



*Managing Metamorphosis,
Building for Change*



Session: 100312
Date: Friday, October 3, 2014
Time: 9:45 am – 10:45 am





Who Is Building My Project? Metamorphosis of the Construction Workforce



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The Changing Face of Today's Construction Workforce

Agenda

- Challenges with Today's Construction Workforce
- Solution for a Sustainable Workforce
- Benefits to the Owner

Challenges with Today's Construction Workforce

Challenge: Aging Workforce

- The average craft worker is 47
- The average entry age into the industry is 29
- 20 % of the workforce is expected to retire within 3 years



Challenge: Fewer Workers

Departures during Recession (2 million layoffs since 2006)

+ No Comprehensive Immigration Policy

+ ↑ Oil & Gas Jobs

+ ↑ Industrial Construction

+ Less Movement of Workers

↑ Demand vs. ↓ Supply

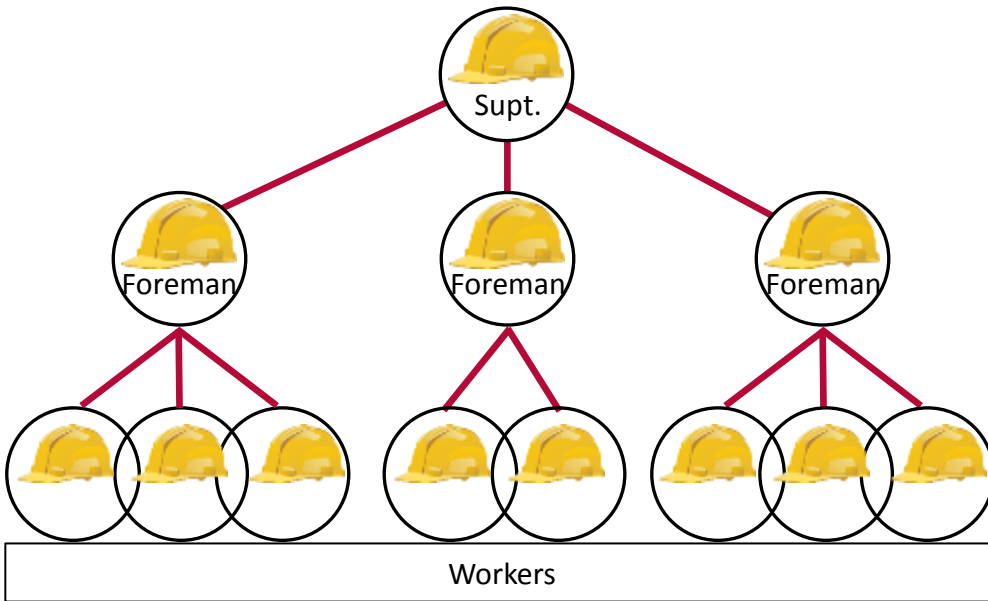
Challenge: Less Skilled Workers

- Limited vocational training programs in Texas
- Industry becoming more technical
- Move toward preparing all students for college

