“Always look for the positive”

SMACNA Board Member: Kyle Bellmon of Oklahoma City, Okla.

SMACNA Board member Kyle Bellmon, vice president of United Mechanical Construction, Oklahoma City, Okla., is looking forward to giving back to the association because it has helped his company progress. One of his strongest principles is looking at everyone and everything in a positive light. He was elected to SMACNA’s Board of Directors in October and is serving a four-year term.

Kyle grew up in Billings, Okla., on a small farm, the tenth of 11 children. “As a kid, we all had to carry our own weight,” he said. “I was put out on a tractor by myself for the first time when I was five years old.”

Inspired by his father-in-law’s small sheet metal business, he left college in 1982 and went to work as a sheet metal apprentice with Local 124. In 1989, he went back to school, graduating from Oklahoma State University with a bachelor’s degree in business management and accounting. In 1991, Kyle joined United Mechanical’s sheet metal division and was promoted to a project manager/estimator in 1993. He became the company’s vice president in 1995.

United Mechanical is the largest mechanical contractor in Oklahoma, performing sheet metal, plumbing, and HVAC pipefitting work in the commercial, institutional, and medical markets.

2018 Partners in Progress Conference: Committing to making a difference

Leaders from both labor and management joined forces at the 2018 SMACNA/SMART Partners in Progress Conference, Feb. 13-14, and accepted the challenge to work together to sustain and expand market share where opportunities exist. Contractors, chapter executives, and future leaders attended 28 sessions and workshops focused on creating successful labor/management teams, market recovery and expansion, recruiting quality applicants, and the development of critical communication skills for the 21st century.

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Political analyst Howard Fineman opens National Issues Conference, May 8-10

Longtime journalist and political commentator Howard Fineman will share his insights on the 2018 and 2020 elections and on the latest developments in Washington, D.C., with SMACNA members during the 2018 CEA National Issues Conference being held in Washington, D.C., May 8-10.

An astute observer of Washington’s dynamics and the political players driving it, Fineman knows presidential politics and the relationship between the White House and Capitol Hill and analyzes it all with optimism and humor.

Fineman has covered seven presidents and written extensively about President Trump, from the campaign to the White House. He has held senior roles in broadcast television,

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A partnership with labor can make a difference

Without a doubt the HVAC industry is making a difference in the lives of people. By delivering an energy efficient product, our companies improve the lives of the American people time and time again.

Energy savings in hospitals improve treatment quality and lower medical costs for patients. In schools, every dollar not spent on energy is a dollar that can go toward a child's education. In factories, money saved on energy can increase productivity and competitiveness, and the list of examples like these goes on and on.

We must not lose sight of the vital role SMACNA members play in improving people's quality of life. As leaders in energy innovation each time one of us steps on a jobsite we have the ability to make a difference.

Oftentimes at home, at the dinner table I challenge my children by asking what are they doing to be difference-makers in their school, their community, and the world? Sometimes I get blank stares and sometimes we engage in an enlightened conversation.

I ask my employees the same question: What are they doing to make a difference in our company, their lives, and in our community?

Recently, SMACNA and its labor partner SMART met in Orlando, Florida, at the Partners in Progress Conference and focused on strengthening our labor-management relationships. There I had the opportunity to make this challenge again: What are we doing to make a difference?

During this two-day conference, we tackled some tough industry-wide problems, among them: multigenerational communication, manpower shortages, market opportunities, substance abuse, and even suicide prevention. All were opportunities for each of us to make a difference.

We put our labor and management talents to work in regional brainstorming sessions discussing plans and ideas to elevate our partnerships and make them more productive. Each labor-management team received a homework assignment: Take one idea from the conference, hold a meeting, and report back to the Best Practices Task Force by May 1. This is another way we can make a difference.

I am proud that SMART and SMACNA are committed to breaking new ground and strengthening our labor-management partnerships.

Rising steel prices? How to protect yourself

With the recent imposition of tariffs on imported steel and aluminum, steel prices are already increasing. To minimize the risk of rising material costs and contractors’ potential liability, SMACNA members should fully understand their contracts and ways to limit their exposure to price changes.

In many cases, if properly drafted, contract clauses, such as those discussed here, may limit the contractor’s liability. Understanding and limiting exposure to rising materials costs can mean the difference between a successful project and financial difficulties.

Fixed price. Traditionally, contractors bid contracts on a “fixed” basis without any relief for increasing costs. If materials, like steel, are available—even if at a very high price—a contractor must provide materials.

Term limits on fixed price. If a contractor is subject to a fixed price contract, it is important that the contract limit the term of the fixed price provision. That is, if price is “fixed,” then the price should be “good” for a certain number of days. Thus, if the project is significantly delayed, the contractor does not bear the risk of increasing prices over the period.

Cost-plus vs. escalation clause. An “escalation clause” should be distinguished from a “cost-plus” provision. A cost-plus contract inherently assumes that the cost of materials will be borne by the owner. That is, the owner, in a cost-plus contract, bears the risk of increasing materials costs. This represents the surest protection to the contractor against rising costs.

