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Indiana’s Newest Project Delivery System: CM at Risk - What you Should Know About the Law
Did you know that the CAF is celebrating its 50th Anniversary this year? We’ve come along way since our humble beginnings back in 1967. However, our mission has always been the same: “To Advance the Professional Construction Industry in Northwest Indiana.

Just under 20 years ago, the CAF was located in Hammond in a small office building. The building had a few offices and a small conference/training room that fit roughly 25 people. Before that, the CAF had rented office space from a bank.

Today, the CAF has grown into the premier construction training and advocacy centers not only Northwest Indiana, but in the entire country. We currently have over 15,000 Sq. Foot of facility space were we can accommodate over 150 people and hold multiple construction and professional development programs at the same time. Our Construction Safety Institute is the first hands-on safety training center in the region, perhaps the world.

I am the type of person that has always embraced change. When I peer back into the past, I realize that almost anything positive that has taken place in my life are the result of past changes. Far too often, people resent change. Perhaps, it’s because they prefer routine and want to stay within their comfort zones. This inevitable thing is that change is going to happen. In fact, change is happening at an increasing pace. Just think about technology. Only 10 years ago, the first iPhone was unveiled. Today, smartphones are commonplace. The same goes for our industry. The passage of right-to-work, repeal of prevailing wage laws, changing OSHA standards, business information modeling (BIM), and other transformative technologies are forcing our industry to adapt and become leaner and more efficient.

So as we embark on our next 50 years, I challenge you to embrace change. Whether it’s changing something about your business, having to learn new technology or skill, or enter into another market, you really should view change as an opportunity to learn new things and grow personally and professionally.

Kevin Comerford
Cover Photo: Jeff Reed and Dan Shumaker from Carpenters Local 1485 install kennel doors at the new Porter County Animal Shelter in Valparaiso. Larson-Danielsong Construction of La Porte, IN is the General Contractor on the project and Marc Bozetarnik is the General Superintendent.

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In the 2014 Indiana legislative session, our lawmakers created a new project delivery system for use on Indiana public construction projects. Effective July 1, 2014, the public procurement project delivery system of Construction Management at Risk, or CMAR, became available for some types of projects. This delivery system is also referred to as CMc.

The new Indiana CMAR statute initially has a five-year duration, until July 1, 2019. At that time, it will automatically lapse unless extended by legislative act. However, the statute has not applied to all public works projects from its inception. Rather, for the first three years, which are almost up, only higher education project owners under Title 5 (governing State projects) have been able to utilize CMAR. This initial start-up or test period is nearing its conclusion after which CMAR will become available for use on local government projects as well.

Beginning July 1, 2017, the availability of this delivery system will be extended to all public projects, including local government owners under Title 36 and the State of Indiana, Department of Administration (“INDOA”), under Title 4. INDOT, however, remains excluded from using this delivery system. In terms of the types of projects subject to CMAR, the statute applies to construction, remodeling, rehabilitation or repair of buildings or other facilities owned by the public agency.

Prior to this statute being enacted, Indiana owners on public works projects could elect one of three approved statutory project delivery systems: (1) the traditional design-bid-build model using a general contractor; (2) multiple prime contracts with the use of a construction manager who is an agent of the Owner (Agency CM); and (3) design-build. All three methods of project delivery are reliant on a competitive procurement process.

Now there is this fourth option, CMAR, which has been available in the private sector for years where it has become a proven delivery system.

What exactly is CMAR and how is it different? During the design phase the CMAR will act in much the same capacity as the Agency CM. The CMAR will assist the Owner and design team on site consideration, project parameters such as material and equipment options and delivery ramifications, budgetary input, constructability analyses, value engineering, systems selections, subcontractor utilization, scheduling and bidding. Here the similarity between CMAR and Agency CM by and large ends.

During the construction phase, when the construction documents have been completed by the design team, the CMAR gives the owner a proposal to construct the project. Once agreement is reached on terms, including the price of the work, typically expressed as a Guaranteed Maximum Price, or GMP, the
contract is converted into a general construction agreement. The CMAR, acting as the constructor during the construction phase, holds the contracts with the subcontractors and is responsible for performance of the work.