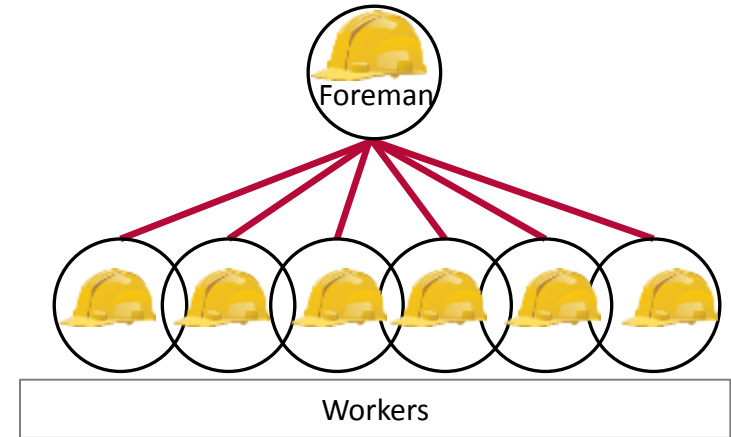


Challenge: Less Supervision

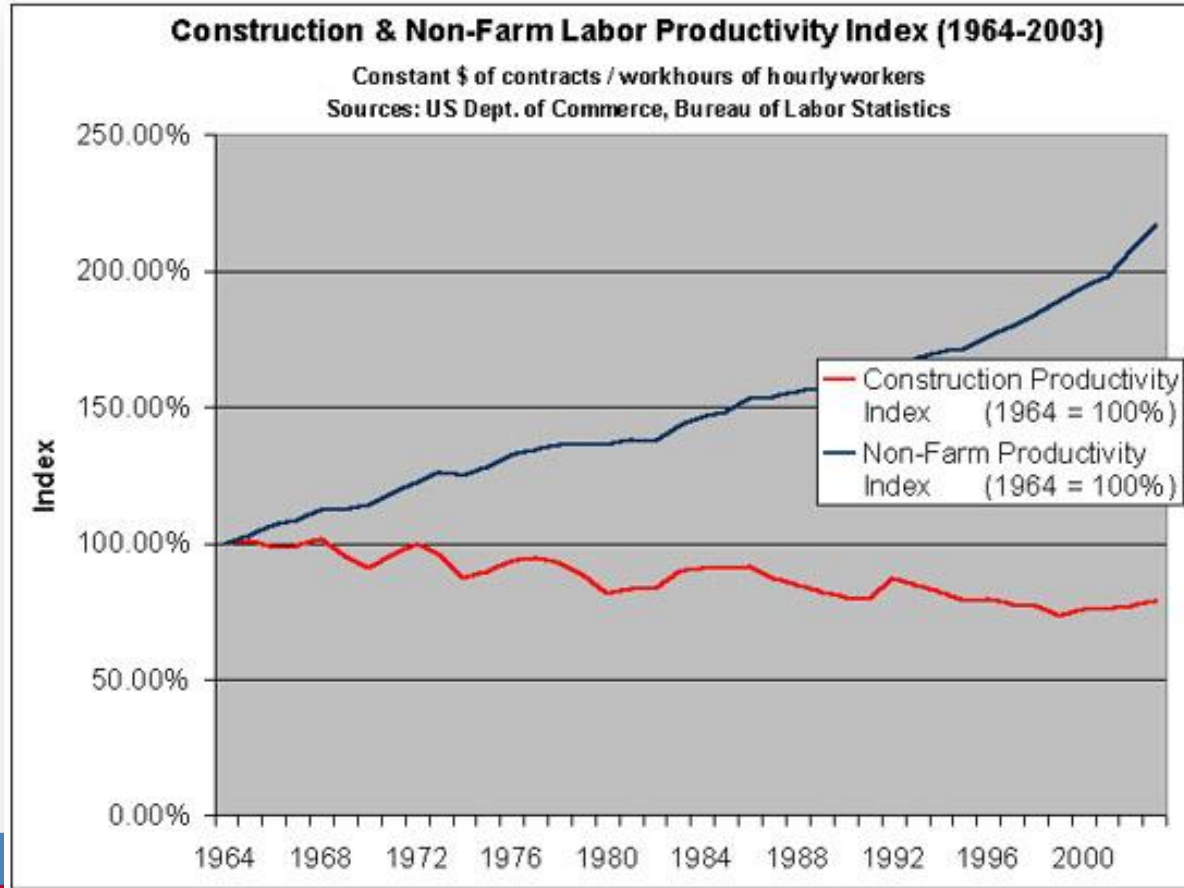
2009



2014 - 2015



Challenge: Lower Productivity



Challenges: Workers Not Paid Fairly

- Movement to contract labor driven by “lowest bid” mentality, resulting in avoidance of
 - Hourly/overtime pay
 - All payroll taxes
 - Workers’ compensation insurance
 - Employee benefits
- Downward pressure on wages
 - Journeyman carpenter earns today what he was paid in early ‘80-s.

How It Impacts Your Projects

Cost

- Higher demand = Higher price
- Overtime premiums + Higher OCIP

Schedule

- Fewer workers = Less production

Quality

- Untrained staff + less supervision = More rework, expectations not met

Safety

- Less supervision + less training = higher safety risk

The Bottom Line

We must do more to recruit, train and retain craft workers to meet the demands of our industry.



Solution for a Sustainable Workforce

The Solution

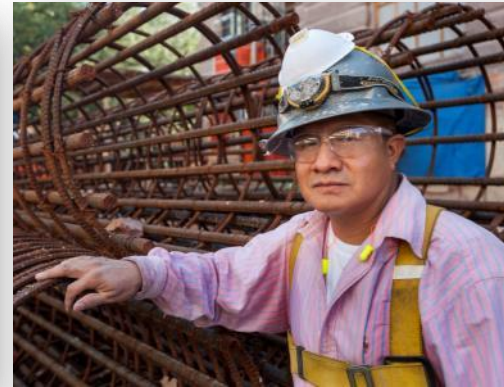


**Construction
Career
Collaborative**

***Partnering Today to
Ensure Tomorrow's
Workforce***

Mission

Create an alliance where socially responsible Owners, Contractors and Specialty Contractors can positively affect the growth of a sustainable workforce of the commercial construction industry.



