one of the fastest growing construction companies in South Florida. MCM is currently participating on a lean construction project in Miami, Florida. Martinez holds a bachelor's degree in construction management from Florida International University and has more than 20 years of experience in construction.

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Analyzing Free & Paid Weather Solutions

Learn how each option can protect employees & improve project timelines

BY REI GOFFER

Every construction company, especially those operating in the North, has experienced the excruciating pain of having bad weather conditions add costs to a project. As a manager at a construction company, what can you do about it? Some companies rely on weather data they get from local news forecasts, free weather apps and websites to help them determine when the weather will be a factor. While this works in many cases, there are some cases in which paying for more accurate weather data may be easily justified by the costs that could be saved. So, when do you know it is time to look beyond the free sources?

First, let's talk a bit about the type of weather that can delay a project or, at least, increase the costs. Some of these might seem obvious to those working in construction, but they are laid out below for the purpose of analysis.



FREEZING TEMPERATURES

When temperatures dip below a certain point, it can make everything more difficult or more expensive at a site. First off, many machines do not work as well or at all in the extreme cold. In addition, sometimes you cannot pour concrete because it will crack, or you cannot use certain adhesives that have manufacturer's guidelines advising that you avoid use in specific temperatures.

Cold temperatures can even make the blue water in your portable toilets freeze, which is never fun. Some companies may also incur extra costs by keeping their workers warm with heaters or some form of shelter. Ultimately, work days are often cancelled because of the cold, and when they are not, the work is usually more expensive or completed at a slower pace.

PRECIPITATION

Rain, freezing rain and snow can also wreak havoc on a construction site. All of these forms of precipitation can affect working on scaffolding or roofs, change decisions about roof openings, determine whether you pour cement and may interfere with many other tasks.

The key to how much a storm will affect your work day is knowing which kind of precipitation will fall, because rain, freezing rain and snow will all have different effects on your projects and processes.

WIND

Like precipitation, high winds can affect workers on scaffolding and roofs or operating heavy machinery on the jobsite.

If You Indirectly Purchased Ductile Iron Pipe Fittings between January 11, 2008, and December 31, 2013, You Could Be Affected by a Proposed Class Action Settlement

Please read the entire Notice carefully, as this Settlement may affect your rights.

What Is This Lawsuit About?

Plaintiffs – indirect purchasers of Ductile Iron Pipe Fittings ("DIPF") between January 11, 2008 and December 31, 2013 – filed a class action lawsuit against Defendants – McWane, Inc., SIGMA Corporation, and Star Pipe Products, Ltd. – claiming that they paid more for DIPF and Domestic DIPF sold by Defendants than they should have because of Defendants' alleged violations of federal and state antitrust laws and state consumer protection laws. In a class action, one or more persons or entities brings a lawsuit on behalf of everyone harmed in the same way by Defendants' conduct. An *indirect purchase* is a purchase of DIPF from someone other than the Defendants, such as a distributor or other middleman. Purchases of DIPF made *directly* from one or more of the Defendants are not part of this lawsuit. A more complete description of the claims alleged in the lawsuit can be found at www.DIPFIndirectSettlement.com.

Why Is There A Proposed Settlement With McWane?

Plaintiffs and McWane agreed to the Settlement to avoid the cost and risk of a trial. McWane has denied all liability and wrongdoing in this case and has asserted various defenses to Plaintiffs' claims. The Court has not decided in favor of the Plaintiffs or McWane.

What Does The Settlement Provide and How Do I Get A Payment?

Under the Settlement, McWane has agreed to pay $1,425,000 in cash into a Settlement Fund (the "McWane Settlement Fund"). Plaintiffs and class counsel think the McWane Settlement is an excellent result for the members of the class. Plaintiffs have already settled with SIGMA and Star for a combined total of $2,646,250, and those settlements have been approved by the Court. If the McWane Settlement is also approved by the Court, the settlements will total $4,071,250, and the DIPF indirect purchaser litigation will be over.

If you are a class member and do not exclude yourself from the McWane Settlement, you may be eligible to receive a payment from the McWane Settlement Fund. To participate in the McWane Settlement, you must submit a valid claim form, available at www.DIPFIndirectSettlement.com. Be sure to sign the claim form and mail it no later than June 27, 2018 to DIPF Indirect Purchaser Antitrust Litigation, c/o GCG, P.O. Box 10251, Dublin, OH 43017-5751. If the Court approves the Settlement, payments from the McWane Settlement Fund will be distributed to class members who submit valid and timely claims. If you have already submitted a valid Claim Form in connection with the SIGMA and Star settlements you do not have to submit another one to receive a payment from the McWane Settlement Fund.

Am I A Class Member?

The Settlement Class includes all persons or entities that reside or have a place of business in the States of Arizona, Arkansas, California, District of Columbia, Florida, Hawaii, Iowa, Kansas, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Mexico, New York, North Carolina, North Dakota, Oregon, South Carolina, South Dakota, Tennessee, Utah, Vermont, West Virginia, and Wisconsin (the "Settlement Class States") who or that purchased DIPF indirectly from any Defendant at any time from January 11, 2008, through June 30, 2011 or who or that purchased Domestic DIPF indirectly from McWane or SIGMA at any time from September 17, 2009, through December 31, 2013. Excluded from the Settlement Class are Defendants and their parents, subsidiaries and affiliates, whether or not named as a Defendant in this Action, federal governmental entities, and instrumentalities of the federal government.

"Domestic DIPF" means DIPF that is produced by McWane in the United States and is used in pressurized water and wastewater projects in the United States with domestic-only preferences or specifications. McWane Domestic DIPF was also sold by SIGMA.

Can I Exclude Myself?

If you want to keep the right to sue McWane about the legal issues in this case, then you must exclude yourself from the McWane Settlement Class. **If you exclude yourself from the McWane Settlement Class, you will not get any payment from the McWane Settlement Fund.** To exclude yourself, you must send a letter saying that you want to be excluded. Important instructions about how to exclude yourself can be obtained from www.DIPFIndirectSettlement.com. **Your letter must be postmarked by May 29, 2018.**

How Do I Object?

You may object to any aspect of the McWane Settlement if you are a class member and have not excluded yourself. If you are in either the McWane, SIGMA or Star Settlement Class, you can object to the requests for attorneys' fees, reimbursement of expenses and service awards for the class representatives (see below). To object, you must send a letter to the Court. Instructions about how to object may be obtained from www.DIPFIndirectSettlement.com. **Your letter must be received by May 23, 2018.**

What If I Do Nothing?

If you do nothing, you will remain in the McWane Settlement Class, your claims against McWane will be extinguished, and you will **not** receive a payment from the Settlement Fund. **To receive a payment, you must send in a valid and timely Claim Form**.

Who Represents Me?

The Court has appointed Joseph C. Kohn of Kohn Swift & Graf, P.C.; Robert S. Kitchenoff of Weinstein Kitchenoff & Asher LLC; and David Kovel of Kirby McInerney, LLP ("Class Counsel") to represent the Settlement Class for purposes of the McWane Settlement. If you want to be represented by your own lawyer concerning the McWane Settlement, you may hire one at your own expense.

How Will The Lawyers Be Paid?

The lawyers for the indirect purchasers will ask the Court to approve an award of attorneys' fees of up to 1/3 (33.33%) of the total SIGMA, Star, and McWane Settlement Funds of $4,071,250. The lawyers have not previously asked the Court to approve an award of attorneys' fees. The lawyers will also ask the Court for reimbursement of expenses incurred in the prosecution of the lawsuit. The lawyers will also seek service awards in the amount of $15,000 for each of the eight class representatives. All awards of attorneys' fees, reimbursement of expenses, and service awards will be paid from the total Settlement Fund after the Court approves them. The request for attorneys' fees, reimbursement of expenses, and service awards will be available for viewing on the website below once it is filed with the Court.

When Will The Judge Decide?

The Court will hold a fairness hearing at 9:30 a.m. on June 13, 2018, at the United States District Court for the District of New Jersey, 402 East State Street, Trenton, NJ 08608. If there are objections, the Court will consider them at this time. You may appear at the hearing, but you are not required to do so. The hearing may be moved to a different date or time without notice. You should check the Settlement Website below for updates.