In contrast, an escalation clause provides that an owner shall only bear the risk of changing materials costs if a certain percentage or amount of cost increases. Put another way, in a cost-plus contract, the owner bears all of the risk of materials price changes, whereas in an escalation clause, the contractor bears the risk up to a specified threshold.
digital media, magazines, newspapers, and political comedy. A political analyst for NBC News and MSNBC, he was global editorial director of The Huffington Post and chief political correspondent and deputy Washington bureau chief of Newsweek magazine.

In addition to Fineman, SMACNA members will hear from Washington policymakers about important industry issues on the federal, state, and local levels—including pensions and the Giving Retirement Options to Workers (GROW) Act, infrastructure, workforce issues, and health care. Participants will take part in legislative briefings, strategy sessions, and Capitol Hill appointments, along with sharing ideas with like-minded colleagues.

The CEA National Issues Conference takes place at the Washington Marriott Georgetown, May 8-10. SMACNA asks members to bring their voices to Washington and register for the conference today on SMACNA’s Advocacy webpage, www.smacna.org/advocacy.

Members can benchmark their numbers with SMACNA’s 2018 Financial Survey

When preparing their bids and budgets, many members use SMACNA’s Financial Survey Report as a guide to compare their numbers to responses from other companies operating in the same markets and geographic areas. Designed specifically for sheet metal and HVAC contractors, SMACNA’s Financial Survey will be available for members to complete online by the first week of May.

The survey data will be compiled into a Financial Survey Report with data that can be used as benchmarks by contractors to evaluate their performance against similar companies across the country. Members will be able to compare their company by contractor type, location, and revenue size.

Members commonly use this information to create financial reports and strategic plans as well as to support financial figures for customers, lenders, and sureties. The survey also captures data on higher-performing companies or those in the top quartile.

Member information is confidential and only compiled data is included in the report. John Murdough, CPA, MBA, of Henry and Horne, will analyze the data and provide an analytical commentary and summary in the report.

The report is free to SMACNA members who take part in the survey.

For more information, contact Bridgette Bienacker, director of business management and membership at (bbienacker@smacna.org / (703) 803-2987).

SMACNA continues its persistent work on Capitol Hill to move composite plan legislation forward. SMACNA’s goal is still to move the composite plan legislation forward before the end of the year.

The Senate-House negotiations to pass the 2018 Omnibus Spending Bill were hard fought and, unfortunately, the GROW Act was not included in the final bill passed by both houses in late March. SMACNA will keep pushing for its inclusion in other legislative vehicles before the end of the year. SMACNA thanks all those who took action on our behalf and sent letters to legislators on Capitol Hill. SMACNA will continue to be vigilant on this all-important issue and we ask that members continue to contact their members of Congress to help this issue move forward.

SMACNA, and the labor-management coalition addressing multiemployer retirement benefit systems, share a common purpose, to preserve and strengthen an unstable multiemployer retirement benefit system.

The Giving Retirement Options to Workers Act (GROW), H.R. 4997, was introduced by Reps. Phil Roe (R-1st-Tenn.) and Donald Norcross (D-1st-N.J.). Reps. Ryan Costello (R-6th-Pa.) and Frank Pallone (D-6th-N.J.) were recently added as cosponsors. The bipartisan effort is a legislative solution designed to protect retirement security for workers and provide greater certainty for employers participating in the system.

Joint Committee to address funding issues for PBGC. In related news, Congress recently passed the Budget Act, which included creation of a Joint Select Committee on Solvency of Multiemployer Pension Plans. The Joint Committee’s goal is to find solutions for failing plans and to address funding issues for the Pension Benefit Guaranty Corporation (PBGC). The committee is made up of bipartisan members of Congress who will bring a variety of views to achieving these goals. Congressional staff working with the committee know the multiemployer issue and will bring expertise to the process before the Nov. 30 legislative deadline for the committee’s final report.

SMACNA’s primary interest in the committee’s report will be in the PBGC insurance premium rates. Any rate increases need to reflect reality both in terms of need and effectiveness.

While the focus on failing plans continues, SMACNA’s message over the years has always been that enacting composite plans in no way hinders nor helps the process of dealing with those plans. In fact, SMACNA’s goal is to help ensure plan insolvencies become a thing of the past.

For information on the composite plan effort, members may visit SMACNA’s Advocacy webpage and contact Dana Thompson at SMACNA’s Capitol Hill office (202) 547-8202.
Creating a pathway for youth to get into the trades earlier

SMACCA Milwaukee’s new Youth Apprenticeship Program is demonstrating that the trades are not only capturing the hearts and minds of high school students, it is convincing educators, counselors, and parents that construction can be a practical and rewarding alternative to college.

“This has been a great opportunity to get a jump start on an amazing career,” said Gaven Post, a youth apprentice with SMACNA contractor Total Mechanical in Pewaukee, Wisc. When he graduates, he will start as a pre-apprentice and then begin his apprenticeship. “There will be no wasted time. I’m glad I took this opportunity while in high school with the most friendly and motivating company around.”

