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Need Help? Hire Another GC

Cooperation between equals benefits both, say California contractors

by Charles Smith

Most general contractors maintain a crew of hourly wage earners and hire subs for specialty work. But to adapt to the sluggish California economy, some GCs here have shed employees to cut overhead, and created a new strategy for handling the occasional larger job: Instead of maintaining a regular crew, they hire other contractors to do the work they can't complete themselves.

Financially, hiring another GC is no different from hiring a sub: You pay a flat hourly rate or a lump-sum fee, and the company you hire takes care of labor-related paperwork like taxes and workers compensation.

Peers as partners. According to general contractor Michael Hamman of Daly City, Calif., working coopera-

tively with another general contractor is more like a temporary partnership than a contractor-subcontractor rela-

tionship. "It's business among peers," he says. "When you can't do all the work in front of you, then another GC can be a trusted, informal partner who comes in to help out."

Hamman says both GCs can benefit by playing to each other's strengths. "Contractors don't all have the same expertise and equipment," he notes. "It's easier to call in another GC than assemble a crew and supervise work you're not that familiar with."

As an example, Hamman recalled a remodeling general contractor who ran into some unforeseen foundation problems. Calling in Hamman, who has specialized in founda-

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Congress Begins OSHA Overhaul

In years past, Democrats in Washington have proposed major remodeling of the Occupational Safety and Health Administration (OSHA), creating plans for big funding increases, new areas of responsibility, and new requirements for employers.

But blueprints for changes at OSHA in the current Republican-led Congress read more like a gut-rehab than the grand addition planned by Democrats. The leading reform proposal, a bill introduced by Congressman Cass Ballenger (R-N.C.), would

transform the agency's identity from enforcer into advisor, with 50% of OSHA's budget funneled into consultation and safety training for industry. Under the Ballenger proposal, companies that invite OSHA to review their safety programs would avoid the random inspections that have aroused employers' ire. The bill would also require compliance officers to have knowledge and training about the industries they were regulating. Employers, on the other hand, would get a chance to correct deficiencies noted in inspections; fines would only

apply if the employer failed to fix the problem.

Power of the purse. Already, Congressional Republicans have achieved much of what they sought simply by cutting OSHA's budget. The 15% reduction in OSHA's funding for the coming year is less drastic than Congress originally threatened, but an OSHA spokeswoman pointed out that the cuts come mainly from OSHA's enforcement budget, forcing layoffs of more than 1,000 personnel.

The funding cuts lend increased urgency to efforts

already underway in the Clinton Administration to "reinvent" OSHA. The agency now faces a problem familiar to contractors during the last recession: figuring out how to react to a shortfall in revenue. The immediate response has been an increase in dialogue between OSHA and industries it regulates, and some concessions from the agency.

Fall protection: revising the revision. On the fall-protection front, the agency official who crafted OSHA's revised fall-protection rule recently

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STATE BY STATE

New York. A proposal to beef up the state building code's seismic requirements is on hold after Robert L. King, head of the Governor's Office of Regulatory Reform, objected that proponents of the change had not provided scientific justification.

New Hampshire. A new law that defines "subcontractor" and "employee" may affect builders who hire sole proprietors and do not cover them with workers comp insurance. To be a legitimate sub, the law says a worker must control how he performs the work, including setting his own hours. He must be in business for himself and be free to work for other employers. Workers who do not meet these criteria will be considered employees, and their employers will be charged for comp coverage.

Rhode Island. The state Department of Environmental Management (DEM) now has a full-time ombudsman: Roger Greene, an assistant DEM director for nearly eight years. Greene's job will be to help citizens navigate DEM's permit process. His office can be reached at 800/932-1000 from anywhere in Rhode Island.

Connecticut. A new unemployment compensation reform law tightens penalties for fraud and restricts benefits for employees who quit. But the law also raises the benefits paid to construction workers with irregular earnings.

