In New York City Construction, Bigness Represents the Big Difference—and How!

For The Giambois, The Salvation Was Diversification and a Hard Earned Reputation

He just never grew accustomed to refusal or defeat.
As a teenager he slogged through the southwest Pacific during World War II as a Navy Corpsman attached to the Second Marine Division and experienced only victories... bloody, yes, but still victories.
His own father didn’t want him in the construction business yet when he became a full fledged partner he and his cousin lofted the company to levels that his patents, uncles, and grandparents never dreamed of.
He didn’t discover golf until age 28 but promptly became a one-digit handicap golfer.
When he decided to devote some of his time to charities, he promptly rose to president of the prestigious Columbus Citizens Foundation and presided over three successful Columbus Day Parade triumphs.
When the company, founded by his grandfather faltered in the late 60s, he launched it in a successful diversification move and reestablished the company as the pride of New York City.

With his first cousin, Joseph L. Giamboi, who is Executive Vice President of Giamboi Brothers, Joe has watched his company go from the top echelons to a company barely hanging on, then back to the top again. Giamboi Brothers is an old line Brooklyn wall and ceiling firm, started in 1919 by grandfather Joe Giamboi who exported his three eldest sons to Brooklyn when the future appeared not so bright in their native Sicily. Later Joe’s then teenage father, Alfred, came to Brooklyn, became a partner and eventually took over the mantle.

He tried to dissuade his son, Joe, from entering the business following the latter’s discharge from the U.S. Navy in 1946. But Joe finally prevailed upon him for a $20 loan to buy work shoes and a hawk and trowel. With that, he served his apprenticeship and began moving up the company hierarchy.

When two of the original brothers, Emile and Sal, died in 1958, Alfred brought Joe A. and his cousin, Joe L., also a journeyman plasterer, in as full partners. For the next 10 years, Giamboi Brothers made its mark on New
York City as the premium big city contractor. The firm weathered the drywall revolution and today remains one of New York's top partitioning firms.

With his wife, the former Irma Salvata, of Brooklyn, Joe lives in a 15-room mansion located on a two-acre site in nearby Garden City. His two sons are active in the business, Gary, as a vice president, and Ronald, as a project manager.

Long active in industry and AWCI affairs, Joe served a full term on AWCI's Board of Directors and also served on a number of national committees. The company is also a member of the Metropolitan Drywall Association and the Long Island Drywall Association. Still an II-handicap golfer at Garden City Country Club, Joe also enjoys fishing and boating as a pastime. But mostly he can be found in Giamboi Brothers' attractive headquarter complex on Coney Island Avenue where CONSTTRUKTION DIMENSIONS managed to catch up with him.

DIMENSIONS: You mentioned that you and other plastering contractors fought the drywall revolution bitterly. What made you abruptly swing into drywall itself, self preservation?

GIAMBOI: We really kind of eased into the decision and then made it quickly. It might have seemed abrupt but it wasn't.

All of us plastering contractors fought the drywall people as they began making serious inroads into our markets. We spent a lot of money, hired a lot of people, and did a lot of shouting-in an effort to roll back the future.

In the end, though, we decided if we couldn't beat them it was best to join them.

DIMENSIONS: And then what? You brought drywall into your business, or set up a separate corporation?

GIAMBOI: We realized that if a partition in this city was going up it should be us doing it-wet or dry. We sat in this conference room and made the decision to form A & M Wallboard as a separate corporation, completely divorced from Giamboi Brothers.

I always follow a firm rule in construction: to break into a new specialty you must hire or at least be associated with top notch people... experts in the field... a specialist who knows his business. Otherwise, you'll get burned.

U.S. Gypsum recommended the late Mike Petrulli to us as that kind of specialist so we offered Mike a one-third interest to help set up and run our company.

DIMENSIONS: So Mike was the expert who put you into the drywall business?

GIAMBOI: Not completely. We have another true expert on our staff, Jerry Siegal, our office management man, who hired the right people and saw to it that a field expert like Mike would have first rate management and staff help supporting him.

Joe got the work, saw to it that it proceeded profitably, and Jerry backed him up with management expertise every step of the way. It was a winning combination from the start. We grabbed two big jobs as starters and haven't faltered since.

DIMENSIONS: Did you look at other construction specialties during this late 60s period?

GIAMBOI: Oh, yes. We started a very successful concrete business which was profitably liquidated several years later, and then, of course, we got into the manufacture of mineral fireproofing for a short time. Fortunately, we produced a non-asbestos type product well after the start of the asbestos controversy so we didn't get involved in that fiasco.

DIMENSIONS: I take it the drywall and concrete, plus the existing services your company performed, helped iron out the stability problem?

GIAMBOI: Yes. Stability in any business is important, and so is cash flow. Any business has two serious problems: too little money or too much money. Owners tend to squabble at either end of these extremes, and that's when business maturity pays off.

Until we got turned around on a solid, stable basis, we had our moments.

DIMENSIONS: Changing the subject, Joe, is the New York City market—unbiased opinion now—a that different from the rest of the country?

GIAMBOI: Is New York different? Absolutely. New York is geared for the biggest and fastest developed jobs in the country. What we put up in square footage in a year would take any other market at least 24-36 months to accomplish.

I don't say this as New Yorker bragging. I mean we put up buildings 60, 70 and 80 or more stories as routine. This scale of operations introduces repetition which in turn promotes ef-
ficiency and speed. Any contractor admits this: once you put in the first 5 floors you’ve got your working techniques down pat.

I know many contractors who do a 20, 30 or 40-story building and then wish they could build another half dozen just like it because his crews have learned. We get to do this as a matter of routine.