This is the major difference between an Agency CM and the CMAR – the CMAR contractually is responsible for performing the actual construction work and supervising and managing the trades. The CMAR also is responsible for maintaining the construction schedule and deadlines and supervising the individual subcontractors. This changes the CMAR’s role during the construction phase to one that is closer to that of the traditional general contractor, notwithstanding having acted as an agent and advisor of the owner during the design phase. The CMAR now is responsible for the project completion date, is bound by a firm contract price and otherwise has full responsibility for construction means and methods. Adding these terms and duties to the contract considerably changes the relationship between the owner and the CMAR. They interject into the fiduciary relationship between the parties that exists during the pre-construction phase an element of arm’s length, self-interest on the part of the CMAR and the owner.

How does the public owner implement CMAR? The process for selecting the CMAR begins with the owner selecting an evaluation committee and issuing a Request for Proposals (RFP). The RFP must include a statement of criteria, the process and procedures on evaluation and selection of the CMAR, how the GMP is to be established and insurance requirements. Proposing firms can meet with the evaluation committee for interviews. A summary of the evaluation committee’s evaluation of each offeror is to be made public but only after the contract awarded.

Once the owner makes its award and decides to continue, contract negotiations with the selected firm begin. These terms are to be based upon the RFP response, the interviews and the fee proposed. Both payment and performance bonds from the CMAR are required for not less than the GMP or as provided in the terms of the RFP. The contract must identify any incentives or adjustments to the GMP. The contract may describe any delay damages or early completion incentives (neither of which are precluded by statute). The contract must describe if and when the GMP is to be determined, and if a GMP is used, all clarifications and assumptions on which the GMP is based. Self-performance by the CMAR is allowed but it is limited. The CMAR can self-perform up to 20% of the value of the Project (this includes apparently the design costs). If the negotiations fail to produce a final contract, the owner has three options: it can negotiate with another proposing firm (not necessarily the second lowest), award the work under any other applicable statute (i.e., design build or competitive bidding), or terminate the project altogether.

Selection of subcontractors is a critical component under the CMAR statute. In drafting the legislation, it was agreed that the public bid statutes still would apply under the new statute. Subcontracts must be competitively bid by the CMAR. Awards are to be made to the subcontractors who would be the successful bidder under the applicable public works competitive bid statute (Title 5 for now, then Titles 4 and 36 after July 1, 2017). For local government owners and agencies under Title 36 and INDOA under Title 4, the statutory requirements and restrictions on competitive bidding must still be followed. Use of the CMAR project delivery system should not negate the applicability of these statutory requirements.

One variance from competitively bid public projects is that under the CMAR statute, the CMAR may prequalify the bidders on criteria established and published by the owner. In practice to date on Title 5 Projects, the owners have used their own set of prequalification criteria. With the expansion to Title 36 and Title 4 projects, where prequalification requirements are spelled out in the statutes, a public owner utilizing CMAR that creates its own prequalification criteria must be consistent with these prequalification requirements. Likewise, the ability of the CMAR to prequalify subcontractors who are required to competitively bid their work should not change the statutory requirements already in place. This suggests that the CMAR publicly publish the opportunity for interested subcontractors to bid work on the project and to seek prequalification. Then, the CMAR and owner must competitively bid the subcontract work for those prequalified subcontractors. In other words, the prequalification system within the CMAR statute must be consistent and compatible with the existing requirements that otherwise are controlling on publicly procured work.

Once selected, the CMAR contracts with the subcontractors must include terms and conditions that
are designed to accomplish the work “at the lowest possible cost to the public agency”. In terms of transparency of the selection process, while bids are public records, by express terms of the statute, they are not subject to disclosure until the subcontract has been awarded or the solicitation of bids cancelled.

Finally, like other public works statutes, under the CMAR statute, payment and performance bonds from the CMAR are required. The payment bond must be conditioned that first tier subcontractors also will pay all indebtedness, not just the CMAR (this presents an interesting new term for surety bond underwriters to address). Unlike the other public works statutes, the bonds are to be furnished either at the time of the early release construction package or when the GMP is determined by the owner. Incremental performance bonding also is allowed, but is not well defined. Lastly, the surety on the performance bond shall not be released until one year after final settlement with the CMAR.