Strategy

- Demand Driven Model
- Owners Must Demand It!
- Think Safety or LEED
- Moral  Financial  Requirement

3-Step Implementation

STEP 1: Financial Security, Health and Well-Being

- Pay by the hour with overtime in lieu of piece work payment (contract labor)
- Provide worker security by paying unemployment taxes, providing workers' compensation insurance and contributing to social security

3-Step Implementation

STEP 2: Safety Training

- Set standards for the construction workforce
- All craft workers have OSHA 10-hour training
- All on-site supervisors have OSHA 30-hour training
- All craft workers have 5 hours of C3 safety curriculum



3-Step Implementation






STEP 3: Craft Training

- Complete the C3 self-assessment craft training checklist



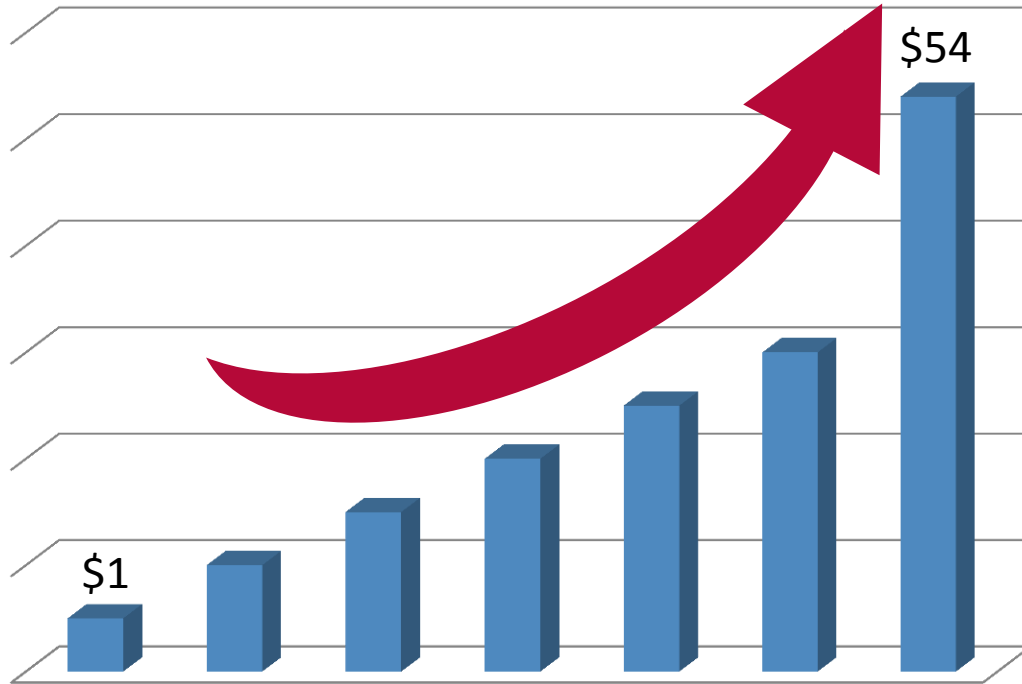
Proven Results

Studies Show Training Enhances Performance & Project Execution

- Productivity  by 24%
- Turnover  by 43%
- Job site absenteeism  by 59%
- OSHA recordable injuries  by 90%
- First aid cases  by 90%

Proven Results

Construction Workforce Training ROI



Source: U.S. Dept. of Labor

*Let's put
that savings
to good use!*

Tomorrow's Workforce

Trained • Safe • Sustainable



Benefits to the Owner

Benefits to Owners

TANGIBLE

- ↑ Productivity
- ↑ Quality
- ↑ Safety
- ↓ Cost
- Easier dispute resolution

INTANGIBLE

- Social Responsibility
- Industry Support
- Lead by Example
- Influence Education Sector

Case Study: UT MD Anderson

Zayed Building for Personalized Cancer Care

- 12-stories, 615,000 SF
- 2 laboratory wings & 2 office wings surround a central core
- 32 months of construction
- 2,500 workers



Implementation at Zayed

- Verify Paycheck Stubs
- On-site OSHA Training



Benefit: Safety

Tradesmen Trained

- 622 in C3 5-Hour Focus Four
- 1,008 in OSHA 10-Hour Training
- 274 in OSHA 30-Hour Training



Benefit: Quality

Past MDACC Projects

5-10 Owner/Design Team
Members Performing
Punch List

Zayed Project

1 Architect & 1 Owner Rep
Performing Punch List

*“The punch list process on
the Zayed project has
been the best I have ever
experienced” Sean Crane -
HDR*

Benefit: Schedule



- Added \$60 million worth of Phase 2 build-out in the same timeframe as original building schedule

Case Study: MD Anderson CABIR

Project	Avg. # of Bids per Package	Man Hours	Recordable Incidents	Lost Time Incidents	Claims Cost per Manhour	Cost in Incidents Claims
MD Anderson CABIR Ph I/Ph II	4	639,829	8	1	\$0.13	\$80,079
MD Anderson CABIR Ph III C3 Project	5	303,631	3	0	\$0.03	\$10,520