SMACCA Milwaukee’s Youth Apprenticeship program is part of Wisconsin’s School-to-Work initiative that reaches out to high school students who want hands-on instruction in the HVAC industry and gives them insight into a career in the trades.

“It’s a win-win for everybody,” said Dajen (Diane) Bohacek, associate director of the Sheet Metal and Air Conditioning Contractors Association of Milwaukee (SMACCA Milwaukee), who helped develop the initiative last summer to include five high schools, Local 601, and a handful of SMACNA employers. “We put together this program, presented it to employers to see who could pilot it, and reached out to our labor partners. They all said, ‘We can make this happen.’”

Five students (one junior and four seniors) entered the program last summer. After working part-time during the summer and the school year, four seniors who are graduating this year have committed to the trade and contacted Local 601 to begin their applications to become apprentices.

“It’s great to work with our labor partners at Local 601 who have been open to the idea, and leadership at the union has made it successful,” said Bohacek. “It has been a team effort. It has been great watching it flourish.”

Students start with 40 paid hours of pre-employment training with Local 601 that includes OSHA rules, safety, union heritage, and first-aid training. They attend union training in the morning, then work with their employers in the afternoon.

During the school year, students take required and construction-related courses and spend elective time with their employers. Students receive high school credit for their job.

Committed to the program, Total Mechanical employs two high school students, one on the service side and one in construction. Both students have been so successful, they have been offered apprenticeships when they graduate.

“We’re trying to help people find out what they want to do sooner,” said Jack Schirpke, vice president of the environmental services division at Total Mechanical. “Young people aren’t exposed to the building trades like they used to be. It comes down to starting to educate people when they are younger.”

“We want to see if this really excites them and if they want to do it for the rest of their career,” Schirpke said. “The biggest thing is the investment in getting the word out about the trades and in making that connection for parents, students and educators. And if we get success stories, that’s a one-two win.”

SMACCA Milwaukee plans to double the program this summer to include 10 positions and two-to-three additional high schools and employers. “We want to keep the number of students controllable and help employers feel they are supported,” Bohacek said. “Our labor partners believe this is a positive feeder for the registered apprenticeship program. Ten is the magic number.”

Learn more about SMACCA Milwaukee’s Youth Apprenticeship program at www.pmsmca.com/youth-apprenticeship.

Welcome new SMACNA members

Arabian International Company for Steel Structure, Jeddah, KSA – International Affiliate Member

Century Mechanical Systems Factory LLC, Dubai, UAE – International Affiliate Member

Prime Mechanical, Livermore, Calif. – Bay Area SMACNA
Some projects bring a sense of personal achievement that goes beyond the satisfaction of a job well done. Providing sheet metal elements for the new Detroit Red Wings stadium, now Little Caesar’s Arena, was just such a project for Glenn Parvin, president of SMACNA member Custom Architectural Sheet Metal Specialists (CASS) in Detroit, and for members of Sheet Metal Workers Local No. 80 who worked on the job.

The project was developed by the Ilitch family. Mike Ilitch founded Little Caesar’s pizza in the 1950s, then bought the Red Wings in 1983 and rebuilt a Stanley Cup champion team—and is now helping rebuild the city of Detroit.

“The organization wanted the arena to be built by the city for the city,” Parvin said. Parvin, who is a longtime Red Wings season ticket holder added, “the project mandated that 51 percent of the workforce be city residents and 30 percent of the businesses have Detroit headquarters. That made it ideal for CASS, which is a ‘100-percent original’ Detroit-based business. We brought the benefit of local presence and being 10 minutes away from the site.”

CASS installed the arena’s exterior jewel-skin work—a custom-sized, silver-colored articulated dimensional aluminum panel system. CASS also furnished and installed the underlayment substrate wall system on the building’s exterior: an insulated foam wall panel system with a metal skin on the front and back. It was installed over radius structural tube steel that created the substrate and air barrier system. “The jewel skin was the riskiest and hardest part of the job,” Parvin said.

The exterior jewel-skin wall also serves as a massive 600-foot-high wraparound video wall, which, according to the CASS website, “is one of the arena’s state-of-the-art exterior attractions and one of the largest of its kind anywhere.”

Being part of it the project “was one of the proudest moments for us. Of all the jobs coming up, it was our target to ‘play in the arena,’ Parvin said.

CASS partnered as a second-tier subcontractor with one of the largest sheet metal companies in the U.S., which had the contract for the jewel-skin enclosure package and the underbody “whalebone” steel tubular structure. “It was a unique situation because we had to be in the game, bidding the job with our competitor,” he said. CASS’s piece of the skin package generated close to $2 million in revenue for the firm.

“We came into the job with one thing in mind, knowing we would be working as a second-tier subcontractor: We knew our A-game would be necessary to make it a success. We’re very proud that our approach worked,” Parvin said.

CASS entered the site in October 2016 and remained until the last piece of metal went above the tile on opening day in October 2017.