Couple that with the fact that nearly 90% of work in the city is fast track and you have a scale of operations and efficiency factor that’s hard to beat. Crews settle down to a building pattern of repetitive work and we have efficiency and quality.

DIMENSIONS: Something like the old Ford assembly line concept?

GIAMBOI: Absolutely. Once you learn what you’re supposed to do you turn the line speed up and everyone contributes his part to a quality whole. That’s why we can put up a tall building so fast with good quality: we practice it on every job.

DIMENSIONS: I wonder if you’d be so kind as to give me an example of a fast, quality job?

GIAMBOI: Well, let’s take the Kritz building. The owners wanted fast action, so we asked for a weekend to set up. We put our laborers in there and prepared the entire job in two days.

Monday we had 200 plasterers on that job and five days later we’d white coated a complete 30-story building.

DIMENSIONS: Is the market area for the Giamboi Brothers strictly metropolitan New York?

“This has always been a family business,” said the late Alfred Giamboi in 1958, and he brought his son, Joe A., and Joe’s first cousin, Joe L., in as partners. The two “Joes” have shared running the company with a firm, knowing hand ever since.
GIAMBOI: Absolutely. I’m not certain that our training, experience, and crews would apply in any other market. As I said before, it truly is different.

DIMENSIONS: What’s the job getting tradition here . . . negotiating or strictly bidding?
GIAMBOI: Wrong question. Let me phrase this my way. Here in New York we’re confronted with two types of bidding: one, we have the “favorite son” bid where you negotiate the prices that will result in a job, and second, you have the agency job where you bid as a prime, resulting in a bid which is sealed, opened and read with the lowest bidder getting the job—

DIMENSIONS: —and your preference?
GIAMBOI: It varies with the job and the situation, but I personally prefer the latter—the street low bid. I say this because the agency soliciting bids chooses from a small number of qualified contractors.

Thus, you don’t find yourself compelled to match or come closer to any contractor’s low bid: you know, bid peddling, and because you are usually going up against competent, qualified bidders who aren’t apt to run in a ridiculously low bid.

“Once you sign that contract document, you’ve virtually waived all of your legal rights.”

DIMENSIONS: I should imagine you encounter some interesting contract language in New York. Do you accept the offered contract or insist on changes to protect yourself?
GIAMBOI: Let’s face reality: as a subcontractor anywhere, you don’t have that much ability to change contracts. I don’t care who issues the contract, it is by definition always one sided in favor of the owner/developer or the general contractor. They own and control that job. In that kind of situation you can shout all you want about changing this or that clause but the only true protection is watching out who you work for or who you sign a contract with.

Once you sign that contract docu-

Joe A. Giamboi’s reputation as a reliable contractor is solid—and so, too, are his credentials as one of the city’s most available business executives for charitable activities. He headed the Columbus Citizens Foundation for three years.

ment, you’ve virtually waived all of your legal rights.

DIMENSIONS: You’re saying that in the ancient game of “gotcha” you’re on the recipient’s end?
GIAMBOI: As long as the laws are what they are the only possible answer is “yes.”

DIMENSIONS: All right then, so how does a sub protect himself?
GIAMBOI: A subcontractor has two lines of defense: one, be sure that the job doesn’t get too far out ahead of you financially, and two, keep the money flow as tight as possible in your favor by watching your accounts receivables. They’re your pulse beat indicators.

DIMENSIONS: Where do they get out front the easiest?
GIAMBOI: I’ve found that they get ahead of you on extras and change orders. They deliberately slow down the processing for work that could be requisitioned while at the same time getting a bit behind on basic contract progress payments. First thing you know, you’re in deep and the one-sided situation tilts even more.

If you multiply a lot of little charges that are unpaid, it doesn’t take long to total up into a significant cash flow shortage. Remember, you’re paying time and materials on all this un-requisitioned and unpaid-for work; it’s your cash they’re working on.

DIMENSIONS: What’s your strategy for combating this kind of conduct?
GIAMBOI: I think a contractor must put a dollar cap on each job and then stick to it. Your field personnel can be a great help—or hindrance—by the manner in which they handle changes and payments.

It goes without saying that no changes should be done without written authorization by someone with authority. A Speed Letter confirming a work order is legal enough, but get it in writing. A written change order is a sub’s meat and potatoes because that’s work you can requisition.

DIMENSIONS: Other methods are available, too, to sting the sub. I refer to back charges, punch lists, retentions... that sort of thing, right?

GIAMBOI: Of course. On punch lists, we work to avoid a major punch list at the end of the job by having the GC sign off each floor as it is satisfactorily completed. That way they can only come after us with the minor stuff.

As for back charges, I simply won’t even bid a drywall contract where I must clean up. My price reflects this deletion. The GC has the laborers do the cleaning, and with this work item omitted from your scope of work there can be no cleaning back charges.

We’ll see technical changes but they’ll probably be gradual. A contractor just needs to keep alert.

DIMENSIONS: And unionism. What are your feelings about this union vs. non-union controversy?

GIAMBOI: Oh, I hear all this nonsense about non-unionism being the wave of the future, but the unions are now more aware of their own competition problems and are reacting, slowly as they should.

The main weapon the unions have going for them—although a lot of them fight it—is technological advancement. To keep the work force up to date, you must train and only the unions have this ability in place. The non-union segment talks about apprentice training but it’s mostly talk: they don’t have the national apparatus or facilities to bring it off successfully.

The future is what it always has been: technology and advance of people skills. That means a well trained, experienced work force.

Events are moving along much too fast for any other possibility.