

# Sustained Success

*At right, Paul Hoffman of Hoffman, Inc. delivers the keynote address during the Spring Meeting. Below, Builders Association Chairman J. David Pepper of Pepper Construction Company poses with David Olson and Luke Lukowicz of W.B. Olson, Inc., which won the Builders Association Safety Award for Best Performance Improvement. Twenty-one members were honored for their outstanding safety programs.*



## Spring Meeting

Hoffman, Inc. CEO Paul Hoffman includes green building mythbusters in his presentation. If those don't clearly deliver the message, all contractors really need to do is look at some of his company's creations.

Hoffman's unique approach to sustainable construction was the keystone of the Spring Meeting May 6 at the Hyatt Rosemont. Before the presentation, the Builders Association honored 21 companies with its 10<sup>th</sup> Annual Safety Awards.

W.B. Olson, Inc. won its first Best of Class Award for companies with 75,000-250,000 hours and also won the Best Performance Improvement award. Airtite Contractors, Inc. won its second consecutive Best of Class honor for over 250,000 hours, and the top prize for companies with under 75,000 hours went to Frank H. Stowell & Sons.

Close to 120 contractors were present to hear Hoffman go through the risks of sustainable building, and how building in this manner could actually increase a company's bottom line. His presentation also covered what not to do when constructing a sustainable building and helped to ease a couple of commonly held myths related to the practice.

One of the final points in Hoffman's "Unlucky 13" risks in sustainability involved contractors who are convinced that "green" buildings cost more to construct. Hoffman, Inc. has disproved that theory on many occasions, including Northland Pines High School in Eagle River, Wisconsin. The high school includes one of the largest auditoriums in the state, an indoor

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*2007 Safety Award Winners:*

Airtite Contractors, Inc.  
BABCO Construction, Inc.  
Bulley & Andrews, LLC  
Frank H. Stowell & Sons, Inc.  
George Sollitt Construction Co.  
Glenn H. Johnson Construction  
Grove Masonry Maintenance  
Illinois Masonry Corporation  
Interior Alterations, Inc.  
Lawdensky Construction Company  
The Lombard Company  
McShane Construction Corporation  
Pepper Construction Company  
Ryan Companies US, Inc.  
Sigalos & Associates, Ltd.  
Takao Nagai Associates  
Tessler Construction Company, Inc.  
Tyler Lane Construction  
Valenti Builders, Inc.  
William J. Scown Building Company  
W.B. Olson, Inc.

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track, four basketball courts and a number of other amenities, but was constructed for just \$114 per square foot.

There were a number of common threads through Hoffman's presentation of sustainable "Inconvenient Truths" and "The Unlucky 13: Sustainability Risk List," including his notion that contractors who understand green and sustainable building now will prosper, while those who don't will be left behind.

It isn't enough, however, to build green just for the sake of doing it if building to LEED specifications doesn't improve the value of the building. Hoffman's opinion is that contractors who build green just for the sake of having a green building are setting the industry back years.

"There's a tendency to get fixated on building 'green' and building to those specifications that LEED sets up," Hoffman said. "Our focus is more on adding value to the building while creating a sustainable building. You need to have your focus in the right place.

"It's about creating a cost-effective building that will last and has some value. It's about business solutions, and not about how many (LEED) points you can get."

His company's approach - Total Project Management: Vision Taken to the Power of Green- is centered on not only doing the right thing by the environment, but increasing the value and the life of the

# Supplier Showcase

The products and services offered by Builders Association Supplier members are among the best in their fields. With their association membership, these companies support the Chicagoland construction industry.

The Builder will highlight suppliers in the Supplier Showcase, which will feature comments or information on a construction issue from those members.

This issue's contributor commented on changes in contracts, and the risks associated with them.

## Jim Fagan – Travelers Bond

Among the numerous changes that have occurred in surety bonding during the past year, one of the biggest issues at hand is the contractual risk transfer.

"We have seen this occur mostly with various school district and public educational facility contracts in the suburban Chicagoland area," said Jim Fagan of Travelers Bond. "Onerous provisions are being added into the supplemental conditions of standard industry contracts that attempt to shift more contractual risk to the hands of the contractor and their respective surety company. We have seen provisions that take away a surety's right to defend their contractors in a claim situation as well as others that waive the penal sum of the bond." This places unnecessary risk on the contractors working on these jobs.

Another issue that is facing the surety bonding world is with the AIA A312 payment bond form.

"Some unfavorable court rulings in various states have again attempted to undercut the surety's right to defend against payment if the surety fails to meet certain notice deadlines," Fagan said.

The final issue facing the bonds is problems with the long term warranties. "The contractor's typical obligation to the owner is to construct a building as per the owner's or A/E firm's specifications, with the bond backing up this obligation. Long term warranties attempt to make the contractor, and also the surety, act as a maintenance team for the owner," Fagan said.

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building.

Hoffman urged contractors to use the resources that the AGC has available for companies building green or sustainable. Other risks to sustainability he hit on included situations where:

- Contractor doesn't know what the architect or owner expects in terms of sustainable building
- Owner and architect are only vaguely aware of what they want
- Contractor gets involved in the project too late to have any say on sustainable means and monitoring
- Contractor oversells its sustainable capabilities
- Contractor has no "green" expert for training, compliance and risk management

- Contractor signs – but doesn't fully understand – a contract calling for LEED certification
- Contractor doesn't know capable suppliers of LEED materials or systems
- Contractor doesn't know his responsibilities related to document submittals to the U.S. Green Building Council
- Staff is inadequately trained to monitor sustainable building practices or submit LEED documents

The Builders Association will return to the Hyatt Rosemont for the Fall Meeting September 23. The Annual Meeting will take place December 10 at The Drake Hotel downtown.