It’s A New World

A Conversation with
Joseph Feldner and Robert Heimerl

Editor’s Note: At AWCI’s 73rd Convention and Exposition in Toronto, Joseph A. Feldner of McNulty Bros. in Chicago and Robert C. J. Heimerl of Mowery-Thomason, Inc., in Los Angeles talked about problems and opportunities facing the wall and ceiling industry.

Construction Dimensions: What do you feel are the major problems facing the industry now?

Heimerl: It all depends on which area of the country you are talking about. One of the big problems that is going to hit the Los Angeles area in the future, and is even affecting us now, is the union/non-union environment. We still have a strong union environment in the commercial area, but in the residential and light commercial areas it’s very strong non-union. We’re finding a lot of the open shop contractors are moving into the light commercial area and getting stronger and stronger. Up to now there’s been a sufficient amount of work to keep both groups happy, but if we ever have a recession or slowdown, it could be real tough for the union contractors to compete in the marketplace.

CD: How is it in Chicago?

Feldner: We see the same trends in Chicago.

CD: One of the big trends during the Reagan presidency was an ebbing of union strength starting with the air traffic controllers in the early ’80s. Do you think this trend is continuing, and will it affect the wall and ceiling industry?

Feldner: I’m for the unions, because that’s where we’ll get our trained mechanics, our working rules, and a standard of workmanship. We have a strait-laced 100% union shop. I am deeply concerned about the future training of good mechanics and having the right people over the next 10 to 20 years with the proper training to do the job. I think the quality and workmanship our workers are producing is deteriorating.

Heimerl: We have an “I don’t care about the next trade” or “anything goes” attitude out there, and you can see it as you walk around and look at some of the construction sites. One of my major concerns is having the right people coming along, coming up through the ranks to do the work. We’re trying very hard to keep and train good people in the Chicago area, and we’ve got some good training programs in place. But that’s for the union shops. It doesn’t take care of the segment that Bob was talking about, the residential and light commercial area.

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Heimerl: The jobs aren’t being policed well, either. They’re expecting the contractors to do more and more of the policing instead of the unions or the business agents.

Feldner: A business agent called me a few months ago and said, “I walked in on a job last Saturday and I saw a worker on a pair of stilts. The stilts had your company’s name on them. I know you’re not doing that job, but your equipment is being used.” I told him he was right. We identify all our equipment. We stencil and colorcode everything possible.

Helmed: One other area that bothers me is the requirements under the Hazard Communication situation. It would be virtually impossible for us as contractors to comply with the letter of the law as it’s written. I don’t think there’s a contractor in the country, no matter how good a person he has, that would be in 100% compliance in all cases. An OSHA inspector could come on to almost any job and find something wrong with his compliance to the HazCom requirements.

CD: The Hazard Communication program isn’t that involved, is it? You just have to let the workers know what they might come in contact with, right?

Heimerl: No, the program has quite a few requirements. You have to have a policy, a company program, an education program on each product you use, and you have to make sure each worker is aware of all the hazards of the products with which he may come into contact.

CD: I thought OSHA had slacked off on their enforcement.

Heimerl: They were feeling their way as to what was going to be the final law of the land. There had been a number of protests and appeals and so forth, but those appeals are pretty much exhausted now.

Feldner: We’ve talked about training, union and non-union concerns, and OSHA requirements. The next area of concern I have, if you want to talk about subcontractors’ problems, is the need for the building owners and general contractors, who act for the most part strictly as brokers, to be reminded of the obligations they should have to the subcontractors who are building their buildings and doing their work.

A subcontractor today fills a number of functions. He’s a project manager, a banker, a material supplier, and a labor broker. Frequently he has to be a lawyer, an architect, an engineer, and a bondsman. Let’s look at it from the beginning. The subcontractor
will get a job from a general contractor. Todays general contractors and building owners are book smart only. They end up going strictly for the low bid. Whoever gets the number low enough gets the job. Then the fun starts. That’s why AWCI’s technical committees are coming out with a manual on tolerances—to give subcontractors some guidelines because the other people aren’t doing their work The people buying the jobs as the general contractors don’t really know what they’re buying. You can only get a job so cheap-then it comes out of the work.

Let’s assume that the subcontractor gets the job and the general contractor sets a schedule. Frequently this important step is done without the subcontractor’s input, adding problems to the building process. Rather, there needs to be a close working rapport between the general contractor and the subcontractor. After the schedule is set, the subcontractor goes out to the job. Right off, the subcontractor is into the job for 30 days before he puts in his first application for payment. He’s already paid for his labor, material, and union benefits. If he’s lucky, he’ll get his payment 45 days after it’s submitted. He’s already into the job for two and a half months before he gets his first payback.

The subcontractor can front-end load and negotiate payments and work out financing the job, but he’s constantly bankrolling that job. Then he has to deal with a 10% retainage factor. Sometimes he can be successful reducing the retainage to 5% as the job proceeds, but those are not run-of-the-mill jobs. In addition, he has a cost for money itself—if he is lucky it is only 1% a month for money. The subcontractor has begun incurring costs the day he starts estimating the job.