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Construction managers have to make decisions about whether they should wait until the wind dies down or risk moving forward in the wind, putting the safety of their employees at risk.

Having accurate weather data will not always prevent delays, but if it can prevent even one day of delays, it can be worth it.

LIGHTNING

Lightning is an obvious safety issue for construction workers more than almost any other. Lightning is one of the most difficult weather conditions to predict, but it is definitely one that can put a temporary halt to a project.

These are some of the obvious offenders when it comes to weather conditions that affect a construction project. There are many more beyond this, such as extreme heat or severe weather (flooding, hurricanes, tornadoes, etc.), but the above four are the ones that construction managers need to think about the most. So, when is it safer to rely on local forecasts or free apps, and when should you consider pursuing deeper measures? Based on conversations with construction companies and observations from being in the weather industry, you can find your answer by dividing the problem into two categories:

1. Types of weather
2. Project costs

1. TYPES OF WEATHER

Different projects are more vulnerable to different weather conditions based on their location, the time of year and the type of project. A construction company working on a project in Scottsdale, Arizona, in the summer will worry more about the chance of heavy winds, rain and lightning than freezing temperatures.

Because of this, every construction company should think about the types of weather that could add costs to each project or affect projects throughout the year to help determine which weather sources to use. If you are mostly worried about temperature, then local weather forecasts, free apps and websites may be all that you need. These sources tend to be close enough to the ground truth to provide enough direction. Once you need data about precipitation timing and the type that will fall, you might need to start using paid weather solutions, as they tend to offer deeper analysis.

An example of when free weather services missed the mark with precipitation predictions was around a snow event in Chicago in February. Free weather sources predicted that snow would fall at noon in Chicago neighborhoods near the airport, when, in reality, it did not fall until 3:00 p.m. This caused the unnecessary cancellation of many flights at O'Hare International Airport and may have caused construction crews to cancel some work, when they could have worked through 3 p.m. in dry conditions. Paid sources were much closer to predicting the start time and delivered a more accurate depiction of the real-time precipitation falling, which could have prevented unnecessary cancellations.

Wind and lightning are conditions that are also difficult to track with free sources. Paid sources can give you more accurate alerts (by email or text) each time lightning strikes within a certain distance of your jobsite and can provide better guidance about the chance of high winds.

Ultimately, if temperature fluctuations are your main focus, there is no need to spend money on paid sources, but if precipitation, wind and lightning are bigger concerns, you might consider looking into some.

2. PROJECT COSTS

The other factor determining whether you need to invest in weather solutions is the cost of your projects. Rather than looking at the overall cost, look at the costs associated with delaying a day.

One construction company knew that every day that they delayed a specific project would cost them $4,000. Having accurate weather data will not prevent you from delays, but if it can prevent even one day of delays, it can be worth it.

Paid weather solutions vary widely in cost and can be anywhere from $2,000 to over $100,000 per year, so if you are going to lose thousands due to weather, you might consider paying to gain access to deeper data.

As a construction company, you should look for a weather resource that is good at hyperlocal weather and precipitation tracking. Many weather companies rely on the same government data from radars that might be good at seeing weather high in the clouds, but not as good at sensing ground-level weather, which is what matters most to a construction jobsite.

Make sure your provider uses sources of weather data that provide good ground-level readings. You also want to look for a solution that provides hands-on service from real meteorologists. If it is not the right time for you to make the jump to paid services, there are many great free apps and local weather teams that provide weather information. **CBO**

Rei Goffer, CSO, is the co-founder of ClimaCell, a hyperlocal weather data provider based in Boston, Massachusetts, and delivers ground-level weather information. Previously, Goffer served in the Israeli Air Force for 10 years, managing research and development projects and cross-branch operations. He holds a bachelor's degree in economics from Ben Gurion University, an MBA from the MIT Sloan School of Management and an MPA from the Harvard Kennedy School of Government. Visit climacell.co.



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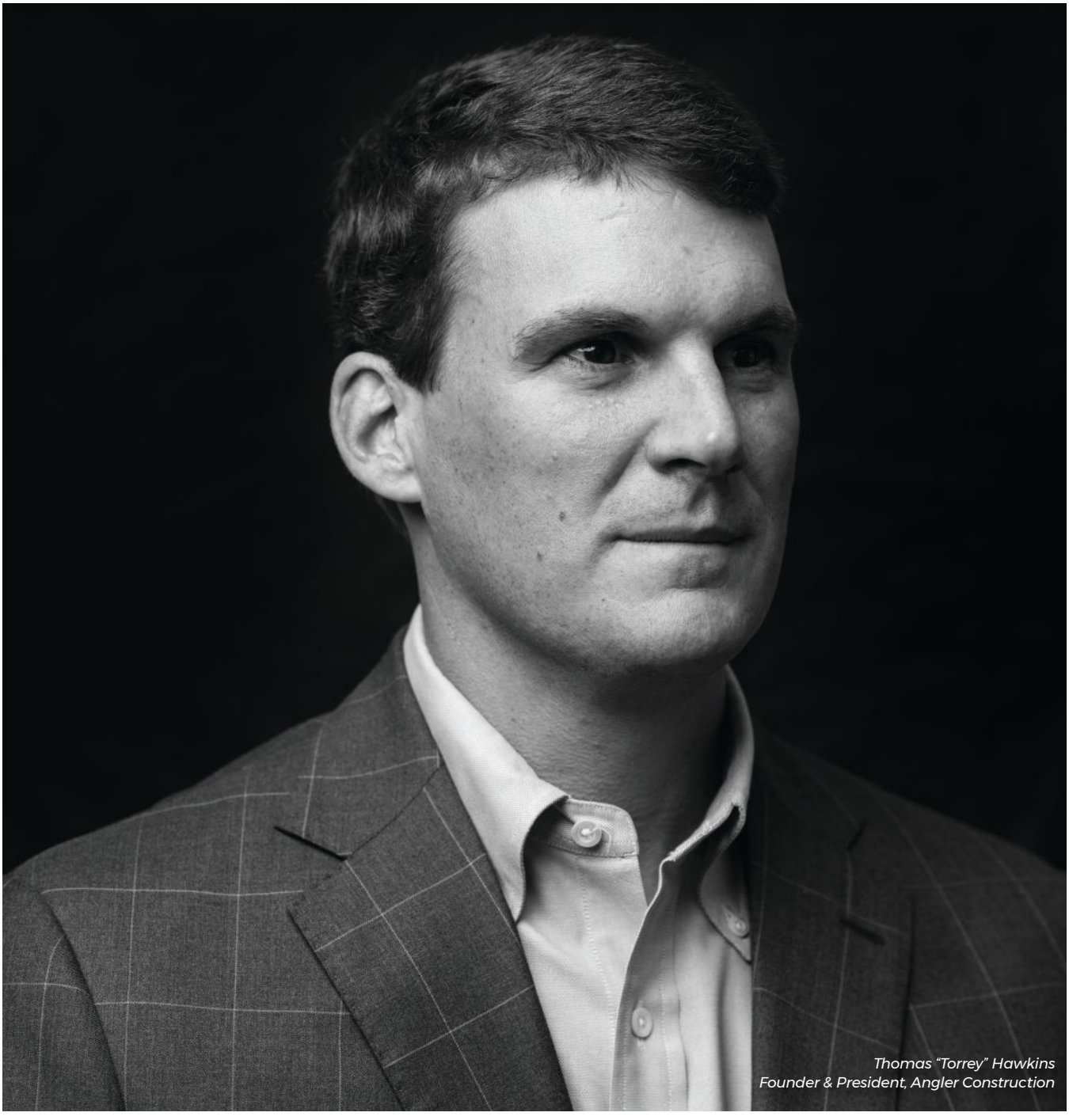
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When Disaster Strikes

5 HR lessons from Torrey Hawkins that revived his business after Hurricane Harvey

By Kim Traylor



Thomas "Torrey" Hawkins
Founder & President, Angler Construction

Thomas "Torrey" Hawkins, founder and president of Angler Construction, is no stranger to the severe weather that accompanies life in the Gulf Coast region. A 15-year veteran of the commercial construction industry and longtime Houston-area business owner, Hawkins has weathered a number of storms and flooding, including the devastating Hurricane Ike (2008) and the more recent Memorial Day (2015) and Tax Day (2016) floods, each of which brought more than 10 inches of rain over a period of hours to parts of the city, but last year's Hurricane Harvey brought a new kind of challenge for Hawkins and his 30-employee construction company.