Challenges included a congested worksite (1,200–1,300 workers), complicated access, lots of overtime, and a firm completion date with “huge liquidated damages consequences” for missing that date.

The overall project included office and retail buildings involving more than $6 million in sheet metal and siding applications. CASS also fabricated and installed pre-finished/post-painted aluminum panels, copings, trims, and flashing.

CASS had 10 to 12 workers onsite, and in the final seven weeks had up to 14 workers onsite and five in the shop working seven days a week.

The arena project was “a big deal for me personally,” Parvin said. “Detroit is the city hit the worst by the recession. This new (partnership) method of doing business was a unique way to reward businesses for staying in Detroit. This project set a very high mark of pride for me and our entire organization. It made us proud to ‘be Detroit!’”

That pride was visible on employee safety shirts, emblazoned with “Arena Team 2017-Detroit-original.” Nowadays, Parvin gets an extra kick from the exterior painted signage, which proclaims the Ilitch family as a “Detroit original since the 1950s.” “Maybe someone liked the slogan on our safety shirts!”

Glenn Parvin is on SMACNA Detroit’s Board of Directors and served as chair of SMACNA National’s Architectural Sheet Metal Contractors Council Steering Committee. He has been in business for 28 years as a custom architectural sheet metal contractor. To view a video of the arena’s construction, visit Custom Architectural Sheet Metal Specialists, www.casssheetmetal.com.
Fueled by a soaring U.S. economy and lower corporate tax rates, industrial sector experts anticipate a 5.9 percent increase in overall U.S. industry plant spending to $328.5 billion in 2018. The spending forecast is up by $18.35 billion from last year according to the industry market research provider, Industrial Info Resources. This reflects a positive outlook for sheet metal and HVAC contractors who perform work in the industrial sector.

The U.S. tax incentives plan has also given a boost to performance expectations for 2018. The lower corporate tax rate on the repatriation of foreign earnings has boosted Industrial Info Resource’s (IRR) project spending forecast by $9 billion, Industrial Info Executive Vice President Michael Bergen said. “We expect to see some of that repatriation of money coming back into the United States.”

“This economic cycle will be the longest period of recovery and expansion, by June 2019, since World War II,” Mr. Bergen said. For 2018, the gross domestic product is expected to grow 2.8 percent, outpacing the 2.2 percent domestic growth average for the last nine years.

In the Midwest Region, Industrial Info forecasts $79.93 billion in industrial plant spending in 2018, up 12.8 percent from spending in 2017. In the West, $51.84 billion in spending is projected, up 12.1 percent over spending last year. This includes development in the automotive sector, such as Tesla Inc.’s $5 billion lithium-ion battery plant in Nevada.

The Northeast Region will see $35.62 billion in spending this year, up 2.1 percent from last year, Bergen said, driven in large part by petrochemical plant development, primarily Shell Chemical Company’s massive grassroots ethylene plant in Monaca, Pa.

The South, which includes the Gulf Coast region, will see $160.35 billion in spending in 2018, up 2 percent from last year. This represents more than half of all the forecast spending in the U.S. The projection includes a strong build-out in natural gas and crude oil pipelines.

For more information, members may read the 2018 Outlook in Review on the SMACNA website and visit IIR online at www.industrialinfo.com.
Welcome New 2018 Associate Members!

SMACNA welcomes returning Gold Associate Members Daikin Applied of Plymouth, Minn. (also a SMACNA Premier Partner), and QuoteSoft of Eugene, Ore.

SMACNA also welcomes returning Silver Associate Members: Caddy of Solon, Ohio; Hardcast of Wylie, Texas; Kingspan Insulation of Atlanta, Ga.; PlanGrid of San Francisco; Ruskin of Grandview, Mo.; and Thermaflex of Abbeville, S.C.

For information on how to form valuable business relationships with SMACNA members, visit SMACNA’s Associate Member webpage and contact Scott Groves (sgroves@smacna.org / (770) 576-4971).

Providing solutions to increase productivity

An interview with Mike Bailey of Mestek Machinery

SMACNA’s Premier Partner Mestek Machinery has been creating innovative solutions in sheet metal and duct fabrication for more than 70 years. Mestek Machinery provides a full line of HVAC fabricating equipment, including the Pittsburgh lock rollformer, Iowa Precision Industries formerly known as Welty Way coil lines, Lockformer Vulcan Plasma cutting systems, Cornermatic-Whisper-Loc machines, and numerous other auxiliary equipment and solutions for the HVAC mechanical and sheet metal contractors and duct fabricators.

Mestek Machinery’s family of companies began with The Lockformer Company, which was introduced in 1938. Based in Westfield, Mass., Mestek has grown to include Iowa Precision, Engel Industries, ISM by Lockformer, and Roto Die, along with other brands. Mestek Machinery has four main plants across the country to address nearly every aspect of the HVAC metal fabricating industry.

We asked Mestek Vice President of Sales Mike Bailey how they can help SMACNA members solve their problems, be more competitive, and up their game.

What challenges can you help SMACNA members solve?