The new statute is not without its shortcomings. There are a number of details on the selection of the evaluation committee, selection of the CMAR and terms for performance that unfortunately are not spelled out in the statute, creating a number of areas of ambiguity and potential variances in the statutory application.

The past three years have seen a widespread use of CMAR on higher education public projects works. Where there are strict time restrictions on the schedule or particularly complex work is required, the value of constructor input on the design is critical. Whether it will be adopted and used by INDOA and local government owners in lieu of the other delivery systems remains to be seen. Having CMAR available for the right type of project is a benefit to public construction in Indiana. Whether the statute as written is workable for all public owners and contractors and worth maintaining in its current form without substantial revisions so as to avoid its lapsing in five years remains to be seen. Time will tell if CMAR works in the public arena in Indiana for all types of public owners, but for now it is available as another option for project delivery.

Mike Drewry is a partner with the construction law firm of Drewry Simmons Vornehm, LLP, with offices in Carmel, Indianapolis and Crown Point, Indiana, and focuses his practice on construction law and litigation.
3 Steps Trade Workers Can Take to Become Lay-off Resistant

By Kevin Comerford
Director of Professional Development
Construction Advancement Foundation

Many construction trade workers find themselves without work for many months out of the year. For these people, the routine is typical:

• Get a phone call to report to work.
• Go to work on jobsite.
• Complete required job duties.
• Collect lay-off check.
• Go to hiring hall and sign the out-of-work list.
• Wait for next job opening.

Depending on economic conditions, that next phone call might not come for weeks, or even months. Meanwhile, bills are due and cash reserves become depleted.

On the flipside, there are many construction trade workers who rarely, if ever, collect a lay-off check. These workers basically have the ability to work as much as they want regardless of trade. There are various reasons why this some tradesmen are always employed while others are always unemployed. From my perspective, it seems like the workers who bring the greatest value to the table is the one who never looking for work. It’s pretty hard to argue that premise. Yet, there are likely hundreds of skilled workers in here in Northwest Indiana who bring value to every job and still find themselves on the unemployment line. So what can these workers do differently?

Before I get into the specifics on how you can give yourself the best chance to always have work, I must assume that you possess a few fundamental characteristic traits. First of all, I assume you have a positive attitude in the workplace. If you make excuses, cannot get along with others, and are bringing down the morale of the crew, then being unemployed is probably best for you and everyone around you. Secondly, I am making the assumption that you can show up on-time to the jobsite every single day. If you make excuses, cannot get along with others, and are bringing down the morale of the crew, then being unemployed is probably best for you and everyone around you. Secondly, I am making the assumption that you can show up on-time to the jobsite every single day. This means showing up with all of your tools and gear, and in the right state of mind. This basically boils down to responsibility and professionalism. Lastly, I am assuming that you possess a strong work ethic. In other words, you are willing to bust your tail and do what it takes to get the job done.

If you have a firm handle on these basic character traits, then let’s look at how you can improve your chances of continued employment until the day you retire.

Invest in Improving Your Skills

Improving your skills and knowledge will make you more employable. If you haven’t taken any time to invest in yourself since you completed your apprenticeship, then you are doing yourself a major disservice. The first thing you should do if you are ever unemployed, besides signing the out-of-work list, is to brush up on your skills. Make an appointment with your training coordinator and find out if there are advanced training credentials, certifications, or journeyman upgrade programs available to hone your knowledge and sharpen your skill sets. Your local training center could be an invaluable resource and one that won’t likely cost you anything but your time.

Once you have taken all of the training upgrades and certifications offered by your trade, look for alternative ways to brush up your skills.
Foundation of Northwest Indiana (CAF) is a great resource to advance you knowledge and skills that may not be offered through your union. The CAF has advanced training on a variety of construction specific topics. This includes Supervisor and Foreman Training, Safety Training, Project Management Training, Estimating, Scheduling, Contracts, Negotiating, Leadership, Productivity, Quality, Time Management, Computer Skills, etc. Many of these programs are free while others require that you pay a nominal fee which helps covers the costs of bringing in industry expert instructors.