"I think Harvey was different because it was such a long-term event. While after Ike and other storms, we were able to get back to work pretty quickly, with Harvey, the entire city saw the effects in one way or another, and people were out of work for a significant amount of time," said Hawkins. Indeed, the sustained rainfall and subsequent flooding displaced thousands over the course of several days, and many of those who were able to stay in their homes were stranded there for days, some as long as four days after the storm made landfall. The impact on businesses was just as severe. With employees unable to make it to work safely, many companies chose to shut down until the water receded.

While Hurricane Harvey represents an extreme when it comes to the disasters an employer might face, the way Angler Construction prepared for and responded to this storm, assisted by a human resources (HR) outsourcing provider, provides a number of lessons in how an employer should react when disaster strikes.

LESSON 1

PUT TOGETHER A GAME PLAN BEFORE THE STORM.

With more than 30 employees managing more than two dozen projects at any given time, Hawkins and his team had been watching the storm's progress in the Gulf closely for days before it made landfall Friday night and had taken steps before everyone left for the weekend to put a plan in place for how they would remain operational if the storm was as severe as predicted.

"We told team members to take some work home because we didn't know when we would be able to get back into the office," said Hawkins. "Secondly, we formulated a game plan based on where our jobs were located around Houston, who lived near those and who could try to get to them after the storm to give an update on any structural impact." This divide-and-conquer strategy worked well for Hawkins and his team, as it enabled them to continue to monitor their jobsites without putting employees in danger.

LESSON 2

STAY IN TOUCH WITH EMPLOYEES.

From an HR perspective, the most immediate responsibility in the aftermath of a disaster is to make sure everyone is accounted for. While there are some apps and other services specifically designed to help businesses communicate with employees working remotely, sometimes the simplest method is the best. The Angler Construction team, for example, relied on a text chain to help managers stay updated on who was okay, who was facing major flooding and what they could do to help.

> With entire sections of major freeways in Houston closed due to high water that remained after Harvey, even employees who had come out of the storm relatively unscathed were unable to get to the office.

Not only does this kind of consistent communication help employers understand how individual employees are affected, but it is also a key component in a company's plans for recovery, as it allows them to assess who might need to take time off to recover and then reallocate resources and teams as necessary to cover any gaps. HR, along with management, plays a key role in ensuring that employee information is consistently updated and accurate.

LESSON 3

MAKE SURE PAYROLL WILL STILL BE PROCESSED.

Perhaps the most pressing HR concern for employers once they get past the immediate danger of a disaster is how they are going to pay employees, especially if they are unable to get to the office to process payroll. Also high on most employees' lists of concerns after a disaster is when they are going to receive their next paycheck, particularly those who were displaced or experienced damage to their homes. While payroll was certainly also a top priority for Angler Construction, the fact that the company had outsourced its HR functions provided Hawkins and his team with peace of mind, knowing that payroll would continue to be processed without interruption.

"We were able to communicate with our HR outsourcing provider, and our bookkeeper was able to log on to the online systems and get payroll processed very easily from her house when she couldn't get to the office. We were able to operate and send people their paychecks, so

they could focus on what they needed to focus on, whether that was helping themselves or helping other people."

LESSON 4

IF POSSIBLE, FIND A WAY FOR EMPLOYEES TO CONTINUE WORKING.

Any amount of downtime can spell disaster for a company. If, as was the case with Angler Construction's employees, it is possible to have employees work remotely when their jobsite or office becomes inaccessible, it provides a great short or long-term solution to keeping a company operational. In these situations, a company's internal HR department or HR outsourcing provider can be instrumental in the drafting of remote work policies as well as timekeeping procedures when nonexempt employees aren't able to physically clock in and out.

With entire sections of many major freeways in Houston closed due to high water that remained after Harvey, even employees who had come out of the storm relatively unscathed were unable to get to the office. Angler Construction utilized a cloud-based construction management software which allowed employees to work remotely, either from the office or at home, something Hawkins says was key to helping his team stay on top of projects and keeping customers



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informed in the aftermath of the storm. It may not always be possible for an employer to allow employees to work from home, either due to damage to the business' operations or due to the nature of an individual employee's particular job description. In these cases, internal or external HR resources play a key role in helping an employer navigate these kinds of potentially sticky compliance points.

LESSON 5

PROVIDE SUPPORT HOWEVER YOU CAN.

It is imperative that employers remember that their employees are people first, particularly in the aftermath of a disaster situation. Some might be out for days or weeks at a time while they try to rebuild, and employers have to be prepared to adjust accordingly.

"We have four employees that either had severe damage to their house or still aren't back in their houses," said Hawkins. "Most of them were out for weeks after the storm, which had a huge impact on productivity, but people just came together to pick up the slack because that's what you do."

Beyond just allowing employees to take personal time or leaves of absence to recover and rebuild, HR can also make themselves a resource for affected employees by proactively putting together information on the Federal Emergency Management Agency's Disaster Unemployment Assistance program and retirement plan hardship distributions, if applicable.

Hawkins' personal commitment to helping those around him extended beyond his employees. He spent the first three days conducting water rescues around Houston in his personal boat and says it was one of the most eye-opening experiences of his life.

"When you see what people are going through—when you're pulling someone out of the second story of their house—it's a disheartening situation to be in, and when you see it on such a mass level, it really becomes tough to look at every day. That being said, Houston was pretty amazing because so many people came together to help each other out and do whatever they could to rescue and cook for people. It really showed what an awesome city Houston can be." CBO

As the vice president of client services, Kim Traylor combines her extensive knowledge of the professional employer organization (PEO) industry with a customer service mentality to provide G&A Partners' clients with expert counsel in all human resources and administrative matters. Visit gnapartners.com.





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What You Can Do to Build a More Engaged Workforce

3 shifts in the construction HR space that could change your company's recruiting strategies

By Elizabeth Manning

For any business, adaptability is often the key to staying competitive and successful. Due to the nature of construction and the composition of the workforce, adaptability is also a characteristic that sometimes proves elusive. No longer, though. Along with the rest of the economy, the construction industry is experiencing several shifts in thought and process, and your company's choice to either adapt or ignore could be a predictor of its success. Read below and consider how your company's culture, tech offerings and compensation strategy compare to your competition's.

1. THE CULTURE SHIFT

It may seem that "culture" is the buzzword you cannot get away from lately, and for good reason. Your company culture can be the determining factor in whether your workforce is comprised of the best people the industry has to offer or employees who are completely satisfied with merely producing status quo. You've heard over and over again that, as the owner, you are largely responsible for driving the culture in your company, but have you ever considered how your specific leadership style could be influencing that culture? Brad Nakase, chief executive officer (CEO) of HL Builders, based in National City, California, believes in a servant leadership approach. Nakase focuses on finding out what his employees need in order to be more engaged and, in turn, more productive. "By serving [our] employees and engaging with them often, we encourage them to speak up and discuss alternative views to completing tasks or processes," Nakase said.

The industry is also seeing a shift toward hiring more freelance and contract labor. According to Woody Klemmer, CEO and co-founder of Laborocity, the idea of a more transient workforce is not going away, and it shouldn't be considered a negative trend. "The twisted metric there is that this trend toward more of a freelance economy is millennial-driven,

but I don't think that's true. It's across the board," Klemmer said. "You don't stay with a company for 30 or 40 years. You stay as long as you are growing and playing a role in the company's success, and then you move on, and this trend toward a transient workforce will also have an effect on human resources (HR) professionals." HR teams will likely be much more involved in the recruiting process.

Tammara Sutton, a recruiter for Eagle Hill Consulting LLC, said it is absolutely necessary that talent management is directly aligned with operations to gain a clear vision of what kind of talent the company is trying to attract and how they will drive the bottom line. This vision should encompass every consideration, including which individual attributes you seek in a candidate to the level of diversity and inclusion your company aims to achieve across its workforce.

