



# Plumb Line

PLUMB HOUSE, INC.

DALTON BUILDERS, INC.

ADVANCE CONCRETE

GRAFTON ELECTRIC, INC.

10 Industrial Road, Milford, MA 01757, (508) 482-1971

April 2007

## SAFETY—WHOSE JOB IS IT ANYWAY?

While construction employs only 7% of the nation's workforce, it accounts for 21.5% of all job-related fatalities, and has a risk of injury rate that is 36% higher than all private industry sectors. Clearly safety is important, but who's responsible for it?

*The Government* – sets and enforces standards (through OSHA) and provides education, training and outreach.

*The Owners* - can encourage and enforce safety by selecting contractors with strong safety records and making effective safety programs a requirement in their construction documents. Owners can also participate heavily in Pre-Project Planning meetings.

*The Contractor* – establishes and implements a comprehensive safety program that includes management commitment; employee involvement; hazard analysis, prevention and control; training of both supervisors and employees—in short, the employer must recognize and remove or control every perceived workplace hazard. And by employer, we mean any manager, supervisor or foreman who has responsibility for overseeing the work of others.

*The Employee* – that would be us. Under the General Duty Clause, employees must know and abide by their company's safety rules. But rules and regulations aside, it just plain stands to reason that you are ultimately responsible for your own safety. Why? No one else can watch out for you every minute of every day. Because it's your life on the line. Your body at risk of injury. Your eyes that are vulnerable if you're not wearing safety glasses. Your family and friends and finances that will be impacted the most. All the other players are ineffective without your commitment.

## THE ELEPHANT IN THE ROOM

Anyone on the conscious side of a coma knows the difficult state of the economy. Newspapers, magazines and television trumpet daily details of the recession. We all know people enduring tough times, and may even consider ourselves in that category. Yet contrary to media impressions, most people are working, shopping, buying homes and remodeling. There are two ways to look at things: a half empty

glass shows that 5 million Americans have lost their jobs since the beginning of the recession. But a half full glass celebrates that this country still enjoys 92% employment, a statistic to be envied in a world where half the people live in poverty. Closer to home, a half empty Plumb House glass would be our not having started a new job since Medford. But the half full glass has Preconstruction ramped up to six people working full time on dozens of projects and positioning us to hit the ground running when the financing logjam breaks free.

## OPPORTUNITIES IN A DOWN MARKET

Whether your outlook is optimistic, pessimistic or realistic, there are strategies for succeeding in today's market. What else are we doing to prepare for the economic rebound?

① Self-performing the concrete, rough and finish carpentry and electrical gives us an advantage over other contractors by providing an added measure of control and coordination of job quality, schedule and safety. Self-performing reduces our construction costs and improves the job pro formas for the customer. So, more self-performing can only be better. Our most recent step in expanding on that formula has been to acquire W.W. Contracting, with whom we have already enjoyed a 25-year relationship. Our newest affiliate has been renamed W.W. Construction, Inc., and is our in-house sitework contractor. Andy Leonard has relocated to our newly renovated office, and has brought Bob Volpicelli, a sitework estimator, with him. We welcome them to the Plumb House family.

② Value enhancement. Owners have to consider four variables in pursuit of a project—land, construction costs, rent and interest rates. The only one we can impact is construction costs. Owners want the least expensive, highest quality contractor who can build in the shortest time. We have to tighten our costs (as do our subs and suppliers) to provide the best value. And we have to get into the design process early to provide value engineering recommendations. Our competition in difficult times isn't other contractors; it is the feasibility of the project. It is our job, with leaner margins, to make the project feasible to build.

MERIT SHOP BUILDS BEST

③ Whenever there's a downturn in the market, companies are forced to downsize, or "rightsize" as some economists call it, in order to save on overhead. We regret the necessity to lay off some good people, both field and office, who have done a good job for us. We miss them and wish them well.

④ Our workforce has assumed some of the tasks that we have previously subbed out, such as painting, closet shelving, window blinds, siding and final cleaning. Besides keeping the workforce occupied, this also provides some cross-training opportunities to increase versatility and demonstrates a willingness by our employees to "do whatever it takes" to keep the freight train moving.

⑤ Diversification - Our bread-and-butter product is market-rate apartments. But we are also receptive to building assisted living facilities, hotels, student housing, military housing, continuing care retirement communities, midrises—virtually any housing short of doghouses. And although our geography has been mostly urban eastern MA and RI communities, we cannot rule out expansion into the city or to other New England states.

⑥ Survival - It's not just the big-3 automakers that are in trouble—developers and contractors are feeling the pinch, too, and some will fall by the wayside. Some already have. Our goal is to run our business so that we will be the "last man standing" in the multi-family housing market.

### TWO THINGS WE WON'T BE SKIMPING ON

① Safety - In the first 13 days of 2009, OSHA issued \$275,000 in fines to companies in Massachusetts alone. That's over \$20,000 per day. Obama's OSHA is said to be "a much more activist and interventionist OSHA on both the enforcement and regulatory fronts." But we don't stay safe for OSHA; we stay safe so that we can go home at night in the same condition we came to work in the morning. And no economic downturn is going to affect our commitment to safety.

② Giving - Times of increased need are not the time to back off from charitable contributions. We have a record 10 riders registered in this year's Pan-Mass Challenge, which means we have committed to fundraising minimums of at least \$42,000 for Dana Farber and the Jimmy Fund. There are four other cycling events on the calendar. And we continue to support such organizations as the St. Mary's Women and Children's Center, My Brother's Keeper, the Jesuit Volunteer Corps East, Caritas Communities, Traveling Tradesmen and others that have been dear to our hearts for many years.

### UNIONS PUSHING THEIR AGENDA

Remember the campaign promises for "change"? Well, the policies of the Obama administration in Washington and the Patrick administration in Boston tell a different story. Both are proposing policies designed to steer public construction work exclusively to organized labor by allowing Project Labor Agreements on public construction projects. PLA's, which mandate the use of union-only labor, not only drive up the costs substantially, but they also exclude open shop contractors like us, who represent 85% of construction workers, from competing on public projects. Also troubling is the Employee Free Choice Act (EFCA—also known as "card check"), which is federal legislation, passed by the US House but stalled in the US Senate, that will make it easier for unions to organize workers by intimidation and by not allowing secret ballot elections. We are opposed to both PLA's and EFCA. Why? Because we have a basic disagreement with construction unions. They encourage and reward mediocrity. We encourage, reward and respect individual effort, achievement and superior performance. It's not surprising that our costs are 40% lower than union construction. Our goal is to have the highest paid, lowest cost labor force.

### ADVANCING THROUGH EDUCATION

📖 Congratulations to Wemerson DaCosta and Ubirajara Lino for their commitment of Tuesday and Thursday nights for the last year to learn English. At their graduation celebration dinner we could see not only the improvement in their language skills, but in their confidence as well. Instead of a diploma, we presented them with gift bags of children's books to read to their kids at night.

📖 Congratulations to Mike Hartnett for the completion of his two-year, seven-subject Construction Project Management course at Northeastern.

📖 Congratulations to the 10 students certified in the sitework Competent Person Training and the 23 attendees of Tool Safety Training. 40 students have signed up for the April CPR/First aid training.

### QUARTERLY TRIVIA

Half of all Americans live within 50 miles of their birthplace.

Reflections  
Reflections

*"A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty."*  
Winston Churchill