



# SMACNA—2015 Year in Review

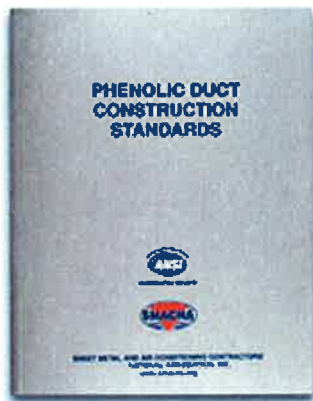
JAN 12, 2016

## Setting you up for success

SMACNA provides world-class services for our members, including exceptional educational programs, internationally respected technical manuals, leading labor relations services, new safety products for the workplace, compelling advocacy on Capitol Hill, and much more.

Following are highlights of our 2015 achievements on your behalf. SMACNA is excited to give you the resources, knowledge, tools, and insights you need to thrive in this industry.

## Technical Services

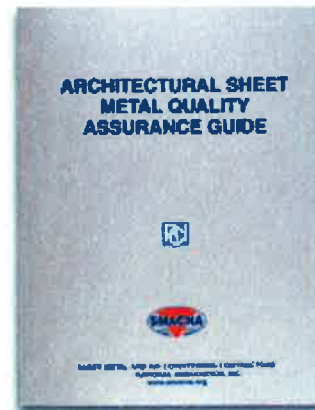


### SMACNA Phenolic Duct Construction Standard

SMACNA published the ANSI accredited "Phenolic Duct Construction Standards," first edition 2015, developed to cover this versatile air distribution material that includes high thermal performance, moisture resistance, fire performance, and structural strength for use in typical HVAC air distribution systems.

### "SMACNA/RCI Architectural Sheet Metal Quality Assurance Guide"

SMACNA published this joint guide with RCI to provide guidance in the evaluation of exterior sheet metal building components—roofing systems, exterior walls, flashing, copings, etc.—during initial construction and for ongoing condition assessments and maintenance.



### Residential Comfort Systems Installation Standard

Began the process of ANSI accreditation for the eighth edition of SMACNA's "Residential Comfort Systems Installation Standards."



## SMACNA Technical University

Conducted the highly respected SMACNA Technical University for the Toronto, Ottawa, and Des Moines, Iowa, SMACNA Chapters where more than 45 participants received detailed education on the use and application of SMACNA's HVAC duct construction standard, fire smoke damper, duct leakage, and industrial standards.



## ICC Committee Action Hearings

Participated as a voting member of the International Mechanical Code Committee for developing the 2018 International Mechanical Code.

## ICC Final Action Hearings

Successfully secured the SMACNA/ANSI Phenolic Duct Construction into the 2018 International Mechanical Code.

## Productivity Enhancement Tools

Showcased the latest productivity enhancements tools at the SMACNA Annual Convention for members to further their competitive advantage for producing cost-effective and sustainable projects.



## U.S. Green Building Council and ICC Conference/Expo

Exhibited SMACNA's Technical Resources and Services at these major events to promote SMACNA's technical standards and connect SMACNA members to the code community and green sustainable markets.

## Technical Standards and Manuals

Continued the development of revisions to SMACNA's "Fire, Smoke, Radiation, Damper Installation Guide for HVAC Systems Manual," "Thermoset FRP Duct Construction Manual," and HVAC duct construction standards for future release.

## Chapter Presentations

The Technical Services Department continued its long-standing tradition of delivering state-of-the-art industry presentations for SMACNA Chapters to enhance collaboration among the local HVAC, architectural, and industrial communities.

## Market Sector Councils

### Market Sector Forums

Developed a wealth of information-packed market sector council forums for this year's annual convention covering such diverse topics as lean project planning and scheduling, sustainable architectural metals, growing a residential business, opportunities in the rail industry, architectural metals estimating, and industrial sheet metal training resources.

### Architectural Contractors Forum

Internationally known architectural metals expert Catherine Houska noted that 36 percent of the energy we use is going into our buildings during the Architectural Contractors Forum at SMACNA's Annual Convention in October. As the world focuses on reducing energy, metals are one of the most sustainable materials on this planet, she said.



*Catherine Houska*



### Architectural Metal Newsletter

Published news articles highlighting the outstanding work of SMACNA contractors including the stunning façade of New York City's new National September 11 Museum, a historic glass curtain wall restoration in San Francisco, and San Diego's new Central Library latticework dome in SMACNA's market sector Architectural Metal newsletter. Read the latest **Architectural Metal** newsletter.