2. THE TECH SHIFT

If you haven't delved into how your company can benefit from automation, start today. For business owners just starting to automate different construction processes, look to software and tech solutions that automate information traveling between the jobsite and the back-office. Increasing the efficiency and capacity for data collection and organization within a company may be the most readily noticeable benefit to the industry, and the automation of previously slow, cumbersome processes is key in realizing this potential. For Nakase, automating processes is especially helpful for HL Builders in determining where the company could cut out unnecessary time spent getting information back and forth. It's worth noting that the incoming talent will also demand technology like software automation because such solutions make their jobs easier. To remain competitive, your organization must pay attention to this, as well as focus on hiring talent that is already adept at using said solutions. "In HR as well, we need constantly evolving tech that will help us attract, manage and retain talent," said Sutton. It will also play to your company's advantage to be aware of and comfortable with the use of third-party recruiting and HR management tools. Klemmer emphasized the importance of paying attention to solutions and tools that streamline the hiring process. For example, Laborocity covers employees hired through the company with

QUESTIONS TO ASK YOURSELF

1. Do you try to increase thought diversity in your company?
2. Could you listen to your employees more?
3. Does your company culture attract new talent?
4. What are you doing to motivate top performers?



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full workers' compensation and general liability insurance. According to Klemmer, offering such additional value benefits both the company and the workers it is hiring because the company doesn't have to worry about insuring the worker, and the worker feels covered.

3. THE COMPENSATION SHIFT

A growing project backlog is difficult to celebrate when it comes hand in hand with a shortage of skilled workers. To get the top performers you need, you must be willing to offer competitive pay. Start by reevaluating your current compensation strategy. Sutton recommended considering the following:

- The cost of business now
- Forecasted cost of business
- Market compensation data based on knowledge, skills and abilities (KSA) analyses of talent
- Internal pay trends
- Performance review processes

Then, determine the level of transparency your company will maintain regarding compensation. "Staff want to see the connection between their salaries and clear performance objectives, as well as market data for their specific fields of work and geographic region of residency," Sutton said. "Companies need to be prepared to justify why they pay what they do for talent, and how that drives their businesses."

As in most industries, qualified employees come at a greater cost, but it is important to remember that spending a little more to recruit top talent, and having a strong compensation plan in place to retain that talent, will ultimately pay off. The high turnover rate prevalent in the construction industry can be drastically reduced simply by paying your top performers what they are worth. In turn, fair compensation is a key component in employee engagement, and engaged employees tend to stick around. Pay attention to opportunities in which you can provide employees incentive to grow or improve their individual value to the team. Nakase said his company regularly brings in Occupational Safety and Health Administration (OSHA) specialists for training days. Employees are paid to come in for those extra hours on the weekend to take classes. However, the cost savings from having more knowledgeable employees are almost immediately evident. When you are willing to invest money and time to help them grow, employees feel more valuable, valuing your company more as well. CBO

Elizabeth Manning is the managing editor of Construction Business Owner magazine.



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The Doubt of the Benefit

How quality, competitive benefits packages can attract & retain valuable employees

By Jenny Pagano

Pain points—every industry has them. And, at times, it might feel like contractors have more than their fair share. Contractors who work on prevailing wage jobs undoubtedly see the complex regulations that apply to these projects as a burden they learn to live with in order to benefit from the opportunities presented by government-funded jobs. For example, there's the sometimes-confusing question of how to handle the fringe cost on government jobs. Today, your employees may want the fringe amount paid in cash. However, is that a decision you both will regret later on? Could you win more jobs for them to work on by putting the fringe amount of the wage determination toward benefits, which lowers your job costs and makes your bids more competitive?

The fact is, while no one can take away all the challenges associated with running a business, government contractors who bid on and perform work subject to the Davis-Bacon Act, Service Contract Act, state and prevailing wage laws and living and responsible wage ordinances are uniquely positioned to offer health and retirement plans to their employees. Sometimes, it is difficult for employees to see the benefit of taking advantage of this position rather than taking the fringe amount.

EDUCATING EMPLOYEES

First and foremost, using fringe dollars to provide benefits is a way for you to take care of your employees. In the construction industry, many skilled workers may not have learned the importance of saving. The immediate thrill of a new truck can be more alluring than putting money away in a retirement savings account or for health insurance.

If you are currently paying the fringe as cash, using fringe dollars to help your workers save for retirement may not be a popular move at first, but as your workers see the balance in their retirement account

If your competitors are using the fringe to fund benefits for their workers while you are not, the disadvantage is yours the minute you submit your bid.

grow, they will feel much differently. Many workers believe they will retire on their own terms, but so often, that is not the case. Construction work is physically demanding and can result in shorter than average careers for those who do it. Using the fringe toward retirement makes facing the beginning of the next stage of life a little bit easier.

Another reality of construction work is that many workers live paycheck to paycheck. This lifestyle tends to make them more prone to financial emergencies. During times like these, they may look to their retirement account as a source of funds.

Employers who offer a loan program to assist workers through tough times help employees appreciate the benefit and feel less like they do not have access to their fringes. There are benefits partners who can handle all aspects of your loan program, from set up to collection. You won't have to serve as a loan center—collecting repayment, closing loans for employees at termination or converting loans when moving to a new retirement provider.

Health insurance is another important benefit for your employees. Even if your company is not large enough to fall under the Affordable Care Act (ACA), providing health coverage helps take care of your workers and their dependents. Medical expenses can be difficult to manage for people who lack health insurance. Without insurance, a visit to the ER can be catastrophic from a financial standpoint. Additionally, using an hour bank program allows employees to "bank" 3 to 6 months of health benefits to protect them and their families during times when they are not working due to layoffs, inclement weather or the seasonal nature of their industry.

THE VALUE OF SETTING UP BENEFIT PLANS

Funds to pay for fringe benefits like a retirement savings plan and health insurance are included in the wage determination for job classifications in prevailing wage contracts. The wage is expressed in two parts—a base wage and a set fringe amount intended to be used for benefits. The

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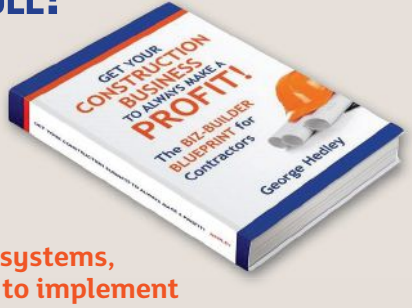
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fringe is an employer contribution, so the business owner decides how to meet the fringe obligation.

There are tremendous advantages for business owners, highly compensated employees (HCEs) and hourly employees when the fringe is used as the law intended—to fund benefits like retirement plans, health coverage and more.

HOW BENEFITS CAN HELP YOUR BUSINESS

If your company does prevailing wage work, you might be paying out the fringe as additional cash wages because it seems like the easiest way to comply with the law. The fact is, not using the fringe to pay for genuine benefits for workers on these jobs is costing you money, and it may be costing you jobs as well.

Contractors who use the fringe to pay for benefits such as health, vision, dental, contributions to retirement plans, disability and life insurance do not incur payroll taxes on these dollars. On average, this amounts to a savings of $0.25 per dollar per hour over the life of the contract. This lowers your job costs, which can make your business more profitable. Lower payroll costs also help make your bids on government contracts more competitive and may help you win more prevailing wage jobs. If your competitors are using the fringe to fund benefits for their workers while you are not, the disadvantage is yours the minute you submit your bid.