We’re solutions and systems providers. We offer contractors assistance to increase their productivity and reduce labor. We design and produce ductwork equipment that improves their productivity—which means a greater output.

When creating round or square ductwork, for instance, we have software and hardware that helps us design engineer it, draw it, manufacture it, and then deliver it to the field for installation. And all of that is very tightly coordinated with the building owner, the general contractor, and the trades.

What separates you from the competition?

We provide complete solutions—not just a solution. We are the innovators of the industry. We are constantly coming out with new tools and new technologies, so contractors can gain productivity and meet on-time schedules.

How can you help SMACNA members be more competitive?

We have multiple brands and hundreds of machines we provide to our customers. In the contractor market we offer cutting tables, plasma and laser cutting systems, complete coil lines, spiral machines, and auxiliary equipment like fitting producers and rollformers.

A big segment that connects all our equipment is the software we supply as well. We have CAD (computer-aided design), CAM (computer-aided manufacturing), and estimating software, which help contractors design, engineer, draw up, and manufacture their ductwork.

It’s all about productivity. It’s the gains in productivity our customers receive by having this technology. They can do their work quicker, faster, and with better coordination.

What is your best advice to SMACNA contractors?

Investigate, be curious. Go out there and discover and understand what’s available to you. So many contractors don’t realize the opportunities that technology can provide them from so many different angles. There’s a whole world out there that contractors would benefit from learning more about. Investigate and be curious.
2018 SMACNA Associate Members

Platinum

FEDERATED INSURANCE

VICON

Gold

DAIKIN

MESTECK MACHINERY

Milwaukee

DeWALT

Titus

GREENHECK

Johns Manville

A Berkshire Hathaway Company

quotesoft

Mechanical Estimating

Silver

AUTODESK

OWENS CORNING

FIRESAFE

ESTIMATING SOFTWARE

SAMProSoftware

IDEAL TAPE

Kingspan

CLWARD

CADDY

K-FLEX USA

DURO DYNE

Thermoflex

Sheet Metal Connectors, Inc.

retrotect

RHUMBIX

BTM COMPANY

PlanGrid

RUSKIN

HARDCAST

MAJESTIC STEEL USA

DUCTMATE

Gripple
All contractors typically only get one chance to make a good first impression, but far too often residential contractors fail to make the most of this opportunity.

Teaching technicians to make a great first impression is important. Yes, technicians get tired. Yes, technicians are busy. Yes, they sometimes have a lot of work. Yet, technicians are still professionals and most truly want to do their job well and care deeply about their work.

When a technician knocks on the door, he or she needs to be ready to do three simple things to make a good first impression. One, be ready to smile with their eyes and mouth; two, shake hands with the customer which immediately lowers the customer’s defenses and creates a positive exchange; and three, introduce themselves and the company. This is how technicians, contractors and even owners can make a good first impression.

Then, once a positive first impression is made, technicians should thank the customer for calling their company for service. Without the customer’s call, a technician does not have a job.

And finally, and most importantly, technicians need to engage their customers with good questions. Here are some questions that can help technicians better engage customers—and change the dynamics of the service call from “trying to sell” to “meeting a need.”

Is my truck parked okay?
A good technician knows never to park in the customer’s driveway, nor block their mail box or fire hydrant. What if the truck leaks oil or radiator fluid on their driveway? What if the homeowner needs to leave suddenly? Conscientious technicians don’t create unnecessary obstacles for their customers. It’s courteous to ask the homeowner if the tech is parked in an acceptable location, but more importantly it gets the homeowner involved in a conversation with the technician right away.

An introductory question is important, and technicians should not be afraid to start conversation with simple openers about things like the weather:

- Isn’t this a beautiful day?
- What about this cold weather? Isn’t it something?
- Don’t you find this summer heat unbearable?
- We sure need this rain, don’t we?
- We sure could use a break in the rain, couldn’t we?

It seems over-simplified, but the goal of the introductory question is simple—to engage the customer in conversation. The technician wants to get the customer to say “yes” and be agreeable. The technician is starting to build rapport and trust. Once a customer is agreeing with the technician, it is less likely the customer will begin to disagree. The key is for the technician to be genuine and ask questions that help the customer engage with them. If he or she can get the customer to laugh, studies show the customer’s trust immediately increases.

Start building customer engagement with a few simple questions, and your techs will make a lasting first impression. Contractors can get their teams to do the things that work with most people and they will have greater success on their service calls.

Editor’s Note: This article is by Dr. Kerry Webb, a business and success coach with Service Excellence Training who works with residential contractors to grow stronger, profit-driven companies.

Members can also learn more about how to identify and evaluate customer types, see sample scripts for customer interaction, and learn strategies to keep a customer for life by downloading a free copy of the SMACNA manual, Successful Customer Service Practices for HVAC Service and Retrofit Contractors, by Ruth King in the SMACNA Bookstore.
**Upbeat pop musician Andy Grammer to entertain at convention**

Pop singer **Andy Grammer**’s cheerful approach to life combined with his happy, positive lyrics make a winning combination for a high-spirited conclusion to SMACNA’s 75th Annual Convention on Wednesday evening, Oct. 17, in San Diego.