### HVAC Contractors Forum

"Lean is affecting construction in a big way," said John Koga of The Boldt Co., who provided a general contractor's perspective during the HVAC Contractors Forum at SMACNA's Annual Convention.



*John Koga*

“Lean removes waste and takes away things the customer didn’t want to pay for anyway. We are seeing acceptance of it grow.”



### HVAC Systems Expertise Newsletter

SMACNA’s HVAC newsletter featured articles on building Levi’s Stadium for the San Francisco 49ers, installing a huge HVAC system for the National Museum of African American History, and how construction jobs and projects are growing in Detroit. Read the latest issue of **HVAC Systems Expertise**.

### Industrial Contractors Forum

James White of SMART discussed opportunities for SMACNA contractors in the passenger and freight rail industry and addressed the scope of the rail contracting and fabrication market, owner expectations, procurement processes, and member success stories. James Page of the iTi examined iTi’s industrial contracting curriculum, including innovations in welding training techniques and delivery along with what the iTi has to offer in select industrial disciplines.



*James Page*



### Industrial Insights Newsletter

SMACNA’s Industrial Insights featured articles on the new **Renewable Energy Facility** at the Southerly Wastewater Treatment Center in Cleveland, on fume hood conversions are boosting building performance at Rider University’s Science and Technology Center, and the potential of waste heat to power (WHP) to boost future jobs. Read the latest issue of **Industrial Insights**.

### Residential Contractors Forum

When he began treating his residential HVAC business like a retail business, things really took off, declared Dave Probst during the Residential Contractors Forum at SMACNA’s Annual Convention.



*Dave Probst*



Some of his advice: Never forget the customer called you for technical competency. Do what is right 100 percent of the time. Be honest, smart, and do what works and the customer will love you.

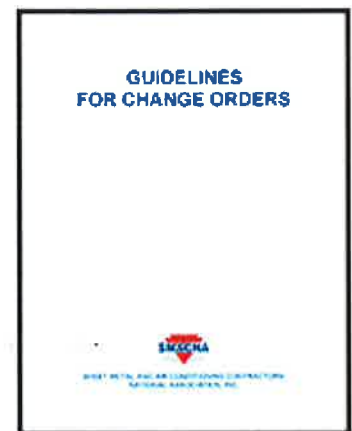


## Residential Report Newsletter

SMACNA's Residential Report market sector newsletter featured articles on a contractor's lead-tracking success, how "on the spot" customer satisfaction boosts sales, how to handle customer complaints, how not to let HVAC scams ruin your reputation, and a stunning residential project. Read the latest issue [here](#).

## SMACNA's "Guidelines for Change Orders"

Published a revised, easy-to-read guide to change orders packed with guidance on documenting and pricing changes so that SMACNA contractors effectively recover costs and profits on these common industry occurrences. SMACNA members, download their free document [here](#).



## Initiated Efforts to Pay Contractors on Time

SMACNA is leading the drive to change the Federal Acquisition Regulation (FAR). SMACNA and eight other associations are recommending including a new provision allowing the contracting officer to make changes in the project, but only if funds are available to pay the cost of the changes. Currently, government agencies commonly direct contractors to perform extra or changed work on construction projects without funds in the contract to pay for the work.

## Pioneering Productivity Tools for Members

Work continues on two ground-breaking productivity tools to assist SMACNA contractors in calculating change orders: 1) A comprehensive change order Excel spreadsheet capturing labor, material, and other job and operational cost factors for the sheet metal and piping trades and 2) a complete revision to SMACNA's "Reference Manual for Labor Units" that simplifies the process of determining shop and field labor costs in fabricating and installing HVAC equipment and components for change orders.

## Safety and Health Services

## Updated NFPA 70E Model Program



In January 2015, the National Fire Protection Association (NFPA) revised and updated NFPA 70E, the standard for protection of workers from arc flash and related electrical hazards. SMACNA revised the existing SMACNA model written program, “Electrical Safe Work Practices and NFPA 70E Arc Flash Safety,” to meet those new requirements including conditional relief from certain protective measures by implementing a “task-based PPE risk assessment.”