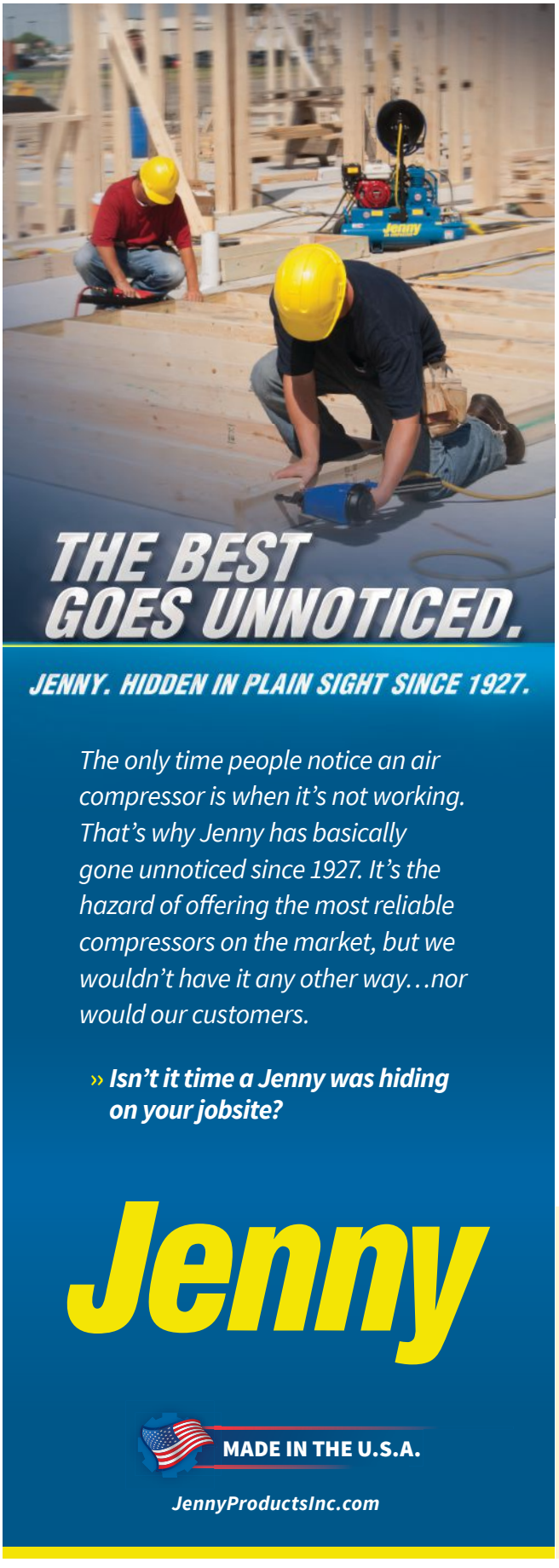
Some contractors pay for health insurance using fringe dollars, then have workers choose how the remaining fringe dollars will be used. An important factor to note about plan flexibility is that it allows the employer to set up an array of benefits, and then the employees have the freedom to choose how the dollars will be allocated. Options that could be offered include a retirement plan and/or supplemental benefits like vision, dental, life and disability insurance.

General contractors with subcontractors who also use fringe dollars to pay for benefits can further widen their competitive edge. Subcontractors save on payroll burden. Their lower job costs can be passed along in your bid, giving you even more of an advantage and increasing your likelihood of winning government work.

It is not unusual for owners and HCEs to be frustrated by limits on the amount they can put away for retirement. Because this is tied to what hourly workers are saving, using the fringe amount on prevailing wage jobs to fund retirement plans can help create a more secure financial future for everyone involved. CBO

Jenny Pagano is vice president of retirement products and services for Fringe Benefit Group, which has been helping the construction industry design and administer fringe benefit programs since 1983. Contact Pagano at 800-662-6177 or jpagano@fbg.com. For more information on its prevailing wage benefit plan, The Contractors Plan, and bidding on government jobs, visit thecontractorsplan.com.





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Maximize HR Leadership Effectiveness

5 steps to make the shift from tactical to strategic operations

By Magi Graziano

Human resource (HR) directors who work in small to midsized companies share a common frustration. Most of their time is spent running interference between faulty management practices and disgruntled or entitled employees and helping with superfluous administrative and office management functions—neither of which drives the business brand or fosters employee engagement.

Recent survey research indicates that over 60 percent of HR directors in small to midsized businesses report they spend at least 45 percent of their time putting out fires, rather than contributing to long-term, proactive and strategic initiatives that create positive momentum in their organizations.

Below is a list of best practices and methods for improvement to take your company's HR functions from tactical and good to strategic and great. The following five steps can help demonstrate the value of HR as it contributes to your organization.

1. START WITH ALIGNMENT

What is the overarching purpose of the HR role, and how does it enable company success? When business leaders and HR agree on the answer to this important question, it paves the way for making a real difference in how employees impact organizational success.

2. CREATE A MATRIX

How much time is spent in each area of HR? What percentage of each month, week or day is spent in different areas of focus? Sit down with your team to determine exactly how much company time is dedicated to solving problems in crisis mode. In your company's HR role(s), how much time is spent on administrative duties? How much is spent on talent management, recruitment, succession planning, organizational development and design, onboarding and proactively teaching and coaching managers and teams?

3. WEIGH THE COST

Weigh the cost of outsourcing some HR tasks versus handling those nonstrategic functions within the company. Look at the opportunity cost of retaining responsibility for those functions that do not make or break business. Is the right solution to hire a junior- or administrative-level employee to oversee those administrative processes, or is it best to outsource those tasks, such as payroll, benefits, compensation, Family and Medical Leave Act (FMLA) paperwork, etc.? Delegate the tasks that detract your focus on building the organization with the best employees and creating a winning brand and culture.

4. SELF-EVALUATE

Does the employee in your main HR role have the skills, beliefs and talent required to operate at a strategic level? What strengths do they possess that empower them in their role? What gaps are present in their mindset, attitude, beliefs and competencies that are likely to become barriers to success? Be honest with yourself about the personal and professional development they need to gain, and then assess whether they are actually willing to do the work.

5. BUILD A GAME PLAN

Create a 5-year vision detailing how HR will elevate and accelerate the achievement of the organization's goals. Identify the organization's top goals and determine what is needed from HR to enable those goals to be achieved. Get the company's buy-in on your vision and the work that needs to be done. Once you confirm you are on the right track, make certain you address the gaps that need to be filled by identifying the immediate steps required to move forward. Once that is complete, build out the specifics of your 1-, 2- and 3-year plans.

Ultimately, transforming how HR operates takes courage and commitment. Evaluating what works and does not work, and then stepping into the commitment of changing it, takes the right employee with the right confidence in the role and the necessary persuasion skills to make it work.

These five steps are just the beginning of finding value in the way HR contributes to the strategic, long-term goals of your organization. Once you identify the weaknesses and remove the constraints, it is up to you to stay the course and make change happen. CBO

Magi Graziano is the CEO of KeenAlignment, a speaker, employee recruitment and engagement expert and author of The Wealth of Talent. Graziano provides her customers with actionable, practical ideas to maximize effectiveness and create high-performing teams. With more than 20 years of experience in the recruitment and search industry, Graziano empowers leaders to bring transformational thinking to day-to-day operations. Visit keenalignment.com.



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Get the Biggest Bang for Your Buck

3 steps to take before buying pre-owned equipment

BY CHRIS GIRODAT

Depending on your business needs, pre-owned equipment can be an affordable option, allowing you to keep an eye on the latest equipment trends while being mindful of your budget. Purchasing pre-owned equipment can expand your fleet size at a lower cost than purchasing new, and can create new business opportunities with more work.

Of course, when considering any equipment purchase, it is important to be thorough. The following are three best practices to help you think through the steps before adding pre-owned equipment to your fleet.



1. DEFINE YOUR NEEDS

First, and most importantly, get started by defining your requirements and determining why you would like to purchase a machine. Working ahead to anticipate your future business needs can help you be prepared before your busy season starts, and it can also help you decide what types of equipment to consider.

Identifying whether you need a specialized machine or simply an addition to your existing fleet will help you narrow down exactly what you are looking for. Remember to be aware of project needs, including:

- Project applications for this machine
- Jobsite conditions
- Specific tasks the machine will perform
- Types of attachments required

You can do additional research through equipment manufacturer websites to get an idea of what machine specifications fit the job you are trying to accomplish. This can help pinpoint which product would be the best fit for your business needs.

After you have answered these essential questions, you can then get into the specifics. Consider these smaller, yet significant, features you may want or need in a pre-owned machine.