“Improving your skills and knowledge will make you more employable. If you haven’t taken any time to invest in yourself since you completed your apprenticeship, then you are doing yourself a major disservice”

As you may know, many of the building and construction trades located in Indiana offer an Associates Degree in Applied Science from Ivy Tech Community College upon the successful completion of an apprenticeship program. What many of these Associate degree holders do not know is that they have accumulated college credit hours and are nearly half-way through the completion of their Bachelor’s degree in Organizational Leadership and Supervision (OLS) at Purdue University Northwest? A Bachelor degree from Purdue will surely require a little investment of your time and energy, but the upside is that you will likely have a pathway directly into management you earn the degree. This could translate into higher pay, a company truck, and other benefits.

Build a Professional Resume

As a union trade professional, you are competing for work in the marketplace with dozens of others journeymen. What makes you stand out from you competition? I can tell you that employers in our industry do not select their employees based off of looks alone. As I stated earlier, employers are looking for people that can provide value for their organization. The simplest way for someone to showcase their value is by building a well-formatted professional resume. I can tell you if you are not already doing distributing your professional resume, you are missing opportunities because a numerous trade workers (your competitors in the job market) are already implementing this practice.

The purpose of a professional resume is outline your strengths and show how you add value. This is going to vary from person to person so it is important to spend a little time and effort to highlight the qualities that make you stand out from your competition. There are many different ways to build your resume. The four standard types of resumes are:

- Chronological
- Functional
- Combination
- Targeted

A chronological resume works well if you have a solid work history whereas a functional resume focuses on your skills and is preferred if you have a few lapses in your employment history. A combination resume is basically combines the best features of both the chronological and functional resumes. A targeted resume is used when applying for a specific position within a company and should only be used when trying to match your skills with the job requirements. I can write a whole another article on this subject alone, but a quick google search on “how to make a resume” will turn up millions of results to help you get started on building a professional resume.

An added benefit of going through the process of building a professional resume is that it will help you recognize the gaps in your skill sets. For example, if your experience as a carpenter has largely been erecting scaffolding, then you may find that you aren’t as well rounded as your fellow journeymen who may have experience in foundations, interior finishing, framing, or a whole host of other carpenter skill sets. Therefore, you may want to take advantage of additional training or work experience to add depth to your resume which will definitely help to increase your employment prospects. Keep in mind that your resume is a living document and can and should be update frequently to reflect the best version of yourself.

Last but not least, you have to put your resume to work. This brings us to arguably the most important step of the process.

Network to Open Doors

I know at some point in your life you have heard the expression, “It’s not what you know: It’s who you know”. Well the saying is largely true. However, I would argue that “what” you know will help you advance
your career and reach your full potential and “who” you know can provide you with the break you need to open the door to opportunity. This brings us to the importance of networking.

Networking is about making connections and building lasting, mutually beneficial relationships. Networking can be extremely helpful to your career in construction. I have seen first-hand, on numerous occasions, how networking has advanced careers for journeymen. Networking is a simple process and yields enormous benefits, yet it is virtually ignored by most trade workers in our industry. It does require a little time and effort which is likely the reason most people put it off.

Networking involves putting yourself out there professionally. It requires introducing yourself to coworkers, sub-contractors, management, union leadership, and becoming a familiar face to everyone you meet. Networking requires attending and participating in company meetings, union meetings, safety meetings, volunteer work, and virtually any setting where you can interact with folks within the construction industry. Last but not least, be sure to keep your professional resume on hand and hand out copies to your network.

One effective, yet simple action that you can implement immediately is to enter, into your smartphone, the contact information of the journeymen, foreman, superintendents, key management personnel, and other employees that you work alongside with on all of your projects. There are dozens of contact management apps that allow you to enter notes under your contact’s profile. I strongly encourage you to enter specific details of your industry contacts in your notes. This will help remind you of the person’s trade, job title, how you met, when you worked together, etc. Then, when you find yourself laid-off, call each of your contacts, remind them of how you know one another, and find out if they are working or if they know where there is work. Doing this on a regular basis will not only give you a reputation as a go-getter, but will help you to become familiar with the people in your trade as well as the key players within the industry. Most importantly, it will help you find work way faster than waiting on a phone call from the hiring hall.