### OSHA Rule on Confined Spaces



#### in Construction

In May 2015, the Occupational Safety and Health Administration (OSHA) adopted a new rule for protecting workers in confined spaces on construction sites. SMACNA advised members of the new regulatory requirements and developed a model program for confined spaces in construction to meet the implementation date in October 2015. SMACNA also worked with a coalition of trade associations to request an extension of the start date to afford contractors more time to revise their safety programs.

### Fleet Management / Vehicle Safety Model Program

Developed a written model program to assist members in addressing issues with fleet management and vehicle safety, including information on authorized vehicle use, motor vehicle records checks, high-risk drivers, commercial driver licenses (CDL), and accident reporting. A vehicle safety checklist is also included in the program.

### Safety Manual Review

In an effort to develop relevant model safety policies, procedures, and written programs, SMACNA's Safety Committee conducted a significant review of existing SMACNA safety products. It was agreed that the existing models programs that address and deliver training best practices will continue to be available via the SMACNA website, the Internet, and other technology.



*Safety Winners*

### 2015 Safety Excellence Awards and new Canadian Safety Awards Program

Recognized SMACNA members' outstanding safety records via SMACNA's 2015 Safety Excellence Awards Program. This year's program included more than 220 responses and allowed SMACNA to obtain valuable information about our members' safety and health

programs, track crucial safety data to gain a historical perspective, and provide vital safety feedback to SMACNA contractors. In addition, SMACNA rolled out a Canadian Safety Excellence Awards Program to recognize safety excellence on the part of SMACNA Canadian members.

### Safety Educational Programs

Conducted several educational outreach activities including a half-day training session at the SMACNA Detroit Chapter where 60 apprentices and journeymen focused on risk management techniques for safety and health hazard identification. SMACNA also partnered with SMOHIT to promote a Safety Champions Conference on *Safety Cultures in the Sheet Metal Industry*.

### Business Management and Educational Services



#### Business Management University

A lineup of industry leaders presents this in-depth study on the practical business practices in running a successful sheet metal company. Through engaging workshops, case studies, and hands-on sessions, participants learn financial management, strategic planning, contractor survival skills, negotiation, surety and bonding, leadership, and productivity. Take-aways also include idea sharing and networking opportunities. 2016 Dates: **Feb. 21-25**, Tempe, Ariz.

#### Supervisor Training Academy

This dynamic program turns both new supervisors and those with several years of experience into high-performing supervisors. Participants study leadership, productivity, time management, industry trends, communications, and industry trends through interactive, team-building exercises. 2016 Dates: **March 17-19**, Kansas City, Mo.

#### Project Managers Institute

Participants build upon their existing project management skills to strengthen their proficiency in this popular program. Topics include increasing project managers' skills in communication, planning, leadership, and business. 2016 Dates: **April 25-27**, Raleigh, N.C.

#### Financial Boot Camp

This valuable program, now in its 15th year, uses real-world exercises to examine in-depth financial management issues, interpret financial statements, calculate financial ratios, work with credit, develop cash-flow projections, understand equipment acquisition and leasing, and how to use

financial information for strategic and business planning. 2016

Dates: **May 16-18**, Tempe, Ariz.

### **Chapter Education Programs**

SMACNA continues to provide national-caliber speakers and programs to local chapters at an attractive price. This year 24 Chapter Education Programs were presented with more than 450 participants. Three new Chapter Education Programs were added in 2015.



### **Supervisory Training Programs**

SMACNA offered 10 Supervisory Training Programs for local chapters to present to their members. Held 33 Supervisory Training Programs with more than 800 supervisors and foremen in attendance. Three new Supervisory Training Programs were added in 2015.

### **Chapter Executives' Institute**

Designed for chapter executives to advance chapter management, professionalism, and information exchange with their fellow chapter executives, this program features presentations, discussions, local chapter reports, and updates on SMACNA projects and events, as well as a convention overview. 2016 Dates: **Jan. 31-Feb. 2**, Phoenix, Ariz.

### **Member Services**

#### **Associate Member Program**

SMACNA's Associate Member Program continues to grow with 44 associate members in 2015. SMACNA offers four levels of associate membership, each with valuable benefits: Platinum, Gold, Silver, and Bronze.

#### **Premier Partners**

SMACNA welcomed two new Premier Partners to this special partnership program in 2015—Titus and Daikin Applied, increasing the number of Premier Partners to four.



#### **Product Show**



SMACNA's Annual Product Show, which takes place during SMACNA's Annual Convention, continued to grow, with 64 exhibitor booths in 2015. The Product Show also offered eight New Technology Sessions, covering the latest innovations in industry technology for member contractors.