Housewrap Effective on New Homes, Studies Show

Recently released studies sponsored by DuPont Corp., the manufacturers of Tyvek, indicate that housewrap can greatly improve the thermal

Not just for old houses. Although most builders agree that housewrap is worthwhile in retrofits of leaky old buildings with board sheathing,

Church, Va., found that the eight homes with Tyvek had 25% less air leakage on average than the six built without housewrap.



Builders have questioned the practice of installing housewrap over foam sheathing, but DuPont says laboratory data show that it helps (see chart, below).

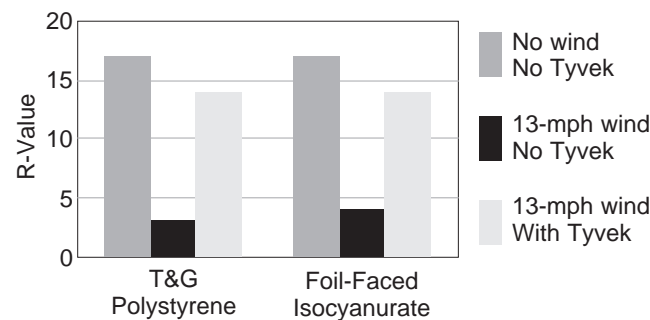
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Housewrap helps over foam. The Holometrix lab tests included wall assemblies with fiberglass batt cavity insulation and exterior foam sheathing. One system used foil-faced polyisocyanurate, and another used tongue-and-groove polystyrene. Cracks between the foam sheets apparently allowed enough wind to penetrate to degrade the performance of both walls. When the same systems were covered with Tyvek, however, most of the heat loss caused by wind was prevented (see chart, left).

Housewrap beats caulking the plate. Holometrix also compared Tyvek-wrapped walls to walls with no housewrap but with caulk between the wall plates and the floor. Tyvek-wrapped walls worked much better, apparently because the housewrap stopped wind from penetrating wall cavities through cracks between the wall sheathing and the plates.

But will you get your nickel back? Home energy pundits and DuPont are still at odds over the cost-effectiveness of housewrap. *Energy Design Update* editor Ned Nisson figures the payback period for Tyvek on a new home at between 6 and 25 years, while DuPont says the material will pay back its cost in just 2 to 5 years. But whoever is right, there is more to life than payback. Even if they don't save money, homeowners in cold climates may consider housewrap's cost justified by the comfort of warm walls and draft-free rooms. □

Effect of Housewrap Over Foam Sheathing



Source: DuPont Corp.

performance of insulated wood-framed walls in cold and windy weather.

Under contract to DuPont, Holometrix Laboratory, of Cambridge, Mass., compared the performance of a variety of wall assemblies with and without Tyvek. The lab's measurements show that under simulated 13-mph wind conditions, walls without Tyvek lost most of their insulating value, while Tyvek-wrapped walls were much less affected by the wind.

some question whether adding housewrap to a plywood-sheathed wall really helps. But DuPont says its studies show that without housewrap, cracks between sheets of plywood and between sheathing and framing let enough wind through to make a big difference.

DuPont's continuing series of tests includes a comparison of 14 "typical" new homes built by a Charlottesville, Va., builder. Blower-door tests by Infiltec Corp. of Falls

Duct Cleaning Results a Mixed Bag, Says Report

Claims of residential duct cleaners should be taken with a grain of salt, according to a Canadian government study. The study by the Canada Mortgage and Housing Corporation (CMHC) of 33 houses in which ducts were professionally cleaned by a variety of methods concluded that professional duct-cleaning may not improve indoor air quality or reduce heating bills.

The Canadian research team located homeowners who planned to have their ducts professionally cleaned, and measured duct airflow, fan electrical use, levels of dust and microorganisms in supply and return ducts, and airborne levels of dust and microorganisms before and after the duct cleaning companies did their work.

The researchers found that while cleaning did reduce the amount of surface dust in return ducts, supply ducts were generally clean to begin with.