Grammer, probably best known for his 2015 hit, “Honey I’m Good,” said, “as someone who likes to write happy, positive songs, I know they can come across as too sweet.” Andy is both a musician and songwriter, adding “it takes a lot of effort to make something happy not sound cheesy, but I feel like that’s my life’s work. And right now in the world, we need love in all forms.”

The first male pop star in a decade to reach the Top 10 on Adult Pop Radio with his first two singles, Andy Grammer has caught the attention of the music world with a succession of popular toe-tapping hits. His debut album included the platinum singles “Keep Your Head Up” and “Fine by Me.”

Andy has made more than 30 national television appearances and shared the stage with musicians Taylor Swift, Shawn Mendes, Florence and the Machine, Rachel Platten, and Train. He debuted his latest album, The Good Parts, in December 2017. Members can visit his website at andygrammer.com.


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**“Always look for the positive”**

SMACNA Board Member: **Kyle Bellmon** of Oklahoma City, Okla.

Continued from page 1

Kyle shares his knowledge and advice about life and business.

- **The best business advice you ever received:** Never look back, always look for the positive in everyone and everything.
- **The thing people notice first about your shop/office:** Our main office is very modern with artwork and a glass conference room. We like to think our office is unlike any other mechanical contractor’s office.
- **What is most rewarding about being in this industry?**
  Seeing the growth of the next generation and being a small part of that development. It is also rewarding to be part of an industry where people are so closely bonded. Some of my best friends have come to me by way of this industry.
- **What is most challenging?** Finding people who have the right “can do” attitude. It is frustrating when a person looks at everything in a negative light. This business forces a person to put aside the bad and look toward the next opportunity to excel.
- **What technology has changed your business?**
  Building information modeling (BIM). We believe if we prepare a proper model, the labor savings far exceed the traditional way of construction. We use BIM on every project we perform, including on the Oklahoma Heart Hospital, Tinker Air Force Base’s Two Bay Hangar, McBride Medical Center, and projects at the University of Oklahoma.
- **There is nothing better than:**
  The exhilaration of winning a bid on bid day.
- **What is your favorite time of day?** Early in the morning. I try to start each day refreshed and ready to conquer the day.
- **Your favorite quote or motto:** “Life is good.”
- **What sports teams do you cheer for?** OKC Thunder, OSU Cowboys, Dallas Cowboys.
- **Who are your heroes, and why?** My parents. They did without a lot of things just to make sure we had food every day. I learned from them that a man’s word should be better than any signed contract.
- **Of what are you most proud?** My family. I have a beautiful wife and a great son.

Kyle exhibits his “can-do” attitude for the industry by serving on the national level as a SMACN-IFUS trustee and as a member of SMACNA’s Legislative and SMAC PAC Committees and the Director Nominating Committee. Also committed on the local level, he has served as president, vice-president, and secretary/treasurer of the Sheet Metal Contractors Association of Oklahoma and on many of its committees including the Apprenticeship Training Fund, Health and Welfare Fund, and Industry Fund.

To join the “can-do” crowd like Kyle, get involved in SMACNA committees and task forces, visit smacna.org and go to “Board/Committee Application Forms” on the “About Us” webpage.

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**President’s Column**

**A partnership with labor can make a difference**

Continued from page 2

As leaders in energy innovation, a strong partnership with labor means our companies will perform and deliver a more efficient product at every level. Our partnership with labor has a more direct impact on the lives of the American people than we ever imagined. I like to call it, being “difference-makers.”

Sincerely,

Jack Knox
SMACNA President
SMACNA President Jack Knox set the tone for the one-and-a-half days urging everyone to put differences and pride aside and vow—as teams—to come up with strategies that will make a difference.

“It is well-known that when contractors and local unions have healthy working relationships, our market share increases, our work opportunities materialize, and our day-to-day working relationships improve,” he said. “If we can communicate, commit, and deliver, we can make a difference,” he added.

SMART General President Joseph Sellers echoed Knox’s thoughts, encouraging the teams to commit to moving the industry forward and taking advantage of the knowledge and the experience assembled at the meeting. “If we don’t shape our future, our future will be shaped for us,” he challenged.

Recruiting quality applicants. Keynote speaker Kevin Dougherty used his bold and brash style, backed by 30+ years of construction industry experience, to explain the issues surrounding recruiting quality applicants. “We’ve got the best kept secret in the world and we pay more, so why can’t we recruit applicants?” he asked. “Because we stink at marketing,” he shouted. Things have changed. “We have to consistently recruit because it’s an inconsistent workforce.” Dougherty went on to explain that in today’s environment, not only do we have to market to get customers, we have to market to get employees. He ended with some wise advice that “when hiring new people, look for someone with a good attitude and work ethic, then teach the skill/craft.”