So there you have it. These steps can help you to become lay-off resistant. If you simply work on continuously improving your skill sets, build and update you professional resume(s), and build your professional network, I guarantee you that you will spend less time wondering why you are not working and more time earning a paycheck. I personally know journeymen who follow this blueprint and they are employed as much as they want to be. In fact, many of these journeymen have contractors seeking them out and getting paid above scale. In other words, they are the master of their own destiny. If you have the will, you can be too!

**Best Practices:**

**Five Steps for Getting Lead Men Ready to Lead**

By Mark Breslin
Breslin Business Strategies, Inc.

A big challenge for many organizations is getting the up and coming talent ready to lead. Unfortunately, most managers and leaders don’t spend enough lead time getting people ready to be promoted or advanced. As a result, they are generally thrust into positions hastily and told, “We believe in you now, go get it done”. They do the best they can, but they don’t do their best. Because they can’t. They were not prepared to do it.

One of my clients is a contractor with around 700 employees in the field and they have many Baby Boomers about to retire. They took
a step that I believe is a Best Practice and made a significant investment in their lead men, those that serve as the right hands to foremen across the organization.

They made the time and effort to do the following:

1. They selected 60 of their lead men and women to attend two programs after work for three hours.
2. At session one, they went into great detail about the opportunities coming up in the company and the criteria they were looking for in foremen and superintendents. They presented a Career Path Plan for them. It was the first time anyone had talked to them that way.
3. They then spent several months working with foremen on evaluating that talent and matching against the criteria.
4. They then hosted a second program provided by myself that was a foreman primer based on content from the Five Minute Foreman book and training program. It reinforced the idea that the job is no longer a blue-collar position. It focused on production, profit and most of all, professionalism.
5. They then selected a sub-group of those 80 to be the next generation of foremen – and pre-identified them. They believe that through this Best Practice, they receive the following benefits:

• Two years to refine top candidates
• The ability to retain talent as they feel more valued
• The ability to attract a higher caliber of leader due to the shared Career Path Plan
• Create meaningful and powerful mentoring relationships between the Foremen Evaluators and the Lead Men candidates for advancement.

The real benefit in my opinion isn’t even listed. It looks to me like a well-prepared foreman taking on the job ready to lead and manage in a way that maximizes performance in profit, productivity and safety. And that is not just a Best Practice – it’s a good and smart way forward. And remember, it’s people before projects. That’s what makes the difference.

Mark Breslin is a strategist and author of several books, including most recently - The Five Minute Foreman: Mastering the People Side of Construction. Visit his website at www.breslin.biz or contact him at (925) 705-7662
Group health plans have historically been structured in such a way that the insurance company profits when a plan runs well, and the group faces a punitive renewal when the plan incurs high medical claims over the course of a contract period. This fact holds true for both self-funded and fully insured health insurance programs. Each year the health and welfare fund’s benefits manager has to play along in the annual renewal game, anxiously awaiting the plan’s rate increase. We now face the sad reality that any cost increase coming in at less than 15% is viewed as good news.

Renewal increases are significant due to a number of factors. Medical trend (inflation) continues to rise every year. Groups with fewer than 1,000 employees enrolled in a health plan are also considered to be somewhat unpredictable as pertains to claims volatility. A program can run smoothly with low claims for a number of years, then suddenly high dollar claims emerge, causing a financial loss that is simply more than the average health and welfare fund is able to bear without stop loss insurance. The carriers’ underwriting formulas are designed to hedge against this volatility. This landscape leaves our benefits managers asking some tough questions:

Instead of the insurance carrier pocketing the majority of our premiums when we have a low claims year, is there a way that the H&W fund can benefit when our claims experience is favorable?

If we do have high dollar claims in a contract period, is there a risk finance structure that can reduce stop loss claims volatility and thereby lead to more favorable renewals?