Another area affecting the subcontractor is the way owners are purchasing materials. Owners in some areas are now trying to make deals where they buy the material direct from the suppliers, put it on the job and make only labor brokers out of the subs. Prestocking a building, which is basically what this is, requires a great deal of expertise because of hoisting difficulties, access to the material stocks, and the need to keep the schedule of trades going. It takes some super planning, which we don’t find today when the subcontractor isn’t involved in the process.

And there’s another area. The subcontractor will receive drawings from the designers that are inadequate. Architects have told me they aren’t getting paid enough on a job for what they do, and therefore they can only produce so much The subcontractor will find that not only is he doing the estimating, bidding, planning, and scheduling on the job, he is now forced to specify the materials to use and is required to produce the engineering for his work to make sure those materials can be installed. Liability is one area we had all better be concerned about, because with lawsuits today whatever happens everyone involved on the
If your equipment or your name is on the job you are involved if there’s a lawsuit.

**Heimerl:** I see more and more responsibility and liability trying to be pushed onto the subcontractors also, everything from shop drawings on I think this is something AWCI as an association should take a stand on, so that the architects and engineers that an 18-gauge stud will work fine on a job. I shouldn’t have to provide shop drawings on how to build something. We will help and give ideas, but we don’t want them to put in specifications based on our recommendations. Engineers have to take into account seismic design, wind load, performance, and so on, and we shouldn’t be responsible for that. I don’t think any contractor should get involved in that or be exposed to that kind of liability.

**CD:** You mentioned safety earlier. How does your company handle safety? Do you have an ongoing program?

**Feldner:** Our company has a full-time safety director who is responsible for safety, substance abuse, accidents, and so on. He has the authority to call the general contractor or the owner of a building and say, “Your job site is unsafe.” His first responsibility is to keep us informed of the potential problems at the job sites. He wears a 24-hour, seven day a week beeper to keep him in touch with the company’s exposure. There are times when he has been able to beat the accident to the hospital.

We’re a firm believer in home, worker, and jobsite safety. Our insurance rates have gone down because of our program.

**Heimerl:** Our safety program is run by our superintendents and foremen. We require a written report from their tailgate meetings so that we have a record. I’ll visit job sites myself, and if I see anything I make it a point to go to the foreman myself and let him know I am concerned about safety.

It is a big item for us, and it’s something that we all need to control. In a situation where you might go from 20 men to 100 men in a matter of two months or so, I think you’re very vulnerable because you are hiring a lot of people you don’t know much about. That seems to be where you get your biggest exposure to accidents and problems.

**Feldner:** The company policies insist on immediate documentation and interviews. Our safety director has saved us money in claims because he was there and he documented the information while it was fresh in everyone’s mind.

**CD:** We’ve talked about many different problems you face. The suppliers have tried to help you haven’t they? They’ve been introducing new products and new techniques over the years, such as today’s exterior insulation finishing systems.

**Heimerl:** I think as a whole the suppliers are doing a pretty good job bringing in new products and systems. The area I find disappointing is in the mechanics accepting these new products. They seem very reluctant to try these new materials and to make them work. It gets very frustrating.

**Feldner:** Today’s mechanics don’t seem to want to grow and change with the industry. Really, the changes that are being introduced are the only thing we’ve got to keep us competitive out there.

**Heimerl:** I’ll give you a good example. We had a job in L.A. where we were installing an exterior insulation system I had a plastering crew down there that really had not done very much in exterior insulation because it’s still fairly new in southern California. These people had been with our company for years. They were excellent mechanics. But they felt they knew everything there was to know about trowel application of materials, and they were reluctant to listen to anybody, including the manufacturer’s recommendations on applications. They started getting frustrated and making comments about the material, saying it wouldn’t spread and didn’t look right. It turned out they were making the comments in front of the owner and the superintendent. All of a sudden we had a job problem—our work wasn’t acceptable. That caused some real problems. There needs to be an attitude change, and it probably should come, at least in our situation, from the unions.

Through their apprentice programs and even through their membership meetings, they need to educate these old-time plastering people who are excellent mechanics and good workers. They’ve done a great job, but they need to be educated to be more open-minded to the new products that are coming onto the market to save their industry.

**CD:** Do you think the suppliers should be more involved in the training?

**Feldner:** No, it’s a people problem. It’s a case where everybody thinks he’s an expert. Someone will say the wrong thing, it’s taken out of context, and all of a sudden it’s out of hand. We as the contractors have to go back to the job and put fires out. Everyone has a right to voice an opinion, but we have to be careful who we say it to. We’re not trying to get away with anything, but sometimes people out on the job don’t know what is needed with these new products.