Levels of airborne dust generally were not reduced and in some cases went up temporarily after duct cleaning, the team reported. Concentrations of microorganisms in house air were lower on average after cleaning, but concentrations of microorganisms on duct surfaces were not.

Biocides used by some cleaning companies may be responsible for the lowered levels of microorganisms in house air, the report said. But since such biocides may themselves reduce indoor air quality, CMHC advises against using them. The Canadian government does not approve any biocide for duct cleaning applications.

Copies of the CMHC report, "Efficiency of Residential Duct Cleaning," are available from the Canadian Housing Information Centre, 700 Montreal Rd., Ottawa, Ont., Canada K1A 0P7; 613/748-2367. □

The Last Straw

Last year, JLC reported on efforts to develop panelized homes built with compressed

wheat straw (*Eight-Penny News*, 6/94). Now a Texas company, Stramit U.S.A., is introducing compressed straw panels for use as interior partitions.

Known as EnviroPanel, the panels are 2 1/4 inches thick with a paper face similar to drywall facing. Panels are 4 feet wide and come in lengths from 8 to 12 feet in increments of 6 inches. An 8-foot EnviroPanel weighs 140 pounds. Stramit supplies hardware for assembling EnviroPanels into partitions.

For information, contact Pam Lewis at Stramit U.S.A. (P.O. Box 885, Perryton, TX 79070; 806/435-9303). □

Stramit compressed straw panels provide a low-cost, environmentally friendly way to build partition walls, claims the manufacturer.



FROM WHAT WE GATHER

If you like to lie on a flat rock and soak up sunshine, you just might be an energy lounge lizard. Why not get an albedo adjustment at the Energy Lounge, the latest online service of *Energy Design Update*? The Energy Lounge is a virtual world where enthusiasts of envelope optimization can rub elbows with mechanical systems mavens and chat about the fine points of apparent R-values, latent heat, vapor drive, and the like. All you need is a computer, modem, and phone to access Energy Design Online at 212/662-0388. ANSI, VT100, or VT102 terminal emulation is fine, and modem speeds range up to 28.8kbps. For voice service, dial 212/662-7428.

Employee incentives can cut comp costs, if the experience of Dan Vos Construction, in Ada, Mich., is any guide. According to a story in *Contractor's Business Management Report*, the company started a program to reward employees for safe work: A day's pay is awarded to each worker who goes through a whole year without a lost-time accident. If the whole crew has a no-injury year, they all get another day's-pay bonus. Results? Dan Vos's workers comp experience rating was cut from 112% three years ago to 66% this year, and the company expects a premium reduction of \$68,000 — an improvement of \$44,000.

There's better rebar in your future, according to scientists at the University of California, Berkeley. By making a few modifications to smelting techniques, the Berkeley scientists were able to produce rebar that looked like stainless steel after being set in concrete and soaked in warm salt water for a year (conventional rebar was severely corroded). The Berkeley scientists say their new "Ferbar" noncorroding rebar can be produced at about the same cost as conventional rebar and is just as strong.

Drywall recycling is a growing phenomenon. A report in the June '95 issue of *Walls and Ceilings* magazine says that Canadian drywall recycler New West Gypsum Inc., of New Westminster, B.C., has expanded from its original location to three locations in the U.S. and Canada, and recovered 113,000 tons of gypsum and paper in 1993. The company plans to set up collection points in California, New York, Illinois, and Florida.

Two small boys were killed earlier this year by exposure to toluene vapors released from cans of the solvent discarded in a dumpster, *American Painting Contractor* magazine reported in July. A manufacturing company, not a contractor, had illegally dumped the toluene. The company paid a \$1.5 million fine and a manager and foreman both received 27-month prison terms in the case.

Contractors should take care to handle solvents properly: Material Safety Data Sheets provided by manufacturers will explain the hazards and proper handling and disposal of any building material. Questions can be answered by your state Department of Environmental Protection.



OSHA has modified its interpretation of the new fall-protection standard, allowing supervisors to enter fall hazard areas without using body harnesses.