- *Technology*—What types of technology do you consider important? What types are desirable, but not imperative? For example, newer machines feature updated instrumentation that keeps track of fuel consumption, total machine usage, etc., but these features may come at a higher price point.
- *Comfort*—What features are important to provide to your operators? Specifications like an enclosed or open cab, interior space for leg room, and updated heating and cooling options are all features you may want to consider.
- *Warranty*—What are your damage cost coverage needs? Are you looking for a pre-owned machine that still has a manufacturer's warranty in place, or are you comfortable absorbing some amount of financial risk by purchasing a machine that is no longer covered by warranty?

2. FIND PURCHASE OPTIONS

After you have determined your exact pre-owned equipment wants and needs, you are ready to begin the process of finding a seller. You may want to start your process by checking multiple places, such as internet searches, auction websites and newspaper or trade publication classified sections. It is important to research a pre-owned equipment seller just as thoroughly as you research equipment options before making a purchase. Consider casting a wider net by looking at your local compact equipment dealership as well, where you will likely be purchasing from a more reputable and trustworthy seller, with access to proper documentation on machine history, maintenance logs, etc. If you have already developed a solid relationship with a dealership, you might be able acquire expert insights and advice from them on purchasing pre-owned equipment. Additionally, while you are conducting research about dealerships, you can uncover information about deals or offers available at different times of the year. Research when local dealers have offered sales in the past, and ask when they will be offering them again in the future.

Rental companies can be another source for purchasing pre-owned equipment. With a recent boom in the rental industry, the pressure has been on rental companies to keep new equipment stocked. When that equipment is no longer considered new, but remains just as usable for customers, rental companies will often resell them.

3. INSPECT THE FINAL DETAILS

After you have defined your equipment needs and found a few options for sellers, it may feel like you are ready to seal the deal. However, there are still some final details to tend to before signing on the dotted line.

- *Full machine inspection*—Make sure to do a thorough walk-around of the machine before you make any agreements with the seller. If possible, request a demo of the machine, which allows you to check for obvious signs of mechanical or operational issues. Also, check for smaller details like cracks, welds, rust and paint chips. Look at every component of the machine, such as the engine, transmission, air filter quality, fluid levels, pins, bushings and so on. This may help you anticipate short and long-term maintenance needs for the machine.
- *Equipment and attachments*—Ask the seller if the machine will be sold with any attachments. Be sure to inquire whether the machine has been modified in any way from its original design that may affect operation and operator safety.
- *Documents and machine history*—Check with the seller about the machine's total operating hours, record of maintenance history, manufacturer's operation and maintenance manual and any other documentation that may be available. If the seller is missing documents, such as guides and manuals, you may be able to find them online.

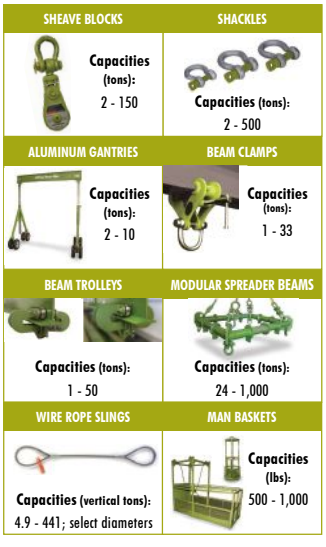
Buying pre-owned equipment can make an enormous impact for owners who are budget-conscious and in need of additional equipment. Using these steps to guide you through your purchasing process, you can ensure that you have conducted an exhaustive search to find the ideal piece of equipment for you and your business. CBO

Chris Girodat is the marketing manager for Bobcat Company, a business of Doosan Bobcat North America. Visit bobcat.com.

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4 Ways to Benefit from Using Propane Autogas Fleet Vehicles

Why you should consider conversion to save your company time & money

BY MICHAEL TAYLOR

As construction professionals continue to look for ways to improve their bottom line, often by looking for inefficiencies in labor and material costs, more companies are turning to a familiar jobsite fuel source to power their vehicle fleets—propane autogas.

An increasing number of light- and medium-duty work truck makes and models can be converted to run on this low-emissions, clean fuel. Take a look at the following four ways you can benefit from operating your vehicle fleet with propane autogas.



1. PROPANE AUTOGAS FLEETS SAVE MONEY

Propane autogas offers the lowest total ownership cost of any fuel, with credit due largely in part to the three Fs—fuel, fluids and filters.

Historically, propane autogas has been consistently less expensive than both gasoline and diesel. Fleets have even reported a 30- to 50-percent savings per gallon with the fuel.

Propane autogas engines and emissions systems are also less complex than new diesel engines due to the ability to burn cleaner and produce fewer emissions. Eliminating the fluids required to make diesel systems run smoothly can directly impact operations, maintenance and repair costs. Propane autogas also performs well in colder climates without the need for fuel conditioners to keep fuel lines from freezing and clogging.

Diesel engines require an increasing number of additional components to comply with emissions regulations and fuel efficiency standards. Failing to properly clean and maintain diesel particulate filters guarantees clogging, derates the engine revolutions per minute (rpm) and often renders a vehicle inoperable, adding unnecessary downtime. In comparison, propane autogas engines ensure Environmental Protection Agency (EPA) compliance without requiring additional emissions components.

After totaling all savings, some propane autogas fleets have reported recouping their initial investment in as quickly as 2 to 3 years—a fraction of the life span of a work truck.

2. PROPANE AUTOGAS OFFERS TAILORED REFUELING STRATEGIES

Propane autogas offers fleets a plethora of refueling options. So, companies that have vehicles return to base each night or send trucks home with foremen after the workday, can have a refueling strategy that maximizes productivity.

For fleets that prefer to install an on-site

refueling location, propane autogas provides the most affordable infrastructure of any fuel. Fleets oftentimes lease a propane tank, pump, motor and dispenser from a propane retailer to keep costs low so that the company only pays for site preparation requirements, including electrical installation and crash protection for the fuel tank. This option can support up to 50 vehicles with a standard private station, or more than 50 vehicles with an advanced private station, which includes larger gallon tanks, a canopy and multiple fuel dispensers.

For fleets with limited space, where a propane tank installation may not be an option, public refueling stations are an alternative. There are more than 3,000 stations across the country that work with the protection of a 24/7 card lock system. This allows fleets to identify and maintain records of vehicles by vehicle identification number (VIN), driver, fuel type and gallons dispensed, as well as the date and time of the transaction, for easier cost tracking and record keeping. This is a great option for construction crews that take vehicles home at the end of the day, rather than returning to a company's home base.

Fleets can also work with a propane retailer to arrange mobile refueling. No infrastructure is involved, and a retailer will refuel fleet vehicles one by one on-site. Most propane retailers are willing to place a temporary refueling setup on-site, which generally includes a dispenser and fuel tank mounted on a trailer.

3. PROPANE AUTOGAS IS A FAMILIAR FUEL

It is likely that construction crews already have experience refueling propane equipment used on jobsites for heat and power and in equipment, such as concrete trowels and forklifts. Even the refueling experience will be familiar to drivers who have a gasoline or diesel truck. Quick-connect nozzles are lightweight and capable of one-handed operation while providing a secure lock during refueling, rendering concerns about evaporative emissions or fuel spills virtually eliminated.

New liquid propane fuel injection engines are also similar in appearance to gasoline engines and require similar equipment for maintenance, diagnosis and repair, if those are done on-site. If not, it may be possible to work with a propane retailer and local maintenance shop to get technicians trained to properly repair and maintain vehicles.

4. PROPANE AUTOGAS IS "GREEN"

Fleets can take advantage of propane autogas's low emissions in marketing and when applying for bids to reach municipalities or corporations that aim for "green" thresholds or lower carbon footprints. Positioning your company on the "green" or "clean" market can boost corporate image and even help in employee retention and recruitment.

With propane autogas, construction professionals can break away from the competition and avoid unnecessary expenses and downtime. To learn more about propane autogas and access resources including case studies, safety and training advice and a return on investment (ROI) calculator, visit propane.com/on-road-fleets. CBO

Michael Taylor is the director of autogas business development for the Propane Education & Research Council (PERC), a check-off program established, operated and funded by the propane industry. PERC leads safety and training efforts among propane retailers and consumers and drives technology development to expand adoption of propane as a clean, domestic and affordable energy source. Contact Taylor at michael.taylor@propane.com. Visit propanecouncil.org.