Predicting the future. To get partners talking about how industry trends could affect their markets, SMACNA Secretary-Treasurer Angela Simon and former SMACNA President Guy Gast shared the latest trends and predictions from the New Horizons Foundation Futures Study.

Tough questions they asked were:

- Are SMACNA contractors investing in the future or hanging on to the past?

Solutions first. “More and more dollars and manhours are moving to contractors who provide solutions first, prices second,” Gast said. Does this favor union contractors? Straight-line sheet metal contractors? Full mechanical/electrical/plumbing contractors?

Technology wins. “The people who control the data will control the work,” noted Gast. “Technology is growing exponentially, especially the Internet of things (IoT).” He encouraged everyone to think how the IoT is going to change things very shortly in the next one to three years.

Change is inevitable. “We’re going to have to change if we want to be successful,” Gast concluded. “The future is bright, but it involves changes,” Simon stated, adding, “Be nimble, be viable. There’s nothing standing still right now.” Nurture change and commit to one thing you’d like to do as a team when you get home.”

Blue Angel soars to lead. John Foley, former lead solo pilot of the Blue Angels, closed the event by delivering a high-energy address explaining in great detail how he performed in an extreme, high-stakes environment, flying at speeds of more than 500 miles per hour and in formations as close as 18 inches apart. He said it wasn’t dangerous, just “extremely unforgiving.” In this environment, John went on to explain how he relied on a culture of high trust and leadership to turn inherently “unforgiving flight” into extraordinary experiences. His visualizations, which captivated everyone, served as extreme metaphors to motivate teams to reach for their highest potential.

Take-aways. Both Sellers and Knox summed up the meeting by sharing that the secret to getting ahead is getting started. Attendees were encouraged to continue the goodwill and positive momentum by scheduling a meeting with their counterparts and discuss one of the programs/projects covered at Partners in Progress and report back to the SMACNA/SMART Best Practices Market Expansion Task Force by May 1.

Presentations and handouts from Partners in Progress are available at www.pinp.org/conferences/pinp18/schedule.

Keep the momentum going.
SMACNA’s Safety Statistics Profile benefits all members

SMACNA’s 2018 Safety Excellence Awards Program benefits SMACNA members with a report, the Safety Statistics Profile, available to all members, that highlights trends in safety-driven data that members can use to expand their safety programs.

This information gathered from the annual Safety Survey provides a rich collection of safety facts and figures in this annual report. The Safety Statistics Profile provides comparative information on safety and health programs, safety training, safety materials, and safety inspections. The report also contains combined OSHA incidence rates and combined experience modification rates (EMR) so members can see how their companies compare to those safety benchmarks.

SMACNA’s 2018 Safety Survey is available on the Safety Survey webpage. Completing the survey is quick, easy, and confidential. Most information is in your company’s 2017 injury records. Members are encouraged to complete the Safety Survey today.

Members who complete the survey will also be able to save their survey responses, so they can compare their own safety performance with contractors of similar size and who are doing similar work.

SMACNA is collecting member data in both the U.S. and Canada and will provide reports for each country. Since each country collects injury statistics differently, the online survey varies slightly for U.S. and Canadian members. Survey respondents may select their state or province and will then be directed to the correct Safety Survey for their country.

All entries must be received by May 4.

For a free copy of SMACNA’s Safety Statistics Profile, members may visit SMACNA’s Safety webpage.

For more information, contact Mike McCullion, SMACNA’s director of market sectors and safety (mmccullion@smacna.org / (703) 995-4027).

Chapter in the News

Arizona commissioners learn how energy policies impact real people

Members of the SMACNA Arizona chapter helped state energy officials not only understand the role of energy efficiency in creating HVAC industry jobs, they helped them understand how the HVAC industry can help generate energy savings too.

These highly productive conversations focused on both businesses and consumers during a roundtable discussion at the SMART Local 359 Joint Apprentice Training Center (JATC) in Phoenix.

Arizona Corporation Commissioner Boyd Dunn and Commissioner Justin Olson met with SMACNA members, toured the training center, and discussed energy efficiency and utility incentives that drive contractors’ projects.

“The commissioners were engaged, and the event helped them understand the diversity of players in the energy efficiency industry in Arizona,” said Jennifer Kefer, executive director of the Alliance for Industrial Efficiency, which coordinated the event. “Our goal was to help the ACC better understand how the policies they are considering impact real people.”


Rising steel prices? How to protect yourself

Continued from page 3

Force majeure clause. A force majeure clause is defined by Black’s Law Dictionary as a clause that “is common in construction contracts to protect the parties in the event that a part of the contract cannot be performed due to causes which are outside the control of the parties and could not be avoided by the exercise of due care.”

Similar clauses are also described as “Act of God” clauses. For this provision to apply to materials costs, it should have clear definitions of when price changes will be considered a “force majeure” voiding all or a portion of a contract.

Impossibility/impracticability of performance. A contractor may be able to avoid its obligations to perform if obtaining materials is “impossible” or “impracticable.” These doctrines provide that a party may be excused from performing under a contract if it demonstrates that performance is truly “impossible.” The contractor must show that the materials were absolutely unavailable “at any price.”