## Convention and Meetings Services



### 72nd Annual Convention

SMACNA held its 72nd Annual Convention, Sept. 27-30, 2015, at The Broadmoor Hotel in Colorado Springs, Colo. Offering four days of powerful educational sessions, business meetings, networking, award ceremonies, and entertainment, the event turned out to be the second-largest convention in more than seven years. Five members were elected to serve on the Board of Directors at the annual business meeting. SMACNA President Thomas Szymczak of Pittsburgh, Pa., passed the gavel to Guy Gast of Des Moines, Iowa, who will serve as the association's president until October 2016.

## Labor Relations Services

### Contract Language Database

You asked for it. SMACNA's Contract Language Database allows chapter executives to search more than 80 building trade agreements based on 50 different contract language terms and more. Users may narrow their searches by selecting a region, local union, or chapter. Export your results into an Excel spreadsheet. Save it or print it. SMACNA also continues to improve the database based upon feedback received during the testing phase. The Contract Language Database is available on SMACNA's [Labor Relations Web page](#).

### Guidance on New Union Label Program

Analyzed a new SMART Union Label program that allows employees on a jobsite to use a SMART app to scan bar codes on union labels on fabricated products to obtain information regarding the fabricating contractor and crew costs in the fabricating local union.

### Labor Arbitration

Successfully arbitrated seven contract dispute renewal cases with SMART in 2015.

### Collective Bargaining Orientation

Conducted a one-day bargaining session that provided bargainers with information on the legal framework for bargaining, how to prepare for bargaining, and how to avoid common pitfalls. Participants also learned the latest trends and laws impacting collective bargaining agreements and fringe benefit funds. **2016 Date:** Feb. 17, Dallas, Texas.

### **Bargainers Conference Calls**

Conducted monthly Bargainers Conference Calls for chapters and contractors during the 2015 collective bargaining season. These informative discussions allowed participants to share proposals to help enhance competitiveness, industry bargaining trends, bargaining experiences, and additional important issues that arose during negotiations. Participants had the opportunity to ask questions of Labor Relations Department staff, SMACNA's outside counsel, and each other.

### **SMACNA/SMART Spring Training Bargaining Workshop**

SMACNA and SMART conducted a Spring Training Bargaining Workshop in January with 50 participants attending this popular program. Both local labor and management bargaining committees attended this three-day program. Dr. Mike Gaffney, a former faculty member of Cornell University, was the facilitator.

### **Guidance regarding SMART-Insulators Issue**

Continued to keep chapters and members updated on the jurisdictional dispute between SMART and the Heat and Frost Insulators and Asbestos Workers (HFIAW). Provided a legal memorandum to chapters and members describing the options available when responding to a jurisdictional dispute.

### **Spiral/Wage Equalization Meetings with SMART**

Advocated for member contractors' interests in multiple meetings with SMART concerning wage equalization requirements for spiral pipe and fittings.

### **Employment Share Data**

Distributed the Construction Labor Research Council's (CLRC) Employment Share Data report that measures current employment situations for more than 80 areas. The historical trends are useful in evaluating industry performance and planning. Each SMACNA chapter received statistics for their area. To obtain a copy of the report, contact SMACNA's Labor Relations Department at (703) 803-2981.

### **Trustee Conference Calls**

Conducted four informative conference calls. The first call focused on the ACA and its impact on multiemployer funds. The second discussed MPRA and the changes it brought to the PPA framework. The third addressed training fund issues and the last call covered recent developments regarding fiduciary duties.

## Legislative Services

### Pension Composite Plan Model Makes Headway

Educating members of Congress about a new Composite Pension Plan Model for plan trustees continued in the ongoing effort to pass all three parts of the joint labor-management “Solutions Not Bailouts” proposal. SMACNA initiated production of an educational white paper on the benefits of an optional design change for multiemployer pension plans. (The new hybrid design model is not allowed under current law, thus requiring congressional action to

enact the new model.) The Pension Composite Plan takes the best features of the defined contribution and defined benefit models, creating a more viable system for contributing employers and participants. View the [white paper](#) online on SMACNA's website.