OSHA Remodel, continued

admitted to builders that she had not realized how much the new rule would affect their practices. And strong protests from builders have prompted the following rule interpretations from OSHA that ease the burden for contractors:

- Fall safety monitors on job sites are permitted to do other work as long as they can still monitor safety.
- No safety monitor is required within a controlled-access zone.
- Supervisors can enter fall hazard areas for short periods without donning safety gear.

• Builders employing alternative fall protection systems where conventional equipment-based solutions won't work need not have a separate written plan for each building, as long as their company's written safety plan describes their alternative practices in detail.

OSHA still has teeth. In spite of recent modifications, the new fall protection standard is still difficult to comply with — its paperwork requirements alone can be a snare for the unwary. Contractors who haven't made the adjustment still risk penalties. □

Hire Another GC, continued

tion work for the last 15 years, saved the GC from dealing with a major project far afield from his crew's finish carpentry expertise. The job-sharing goes both ways, Hamman explains: "When I ran into a project with substantial high-end carpentry, I gave the finish work to the general contractor who'd given me the foundation work."

The flexibility factor.

Contractors who do a wide variety of small jobs often have to make a tough choice between keeping an employee busy with make-work, or hiring for the short term only. When keeping a full-time helper on the payroll is uneconomical and temporary employees create more problems than they solve, hiring another general contractor can be a good way out of the dilemma.

The arrangement also has advantages for the contractor being hired. "When you work for another GC, you get paid by the contractor, not the client," Hamman says. "All the negotiations, payments, and communications with the client are handled by the project's GC."

General contractor John Reed of Berkeley finds the arrangement useful for small projects where he needs another skilled person for a few hours, as well as for large jobs that require lots of supervision. "A GC is a skilled person you can call in on short notice," Reed explains, adding that a general contractor makes an ideal sub: "If someone has been picking up and doing their own jobs, then they already know how to solve typical job-site problems. They also have experience in dealing with clients and know how to work independently."

On large, complex jobs, Reed says another GC comes in handy as "another set of experienced eyes." In a recent residential remodel, for instance, Reed and his general contractor associate were teamed up to supervise ten different subcontractors.

Management and marketing. Reed notes that working with other general contractors is also a matter of personality. "Some people have a strong business sense, others prefer working in the field," he says. "By sharing jobs, each contractor gets to play to his or her strength."

Cooperating with another GC can also generate work in markets you couldn't otherwise tap. "Everyone has their specialized markets," Reed points out. "Some focus on insurance work, others on kitchens. Once you begin working cooperatively with contractors who specialize in other niche markets, you can make money in those markets by working for them."

Reed, who pays the GCs he hires a flat hourly rate, says that on large, narrowly defined projects, the cost advantage swings back to the contractor with a reliable crew. "A framing contractor with an experienced crew will do well on framing projects," Reed says. "But for small remodeling jobs, hiring other GCs as needed is more cost-effective."

Remodeling contractor Chuck Rumwell, of Mountain View, Calif., works exclusively with other general contractors. Over the years, Rumwell has encouraged promising young tradesmen to get their licenses. Most took his advice and became general contractors. Now, he says, "I draw on a pool of guys who excel at different trades, and we use each other whenever we can."

For Rumwell, "knowing your limits" is the key to working successfully with other general contractors. "Too many contractors end up as business people, and they hate it," he notes. "I see more and more of this 'cottage industry' cooperation all the time as general contractors get back to what they love doing and get rid of the overhead."

Rumwell no longer maintains any employees. He calls upon the general contractors in his informal network in response to his workload, and works for them when they need his remodeling expertise.

For Rumwell, who does mostly kitchen remodels, knowing his limits means turning down the big jobs. "Over the years, you discover what type of work you enjoy. Keeping small and working with other GCs is the best way I've found to do the work I like to do and minimize the paperwork." □

Writer and former building contractor Charles Smith manages rental properties in Berkeley, Calif.