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6 Principles of Successful Workplace Negotiation

Techniques to better manage politics & persuasion on a project

BY ROBERT CIALDINI

No matter your job title, chances are you engage in workplace negotiations every day. Whether you are vying for your team to receive more company resources, driving your ideas through to completion on a project or simply managing your day-to-day workload, being able to successfully negotiate with others is essential for success.

At its core, negotiation is really about persuasion—how you present your ideas to others in a way that moves them to agree with you, reach a meaningful compromise or take action. Researchers have identified six fundamental principles of persuasion, or influence, that do not involve the merits of the proposal, but rather the way in which you communicate them.

When you understand and use the following principles ethically, you too can become a more effective negotiator and pave your own path to success.



1. THE PRINCIPLE OF RECIPROCITY

People tend to give back to others what has been given to them. While some people think of reciprocity in terms of exchanging money, goods or services, the truth is, it involves much more.

For example, when participating in a conversation or discussion, by providing others with attention, information, concessions and respect, you will likely receive the same from them in return. In order to maximize the principle of reciprocity in a negotiation, you should be the first to offer these signs of respect, and be sure what you give is personalized and unexpected.

2. THE PRINCIPLE OF SCARCITY

People want what they cannot have. That is why advertisements that promise "limited time only" or "limited quantities available" are so effective. In a workplace negotiation situation, it is important to describe the unique, or otherwise unattainable, advantages of any recommendation or offer you propose to the other party.

However, research shows that in situations marked with uncertainty, people are more apt to take action when they know what they stand to lose, rather than what they could possibly gain. Therefore, when negotiating, it is important not only to tell people the benefits, but also what they could lose if they do not move in your recommended direction.

3. THE PRINCIPLE OF AUTHORITY

Research shows that people typically follow the lead of those they perceive as credible and knowledgeable experts. This makes sense, especially because legitimate authorities have attained their positions by

When negotiating, take time to locate genuine shared interests & points of agreement before delving into your idea, proposal or recommendation.

virtue of greater knowledge, skill or expertise in their field. Unfortunately, many experts mistakenly assume that others will naturally recognize their expertise, running the risk of sabotaging their own success. For maximum impact, arrange to have a third party communicate your credentials. Another option is to provide the person you want to influence with your background and expertise before you ever start negotiating. For example, connecting on LinkedIn can provide credentials that might otherwise go unmentioned.

4. THE PRINCIPLE OF CONSISTENCY

People feel compelled to be consistent with their prior behaviors, opinions, actions or statements. When someone makes a commitment actively, it is even more likely that they will follow through with that commitment. When negotiating, you can activate the principle of consistency by recognizing a prior commitment and linking it to your current request. If possible, take it a step further by getting the commitment in writing because people tend to feel obligation to live up to what they write. The more public the commitment, the stronger the pull to fulfill it.

5. THE PRINCIPLE OF LIKING

People are more easily influenced by those they like. What makes someone like you? Science tells us there are three important factors that contribute to likeability:

1. We like people who like us and tell us so.
2. We like people who are similar to us.
3. We like people who cooperate with us toward mutual goals.

Therefore, when negotiating, take the time necessary to locate genuine shared interests and points of agreement before delving into your idea, proposal or recommendation. Get to know people more meaningfully before talking business.

6. THE PRINCIPLE OF SOCIAL PROOF

People often rely heavily on others for cues on how to think, feel and act. Hence, the idea of what is correct is often not grounded in facts and statistics, but in observed social interactions. This tendency to look to and follow the lead of those similar to us is strongest in situations with uncertainty. To use the principle of social proof effectively in a negotiation situation, rather than trying to demonstrate it yourself, it is important to first present testimonials from others similar to your fellow negotiator. The more similar the testimonial providers are, the stronger your case.

Negotiation is an essential component in business, and your ability to influence others is a vital skill, but remember that the key is to influence ethically. Only then will you achieve your objectives as you guide the other party to the optimal decision for their needs. With this in mind, your negotiation skills can benefit all involved. CBO

Influence at Work (IAW) was founded by Robert Cialdini, Ph.D, professor emeritus of psychology and marketing and author of the New York Times bestseller Influence. Cialdini is also a presenter on the ethical business applications of the science of influence. IAW offers customized, in-house Principles of Persuasion (POP) workshops conducted by Cialdini Method certified trainers. Contact Cialdini at 480-967-6070 or visit influenceatwork.com.



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New & Innovative Products

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1



2

1 HIGH-CAPACITY TELEHANDLER

JLG Industries has unveiled the JLG 1644 high-capacity telehandler. This is the first telehandler in North America with SmartLoad Technology, a bundle of three integrated technologies—attachment recognition, load management and load stability. The telehandler also features JLG's precision gravity lowering system.
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2 HYDRAULIC EXCAVATOR

Komatsu America Corp. has introduced the PC238USLC-11 hydraulic excavator. Equipped with an EPA Tier 4 final certified engine and a new viscous fan clutch, engine parasitic loads are now lower and productivity is up to 4-percent higher, compared to the previous model.
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3



4



5

3 MECHANICS BODY

Omaha Standard Palfinger has announced the release of their newest mechanics body, the PAL Pro 20. Accommodating service cranes with up to 20,000 pounds of lifting capacity, the reinforced mechanics body is designed to maximize field performance in both on- and off-road applications. All compartment tops and raised compartments are reinforced with internal gussets, which prevents cracking and allows for mounting of welders, compressors and toolboxes. Every body comes standard with two-piece steel doors, featuring internal C-channel stiffeners, automotive adhesive bonding and 316 marine-grade stainless steel hinges. It also features a full-length channel drip rail to divert water away from the compartment openings and three-point compression latches for improved security and sealing. The 12-step E-coat corrosion protection guards against rust. The new mechanics body is offered with 9- and 11-inch standard configurations, over 30 bumper and outrigger combinations, aluminum shelving, and roll-out drawers with longitudinal dividers and padded floors. For a complete package, PAL Pro 20 is available with Palfinger's PSC 3216, PSC 4016 and PSC 4025 service crane models and PRC 45V rotary screw compressor.
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4 LED WORK LIGHT

The **Maxxima** Ultra-Bright 18-LED work light has a rugged 18-LED flood-beam pattern for a wide range of vocational applications. With an output of 3,100 lumens, the work light distributes bright white light evenly across a large area while drawing very little power. Its cast-aluminum, electro-deposited black housing and shatterproof polycarbonate lens provide durability and maintenance-free operation in demanding environments. The mounting hardware allows direction of light where it is needed most.
Visit maxxima.com.
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5 MICROTUBE SIPHON

Ashcroft Inc. released the 2198 MicroTube siphon, which protects instruments from high temperatures, is capable of containing pressure up to 5,000 psi and can reduce temperatures from as high as 800 degrees Fahrenheit. The 316L stainless-steel construction and variety of process connections ensure compatibility with installation requirements. The low-volume design allows the 2198 to be used between an instrument and a diaphragm seal.
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6

6 ASPHALT ROLLER

Dynapac North America unveiled the small tandem asphalt roller CC950, primarily for small-scale compaction work, such as pavements, bicycle paths, small roads and parking areas—places that need compaction, but are difficult to reach with a larger roller. This small tandem roller comes with an operating mass of approximately 1.6 tons and a drum width of 38 inches. The Dynapac CC950 is equipped with a water-cooled, three cylinder, four-stroke Kubota D722-E4B-KEA-2 diesel engine. Dynapac CC950 has long service intervals. Both the steering hitch and steering cylinder are maintenance-free.

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7

7 DUST SUPPRESSION SPRAY KIT

Atlas Copco Power Technique North America introduced a 36-inch retrofit dust suppression spray kit for handheld tools at The Rental Show. The kit can be attached to an Atlas Copco handheld breaker, rivet buster or chipping hammer and helps to comply with requirements of the Occupational Safety and Health Administration (OSHA) final silica rule. The dust suppression spray kit is equipped with a nozzle that can cover an 80-degree cone around the tool at 40 psi of pressure, dispensing six gallons of water per hour. The kit connects to a simple garden hose, and use of the kit minimizes worker exposure to harmful silica dust.