### Terrorism Risk Insurance Act Victory

Helped form a construction industry labor-management association coalition for reauthorization of the Terrorism Risk Insurance Act (TRIA) legislation to reauthorize and reform the post 9-11 statute providing large-scale facility insurance coverage in case of catastrophic damage due to terrorist attacks. Congress passed and President Obama signed it into law as Public Law 114-1, the first law of the new Congressional session in 2015.

### National Presence on Capitol Hill

Provided education for contractors on legislative issues to enhance grassroots outreach for the industry and raised the profile of union signatory contractors and their legislative issues on Capitol Hill during the 2015 Quality Construction Alliance (QCA) National Issues Conference, April 27-29, 2015 in Washington, D.C.

### Energy Benchmarking Standards for Commercial Buildings Success

In the House, SMACNA endorsed and joined coalition efforts to pass The Energy Efficiency Improvement Act of 2015, S. 535, sponsored by Sens. Portman (R-Ohio) and Shaheen (D-N.H.) as well as Rep. McKinley (R-1st-W.Va.) and Rep. Welch (D-A.L.-Vt.) The legislation also created a “Tenant Star” program to encourage efficiency upgrades in buildings and establish efficiency benchmarking standards for commercial and federal leased buildings. Passed Congress in March and signed into law by President Obama as Public Law 114-11.

### **Jordan Cove Coalition Leadership Victory**

Took an active local, state, and national role in conjunction with Oregon members and chapter leadership in the Coalition for Jordan Cove (Oregon) to support Department of Energy and Congressional approval to develop a LNG Export facility using a PLA. In the fall of 2015, the Environmental Protection Agency and Department of Energy authorized permits to proceed were approved with preliminary construction activity underway with billions in construction ahead in the coming year and after.

### **Energy Savings Performance Contracts**

In the Senate, SMACNA lobbied for S. 720, the Shaheen–Portman comprehensive energy legislation, and helped move it near passage. The Energy Savings and Industrial Competitiveness Act of 2015 would have directed each federal agency to expand the use of energy savings performance contracts (ESPC) as well as recognize the positive budgetary and project financing benefits of ESPC to public sector facilities. The Senate bill would have also benchmarked federal facilities and established the “Tenant Star” program, recognizing efficient commercial leased spaces. In the House, H.R. 8 and H.R. 2177 also contained similar provisions as did the Senate version (Shaheen-Portman / S. 720).

### **Energy Efficiency and Small Business Tax Leadership**

SMACNA’s efforts, both alone and in coalition with allies, resulted in passage of billions of dollars directed toward construction in the new tax and spending package, President Obama signed into law late last year. It included many of SMACNA’s top tax and energy priorities such as: extended expensing incentives and added HVAC equipment as allowable equipment for expensing, extending lease holder 15-year depreciation for retail and restaurant retrofits, including HVAC upgrades, extended tax credit for nonbusiness energy property, extension of credit for energy efficient new homes and extended the energy efficient commercial building deduction for HVAC and related retrofits(179D). Also helped to delay for two more years, to 2020, the excise tax on high quality health plans (“Cadillac Tax”).



SMACNA also was a leading voice in the Alliance for Industrial Efficiency (AIE) building congressional support for H.R. 2657 / S. 1516 The POWER Act. It would provide the investment tax credit for combined heat and power / waste heat to power (CHP/WHP).

In addition, SMACNA worked to allow the waste-heat-to-power retrofits to qualify under current tax law now limited to combined heat to power retrofits and applications as part of the tax amendments moving in Congress.

### **Construction Employers of America (CEA)**

Played a leading role in helping establish a coalition of union construction employer associations to deliver the message to policymakers about the benefits of union construction and key supporting policy issues. SMACNA initiated and became a founding member of the **Construction Employers of America** (CEA). This public relations program boosts the work SMACNA does on Capitol Hill with data and media communication to policymakers dealing with our priority issues such as apprenticeship and training programs, pension reform, employee misclassification, and prevailing wage.

### **Opposed Changes to Multiemployer Pension Reform Act (MPRA)**

Took a leading role to ensure proposed changes to the 2014 Multiemployer Pension Reform Act (MPRA) are not included in the final funding bill of the year. Participants in the funds that are going insolvent could be misled into thinking that a procedural rules change in the voting process, without providing any additional funding, would protect their benefits. Instead, undermining MPRA without the tens of billions of dollars needed for funding-up declining plans does not help the retirees or actives, would increase the probability of insolvency of the PBGC and destabilize other plans.

### **Sheet Metal and Air Conditioning Contractors' National Association**

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