“Mistake” or “frustration of purpose.” Another potential way a contractor can avoid excessive material prices is by claiming “mistake” and/or “frustration of purpose.” This requires a showing that there was a fundamental misunderstanding between the owner and contractor regarding the contractual terms (like material prices). This argument is normally asserted as “defense” in a legal action and does not lend itself to contractual clauses.

SMACNA strongly encourages members to seek advice from local legal counsel, as the law of individual jurisdictions may vary, and the circumstances of an individual member’s situation may be different than discussed here.

Editor’s Note: This article was written by Stephen E. Yoch, SMACNA legal counsel with Felhaber Larson.

For a more complete discussion, please read SMACNA Contracts Bulletin No. 110, Shifting the Risk of Rising Material Costs on SMACNA’s Project Management webpage.
The SMACNA Leadership Development Program, which runs from May 21-24 in Chapel Hill, N.C., is an executive-MBA-style course. Participants will learn how to attract and retain high-level talent, understand different leadership styles and how to use them to adjust to different job requirements, use proven techniques to aid generational struggles, and prevent inadvertent creation of roadblocks that result in unintended consequences.

“There is a strong connection between leadership and business results,” said Heather Freeland, an executive education program director at the University of North Carolina (UNC). Freeland and her colleagues at the UNC Kenan-Flagler Business School have designed a four-day leadership development program, custom-made for SMACNA members.

UNC’s Kenan-Flagler Business School faculty and staff worked extensively with SMACNA leadership to develop their program and contribute to the continued growth of the industry. This collaboration has given faculty a keen understanding of the many market changes impacting the HVAC and sheet metal industry, including dramatic shifts in the workforce and technology. Strong leadership skills will be essential to navigating these and other industry changes.

“Good and extraordinary leaders are defined by their ability to influence coworkers, manage employee talent, inspire and engage teams, think strategically, and execute,” Freeland continued. “These leaders propel people to perform at a high level, and thereby increase productivity and profits.

Noted as one of the best business schools in the world, the Kenan-Flagler Business School has an outstanding reputation, the highest quality faculty, and superlative reviews by third parties, including the Financial Times. Offering leadership development is a wise strategy at any time, but especially now. A 2016 study, conducted by the New Horizons Foundation recommends focusing on management and leadership skills, so SMACNA member firms can position themselves for this evolving industry landscape.

The study identified challenges and opportunities facing SMACNA companies, including: anticipated breakthroughs in technology, integration up and down the supply chain, and an increase in the prefabrication and modular building trend.

The generational shift that is now underway will force SMACNA members to rethink where talent is procured and how it is developed. Employers will have to redefine work practices, management styles, benefits, and so on.

Preparing to work with millennial staff and clients, for example, requires an understanding of the generational differences and what young talent can bring to the table as they assume mid-management and senior-level positions. How to work with millennials is one of many topics that will be covered in the new SMACNA Leadership Development Program.

SMACNA’s goal is to have a group of program participants, each with a minimum of five to seven years of expanded leadership and/ or management experience, who have demonstrated a talent for future leadership roles within their organizations. It is important to have participants who can face new challenges and challenge conventional wisdom; align their agendas and implement practical solutions; and build individual capabilities while also achieving system-wide results.

Angela Simon, president of SMACNA contractor Western Allied Mechanical, and SMACNA National Secretary-Treasurer, is sending some of her staff. “We have some young up-and-coming partners who have been doing a good job selling and running work, but it is time to help them get to the next level, which is to become leaders in the company,” she said. “I hope that my young partners can learn more about themselves—their strengths and weaknesses—that how they act and the words they use make a difference. They need to see that it is not about them, but about the people around them. We as leaders serve all of them.”

SMACNA’s new Leadership Development Program is for members who are willing to embrace new ideas, structured action plans, professional coaching, and executive mentoring.

“We’re excited to work with some of SMACNA’s future stars,” Freeland said. She went on to explain that the program is not an introduction to leadership fundamentals. Rather, it is focusing on broad leadership opportunities, including how to prepare for dynamic changes in technology. “Together we will deepen leadership capabilities to drive strategic and operational performance.”

Members may sign up for the Leadership Development Program on the SMACNA website.
SMACNA reminders

April 2018
- Registration opens for Annual Convention – April 2
- Project Managers Institute – April 22-25, Raleigh, N.C.

May 2018
- Safety Surveys Due – May 4
- Financial Boot Camp – May 6-9, Tempe, Ariz.
- Leadership Development Program – May 21-24, Chapel Hill, N.C.

June 2018
- Council of Chapter Representatives – June 10-12, Boston
- NJAB – June 25-27, Philadelphia

September 2018
- NJAB – Sept. 9-11, Minneapolis

October 2018
- Annual Convention – Oct. 14-17, 2018, San Diego

December 2018
- Council of Chapter Representatives – Dec. 2-4, Miami, Fla.
- Industry Fund Seminar – Dec. 4

Future SMACNA Conventions