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8

8 OIL-FREE COMPRESSOR

Estwing announced that it has introduced the 5-gallon, quiet, oil-free compressor through a licensing agreement with Prime Global Products Inc. The tank fills from zero to 180 psi in less than 2 minutes and cuts in at 135 psi to maintain consistent air flow. The compact compressor's 5-gallon tank and roll cage feature powder-coated steel construction with a ball drain valve at its base and rubber feet to dampen vibration. The quiet compressor features a 3,000-hour-long life and oil-free pump.

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9 DIGITAL BLUEPRINT SOLUTION

Featuring web and mobile applications, the new Plans digital plan management solution from construction industry software developer **HCSS Software** connects the office to the field. Built specifically for heavy civil construction, HCSS Plans allows superintendents and project managers to efficiently manage changes and markups to project drawings and plans, ensuring that field superintendents are working with the latest project information. From the office, the digital plan management program allows managers and estimators to upload project documentation and make annotations, link to callouts, add notes and photos and mark revisions and versions using the HCSS Plans website.

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10



11

10 SHIELDED CONNECTORS

Platinum Tools launched ezEX-RJ45 shielded internal and external ground connectors, which are designed for large cables and conductors. They feature an integrated Hi-Lo stagger load bar and allow big conductors to pass through the front end of the connector, making it easy to verify the wiring sequence before terminating. These conductors are typically used with either CAT6 or CAT6A and are terminated with EXO Crimp Frame and EXO-EX Die (100061C).

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12



13

11 HYDRAULIC EARTH DRILLS

Little Beaver's towable and un-towable hydraulic earth drills combine safe and powerful drilling with hassle-free operation and transportation. Both drills are easy to operate and require minimal experience, making them ideal for use in a variety of industries, including landscaping, fence and sign installation, as well as park and recreation departments. The un-towable has a 9-horsepower Honda engine, while the towable unit has an 11-horsepower Honda engine. The hydraulic systems generate pressures ranging from 2,500 to 2,700 psi and operating speeds of 150 rpm, allowing the drills to power through tough soil without requiring additional operator effort. The integrated forward and reverse auger rotation combined with a pressure relief valve protect the operator from potential injury. Both drills feature an infinitely variable 20-degree auger tilt, making it possible to safely drill vertically in uneven terrain. The un-towable drill has a standard stationary handle, and the towable drill features a three-position handle that rotates 180 degrees, allowing an operator to drill near buildings, walls and other structures.

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12 SKID STEER LOADERS

ASV Holdings Inc., manufacturer of all-purpose, all-season compact track loaders and skid steers, offers the large-frame, radial-lift RS-75 and vertical-lift VS-75 skid steer loaders. The machines feature efficient hydraulics and cooling systems, as well as high-ground-clearance departure angle and serviceability. Both have a 10.5-inch ground clearance, allowing the machines to easily travel over obstructions such as logs, stumps and rocks. The chassis also allow for a 24-degree departure angle, and the high speed of the machines allows for fast and easy travel uphill or downhill over rough, uneven and wet terrain. Both models feature an industrial 74-horsepower diesel engine. The machines include large line sizes, hydraulic coolers and direct-drive pumps, transferring more flow and pressure directly to the attachment and preventing power loss. In addition, the ASV models' skid steer-focused design provides optimal weight distribution. Both machines are 72 inches wide, and the RS-75 has a 10.4-foot lift height, while the VS-75 has a 10.8-foot lift height. Standard reversible wheels narrow the machines to 66 inches, and standard hydraulic joystick controls make operation intuitive.

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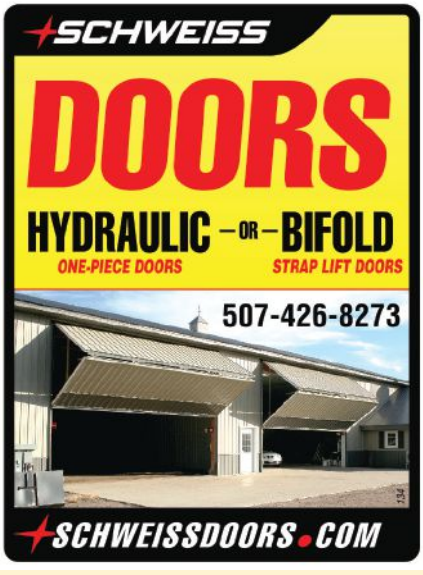
13 COLD PLANERS

Caterpillar introduced the PM310, PM312 and PM313 cold planers. The PM300 series is for small to medium jobsites where compact dimensions, optimum maneuverability and high production capabilities are required. The PM300 series features advanced controls and system integration and offers a full range of options and configurations for increased versatility. The rotor system is extended inward towards the chassis, allowing the three models to possess the same overall machine width despite different width of cut. This design feature also enables the swinging leg on the right side to position in line with the rotor for high production cuts or inboard in front of the rotor for flush cutting. Proportional controls on steering, propel and conveyor joysticks provide easier operator adjustments. The touchscreen displays provide easy-to-read gauges, function indicators and warning indicators. The PM300 series offers all models configured with a track undercarriage or a wheel undercarriage.

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Annual Value of Construction Put in Place

2015/2016/January 2018 Annual Rate Comparison

This chart compares the two previous years' total value of construction put in place to an annual forecast based on January 2018 figures. (Millions of dollars. Totals may not add up perfectly due to rounding.)

	2015	2017**	Jan 18
Total Private Construction	**827,345**	**967,922**	**962,733**
Residential	433,108	521,759	523,165
Nonresidential	394,237	446,163	439,568
Total Public Construction	**296,153**	**294,779**	**300,051**
Residential	5,909	7,016	6,713
Nonresidential	290,244	287,763	293,337
TOTAL Construction	**1,123,497**	**1,262,701**	**1,262,784**

**Seasonally Adjusted Annual Rate. Source: U.S. Census Bureau*
***2017 numbers revised for annual report*

$1,262,784

JANUARY 2018 TOTAL ANNUAL VALUE OF CONSTRUCTION PUT IN PLACE

"Healthy conditions continue across all sectors and regions except the Northeast, where firm billings **softened for the second consecutive month**. With strong billings and healthy growth in new projects to start the year, firms **remain generally optimistic about business conditions** for the next several months," said AIA Chief Economist Kermit Baker, Hon. AIA, Ph.D.

AIA Architectural Billings Index (ABI)

	National		*Regional - Billings				*Sectors - Billings			
Month	Billings	Inquiries	Northeast	Midwest	South	West	Multifamily Residential	Commercial/ Industrial	Institutional	Mixed
Aug-17	53.7	62.5	54.3	52.5	55.7	51.3	53.8	57.6	50.1	52.5
Sep-17	49.1	59.0	56.9	50.4	54.0	48.8	51.0	54.0	51.0	52.2
Oct-17	51.7	60.2	54.0	49.0	50.8	49.8	50.7	51.2	50.7	50.7
Nov-17	55.0	61.1	52.8	50.4	52.8	54.8	53.9	53.3	52.4	53.6
Dec-17	52.8	62.0	49.4	52.9	56.3	53.0	55.4	54.8	51.2	50.4
Jan-18	54.7	61.1	47.3	54.8	55.3	56.2	56.0	53.3	52.5	50.1

For more information on the index or to subscribe to the complete historical data going back to 1995 for your internal analysis, **please contact economics@aia.org.** The ABI presents monthly construction billings data, using a base score of 50. A score of more than 50 indicates a growth from the previous month, and a score of less than 50 indicates a contraction from the previous month. A score of 50 indicates no change. Source: The American Institute of Architects (AIA), Architecture Billings Index (ABI).

*Regional and Sectoral indexes are three-month moving averages, due to small sample size. All data is seasonally adjusted.
**Every January, the AIA research department updates the seasonal factors used to calculate the ABI, resulting in a revision of recent ABI values.



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- HEAVY DUTY CONSTRUCTION

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Most excavators come with a power boost function that can deliver extra force when you need it most – but only for a few seconds at a time. What good does that do when you have a whole day's work ahead of you? The power boost in KOBELCO excavators provides ~10% more bucket breakout force when you need it, for as long as you need it. They also offer a dedicated heavy lift function that provides ~10% more power when lifting and swinging. Combine that with our heavy-duty construction and you can be sure they'll never back down from a challenge.



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