Participants & Supporters

Owners



THE ARCHDIOCESE OF
GALVESTON-HOUSTON



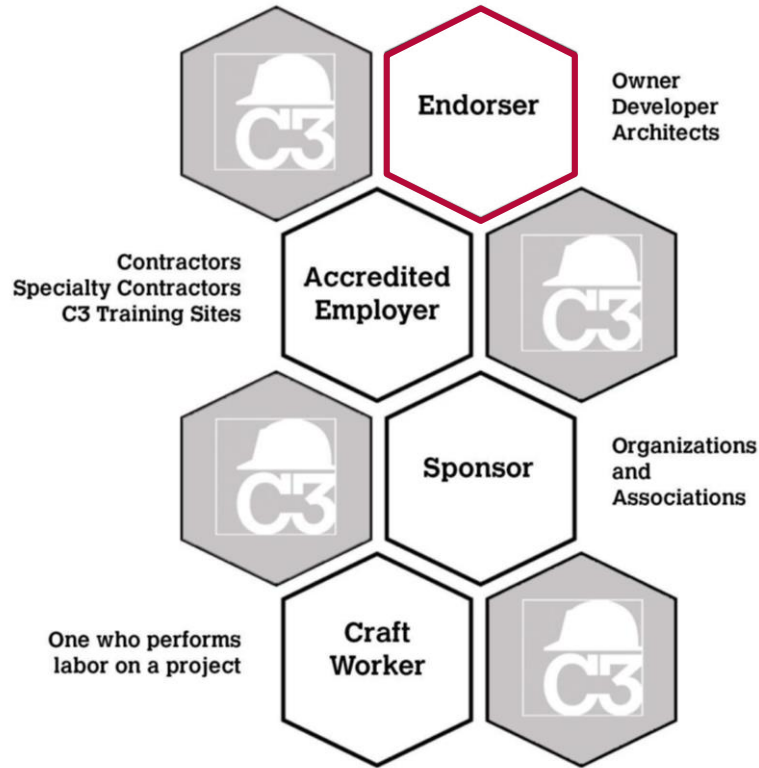
Industry



Employers



You Can Influence the Market



- Leaders have a long-range view of the industry
- Leaders have the courage to show the way and lead by example when it may be unpopular to do so

How Can You Participate?

- Demand C3 Accreditation on Your Projects
 - Endorse compliance with hourly payroll practices
 - Endorse compliance with safety training standards
 - Allow C3 to audit jobsites for compliance

How Can You Participate?

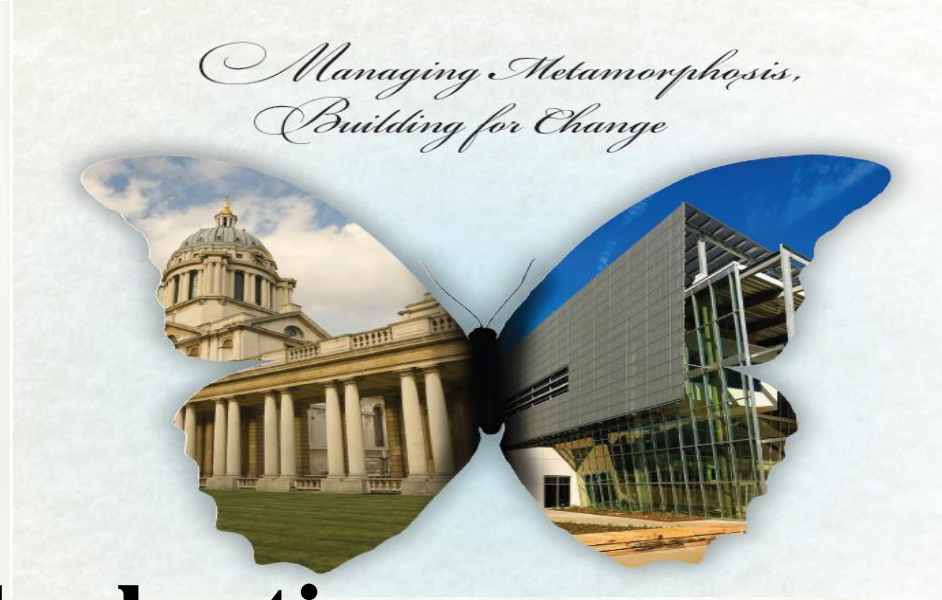
Demand C3 Accreditation on Your Projects

1. Complete endorsement form at:
www.constructioncareercollaborative.com
2. Include C3 General Conditions and Specifications in all of your contract documents. (Download from C3 web site)
3. Educate your personnel, project managers, architects, engineers, and contractors on the importance of C3



For more information:

www.constructioncareercollaborative.org



Seminar Evaluation

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Please take a moment to complete the evaluation form.

Thank you!