We can’t build buildings today like we could 20 or 30 years ago, where we could sit down with the building superintendent or the architect on the job and solve our problems right then and there. In today’s world it takes weeks to get answers on things. There are a lot of reasons for the situation we have today—legalities, liabilities, the whole works. We just can’t build buildings today the way we could, the way we used to build buildings, and the way we’re able to.

**Heimerl:** It’s a different world. Another problem is that everyone’s in such a hurry that we don’t have complete plan specifications sometimes when we start on a majority of the buildings. Everything is fast-track, general contractors have completion deadlines, they have to open it by the Christmas season. They’re trying to throw up a building in no time, yet the architects and owners keep changing the design plans.

**Feldner:** They complain about us going to them for changes and changes. We become the victims really, because they haven’t completely designed the building. They’re designing it as we build it. We’re finishing buildings and they’re moving tenants in the buildings—high-rise skyscrapers—sometimes without the roof completed on the building. There will be water running down the stairwells in buildings, and they’ve already got tenants in the buildings. That’s what Bob was talking about with the fast track—they’re tenants in as soon as possible so you can start charging rent.

I see tolerances in construction in...
general being very sloppy. Today, if a
floor’s within an inch of level, it’s
within tolerance. It doesn’t make any
difference that you can’t swing the door
90 degrees past a bump in the floor.
The argument I hear is, “If you were
paying the cost of the rent of slip forms
on a daily basis, you’d understand why
we’re jacking that building up faster
and trying to move it.” Again, money.
The financing of a building. That’s why
they’re trying to move tenants in as
soon as possible to start collecting the
rent.

CD: Are you concerned about the
foreign money that is coming into this
country, buying up real estate and pay-
ing for new buildings in many areas?

Feldner: Our trade deficit is way up
there. I worry somewhat when I see all
this foreign money coming into the
United States as absentee owners.

Heimerl: They’re buying up
everything in southern California.
They’re making investments that really
don’t make any sense.

Feldner: When Washington changed
our tax laws a few years ago, it didn’t
help United States citizens. That’s what
hurt our industry—owners no longer
have the tax breaks to continue to
upgrade their buildings.

I’m concerned about training people,
having the right mechanics on the job,
having the right attitude to do a good
job without substance abuses, and
being able to produce workmanship.
We need to pump new life into our
educational system Korean children
walk around with a dictionary under
their arms so that they can read and
write both Korean and English We’re
being surpassed in the education arena.
We test our apprentices coming in for
training, and those candidates are
scoring in the 20 percentile range.
That’s the bottom 20% in the country.
We have to spoon feed them the
grammar school math they need to pass
to qualify for the apprentice program.
We are tutoring them two and three
times before they pass the written math
test. And these are the mechanics who
are going to build our buildings. That’s
what frightens me.

CD: We’ve talked about problems
you face. Let’s talk about opportunities
for the future. What kinds of changes
do you see coming in the next three to
dfive years, even 10 years out? Where do
you see growth for the industry coming
from?

Feldner: I think there will be a lot of
changes in the building industry in the
next 10 to 20 years. I think we’ll see as-
sembly-line buildings, where we bring
assembled modular structures out to
the site and screw them together.
Maybe we’ll super-glue them. But
they’ll be pre-finished, wired, piped,
decorated and ready to go. I think robot technology will affect this industry—if they can build cars with robots, they can build walls and ceilings and roofs.

**CD:** Should you be looking at off-site construction centers?

**Feldner:** Some of us are already doing that. We fabricate panels off-site right now. I think more and more pre-fabrication will come.

**Heimerl:** I think we’re seeing a definite trend away from the glass window wall we saw so much of in the ’70s and ’80s. There will be more solid exterior construction.

**Feldner:** I hope so. That was something I never could understand. We’ve been talking for years about the need to conserve energy, but people are still building glass walls. You see one glass building after another going up.

I see another trend. We’ve got a lot of buildings five to 10 years old or older that we’re going to have to play catch-up with. The major new building projects may slow down, but the older buildings will need new upgrades, new systems, new elevators, new lobbies, new entry facades so that they blend with the new buildings. The owners are being forced to upgrade, whether they like it or not, to keep their tenants. The deals that are being made with some of the tenants require it.

**CD:** Is there much remodeling in southern California?

**Heimerl:** There’s quite a bit of remodeling. We’ve done a lot of major restoration projects on older buildings, bringing them back to their original states in some cases as well as modernizing them I love that work. It’s very labor-intensive, very challenging.

**Feldner:** It gives you a chance to get involved.

**CD:** So there are a lot of opportunities.

**Feldner:** There are. They aren’t going to come to you, however. You have to go out and find them.

**Heimerl:** The opportunities are there, but we need the educated contractors to make it all work. Otherwise, we’re all hurting each other. One of the easiest ways to learn about our common problems and the need to focus on industry-wide opportunities is through AWCI—its convention and educational programs.

“[Opportunities] aren’t going to come to you...you have to go out and find them.”