The answer is yes and yes. A group medical stop loss captive (MSLC) is a risk finance structure that significantly reduces high dollar claims volatility and provides the opportunity to receive underwriting surplus dividends when medical stop loss claims are less than medical stop loss premiums over the contract period of a given year.

“A group medical stop loss captive (MSLC) is a risk finance structure that significantly reduces high dollar claims volatility and provides the opportunity to receive underwriting surplus dividends when medical stop loss claims are less than medical stop loss premiums over the contract period of a given year”.

Complete transparency of pricing and reporting are key features of a group captive stop loss arrangement. A medical stop loss captive looks and feels like a standard self-funded arrangement in most respects. The group pays their premium to the stop loss carrier, and they are protected against medical claims which exceed their designated specific stop loss deductible. Aggregate coverage is available as well. The captive reduces volatility by providing additional funding that covers a corridor of high cost claims that have exceeded the specific stop loss. Let’s look at an example:

The 10 trustees we met earlier have identified that collectively their premium spend was $3 million. They have discussed the fact that some of their plans had zero stop loss claims, some were less than $100,000 in claims, and one had a claim for a quarter of a million dollars. When they added up all of their claims they found that the sum total of stop loss claims came to $1.2 million. Immediately obvious to the group is that $1.8 million in premiums went directly into the pockets of their respective insurance carriers. How would a medical stop loss captive have changed this scenario?

The MSLC enables like-minded groups to pool a portion of their premiums to reduce claims volatility. Groups can maintain their current TPA, network, and benefit plan design. The only vendor commonality required in many MSLC programs is the stop loss carrier. A portion of each group’s stop loss premiums are used to fund the captive. In most cases, this portion is around 50–60% of stop loss premiums. This captive layer funding is used to pay for the additional layer of claims that exceed the specific stop loss. In this example, the captive pays an additional $250,000
per claimant exceeding the specific stop loss. This additional claims funding layer acts as a shock absorber for the carrier in that a claim does not truly become a stop loss claim until a much higher amount has been incurred. The resulting lower claims activity/volatility for the insurance carrier can lead to significantly improved renewal stability over time.

Unlike insurance carriers, the captive is not a profit taking entity. Any remaining premiums that went to fund the captive but were not used to pay claims belong to the participating groups. Captive premiums that were not used to pay claims are considered to be an underwriting surplus. The underwriting surplus is given back to the groups on a pro rata basis based on the amount of premiums ceded into the captive. This settlement occurs on an annual basis based upon the claims activity of a given experience period.

Let's assume 60% of the 10 trustees’ $3 million in premiums went to fund the captive. This would have been $1.8 million to cover $1.2 million in claims within the captive layer. The groups would have realized an underwriting surplus dividend of $600,000 that would have been distributed on a pro rata basis. Since the highest claim among any of the groups was $250,000, the stop loss carrier would have incurred zero claims. Due to the MSLC, the H&W funds would benefit from an underwriting surplus dividend and the expectation of a favorable renewal.

Captives do not always run this well. However, this certainly serves as an example of how well they can run. When like-minded employers unite in a MSLC funding arrangement, they stand to benefit from reduced claims volatility and the potential for underwriting surplus dividends.

Josh Rupli has more than a decade of experience working with self-funded group health plans. His background includes roles in Customer Experience, Underwriting, Sales and Program Management. His current role is Medical Stop Loss Captive Program Manager for Risk Matters, LLC (a division of Hylant).

**OSHA Issues Recommended Practices to Promote Workplace Anti-Retaliation Programs**

By James J. Arendas, PhD

The Occupational Safety and Health Administration recently issued Recommended Practices for Anti-Retaliation Programs to help employers create workplaces in which workers feel comfortable voicing their concerns without fear of retaliation. The recommendations are intended to apply to all public and private sector employers covered by the 22 whistleblower protection laws that OSHA enforces.

The recommendations are adaptable to most workplaces, and employers may adjust them for such variables as number of employees, the makeup of the workforce, and the type of work performed. The concepts can be used to create a new program or enhance an existing one.

The document outlines five key elements of an effective anti-retaliation program:

1. Management leadership, commitment, and accountability
2. System for listening to and resolving employees’ safety and compliance concerns
3. System for receiving and responding to reports of retaliation
4. Anti-retaliation training for employees and managers
5. Program oversight

“These recommended practices will provide companies with the tools to create a robust anti-retaliation program,” said Jordan Barab, acting assistant secretary of labor for occupational safety and health. “In the long run, it’s good for workers and good for business.”
An initial draft of the Recommended Practices was posted for review and comment in the fall of 2016. The final document incorporates many of these comments, as described here.

These recommendations are advisory only and do not interpret or create any legal obligations, or alter existing obligations created by OSHA standards or regulations.

OSHA enforces the whistleblower provisions of Section 11(c) of the OSH Act, and 21 other statutes protecting employees who report violations of various securities laws in construction and other industries. For more information, visit www.whistleblowers.gov. If you have any questions call James J. Arendas PhD at 219-764-2883.

Building Excellence

By Jim Bain
Falcon Performance Group

Excellence. There is another one of those words. Words like quality, service, and yes, excellence, are easy to use, often thrown around, particularly by marketing and sales people, and all too often, a gross misrepresentation of the truth. Let's look at a recipe for building true excellence in your organization.

First, we need to start with a definition of excellence. Webster’s Dictionary defines excellence as: “n. the state of possessing good qualities in a eminent or unusual degree; superiority … anything highly laudable, meritorious, or esteemed.” The important thing to note in Webster’s definition is that excellence is not a result of how we look at ourselves, but how others see us. It is a view from the outside and represents a perception of others that may or may not reflect reality. So how do we develop and encourage a perception of excellence from our employees, clients, suppliers, and peers? The recipe starts with leadership, includes adequate measures of establishing expectations, team building, and a commitment to learning, and finishes with a covering of communication.

Begin with the immutable fact that, over time, every organization takes on the personality of its leadership. Whether it’s a construction firm, an engineering firm, a school, a church or a home, the organization will reflect the values and actions of its leaders. Leadership begins with a service attitude. As Dr. Phil would say, “it ain’t about you!” Our leaders must consider the needs and concerns of the greater whole, putting their own needs and desires aside. Secondly, our leaders must establish a set of core values, both for themselves and for the organization they serve. Core values are those things such as integrity, fair dealing, and compassion for others that are simply inviolable. Our core values define the only “box” outside of which we will not think. Our leaders must be able to communicate those values to those they serve and act within the scope of those values. We simply cannot profess one thing and do another. Finally, our leaders have to do a better job of listening and understanding. Good listening skills can be learned and must be practiced. We can never know the perceptions of others until we ask for them and genuinely listen to the answers.

Establishing reasonable expectations is also a critical ingredient to building excellence. Too often, we over-promise and under-deliver. Doing so is a recipe for unhappiness. To allow our clients to develop unreasonable expectations for project completion, costs, time commitments, or workmanship is both irresponsible and dishonest. Open dialogue with as many of the stakeholders in a project as possible is key to establishing and then meeting the mutual expectations on a project. From the initial contact by the business development department to completion of the punch list, realistic, honest, and straight-forward dialog is essential. We cannot allow members of our team to embellish the facts in
the name of increased top line revenue. In the construction field, the concept of Partnering is an exceptional tool to develop mutually acceptable and beneficial expectations for all stakeholders, both internal and external.

Team building is another ingredient in the recipe for excellence. The requirements of building teams with employees, clients, suppliers, and peers are establishing mutually acceptable goals, seeking input from all team members, cooperating to maximize the strengths of each member while minimizing the shortcomings of each member, encouraging success, and celebrating the results. Teams in sports serve as good examples of the synergy possible when all of the elements of good team building come into focus. Good teams require both good players and good coaches, whose role is to teach, motivate, encourage, and mentor the team. Again, these are learnable skills. In order to build excellence, we must continue to train and develop good coaches and build good teams.

Building excellence also requires that we commit to learning – every day. Information in our world is doubling every two years. The Sunday edition of the New York Times contains more information than the average person in the 17th century was exposed to in a lifetime. New ideas, new ways of operating, and new concepts are developed every day. In order to build excellence in our lives and our firms, we must commit to regular learning. E-learning (via the internet), traditional books, books on tape, CD's, DVD's, periodicals, newsletters – the list goes on and on. The difficulty today is not getting information – it’s deciding what information is worth learning. Excellent organizations commit time, money and people – resources – to continuous learning and improvement. Excellence, being better than the rest, is simply not possible without that commitment.

The final key to excellence is communication. Each of the ingredients we have mixed in our recipe for excellence requires communication. Communication is a much broader term than talking, writing, or even listening. Most important is understanding. In order to understand, we must listen, we must care, and we must act to demonstrate our understanding. Einstein said “the uniqueness of man – the superiority of man in the world of animals – lies not in his ability to perceive ideas, but to perceive that he perceives, and to transfer his perceptions to other men’s minds through words.”

Excellence is not in how we perceive ourselves – it is in how others perceive us. The best recipe I know for building excellence includes a lot of leadership, establishing expectations, large measures of team building and commitment to learning, and finished with a thick covering of effective communication. Bon Appetite!

James S. Bain, MBA, is an author, speaker, consultant, and coach. He is the founder of the Falcon Performance Institute, a consulting and corporate training firm focused on productive performance. He has been a featured speaker at numerous regional and national conventions.

To hire Jim or find out more about the Falcon Performance Institute, please visit www.fpiteam.com and/or www.jimbainspeaks.com or call 352-854-4015.
The Ross Group of Portage Indiana just wrapped up construction on a new office and storage facility at Haven Hollow Park in South Haven. The new 6,000 square-foot Portage Township parks department facility came in at a price tag of $750,000. The new building, located at 330 W. 700 N. in Valparaiso, will house maintenance facilities for parks and cemetery workers, a wash bay for cleaning vehicles and equipment, office space, and a community conference room.

Garry Gadd, who was the project Superintendent for The Ross Group, said that the project ran as smooth as could be expected. One of the biggest challenges, according to Gadd, was getting the building shell up before the winter. “Having the building envelope complete before harsh weather hit really enabled us to work non-stop from the day we broke ground in August (2016) to completion in January (2017)”.

Kirt Witham, Director of Business Development with The Ross Group, said that this project will help improve the quality of life for local residents and credited Portage Township Trustee, Brendan Clancy for his visionary leadership.

“Growing up near Haven Hollow, I have seen the positive transformation of the park over the years and Brendan has done so much to help improve the area”, Witham said. “This new facility will allow the community to host meetings and provide park staff with another asset to help maintain the integrity of the park system”.

Ross Group Project Manager, George Katsiris, planning and coordinating the construction process for the New Haven Hollow Park Building was easy due to the “professionalism of everyone involved in the project”.

“The owner, architect, contractors, and vendors on this project we’re all wonderful to work with”, Katsiris stated. “They were all very responsive and accommodating with regards to the project scope which allowed us to keep the schedule on-track and produce another quality construction project”.

Brendan Clancy said that the bulk of the nearly $750,000 project will be paid out of a $2.2 million parks bond that will be paid off in 2019. “It’s a long-term investment in property, but it’s a short-term investment in terms of tax dollars,” he said.
**Featured Project**

**New Office & Storage Building for Haven Hollow Park**

### Project Participants

**General Contractor:**
- The Ross Group Owner - Ross Pangere
- Project Manager - George Katsiris
- Site Superintendent - Garry Gadd
- Director of Bus. Devel. - Kirt Witham

**Major Subcontractors:**
- Electrical - Circle R Electric
- HVAC - Bloomfield Mechancial
- Structural Steel - Risch Construction
- Steel Siding - Risch Construction
- Concrete - Midstates Concrete
- Masonry - Kwiatkowski Masonry
- Roofing - Risch Construction
- Glazing - Trout Glass
- Carpentry - Specialty Construction Co.
- Painting - Specialty Construction Co.
- Flooring - Specialty Construction Co.
- Plumbing & Piping - Gatlin Plumbing

**Owners/Project Representatives:**
- Portage Twp. Trustees Office
- Portage Twp. Trustee - Brendan Clancy
- Portage Twp. Chief of Staff - Nina Rivas

**Architect:**
- Scott Virtue, Virtue Architects