

High-Profile Monthly Special 10 Year Anniversary Edition

A Dynamic Decade for the Construction Industry

By *Blasdel Reardon*

The other day as I rode a commuter boat across Boston Harbor, my eyes turned to the federal courthouse, with its red brick archways and sloping glass wall. It's been nearly nine years since construction was completed, long enough to judge the \$168 million project a success. It has not only opened up the administration of justice to public view, but also revitalized a defunct waterfront area with housing, hotels, offices, and recreational facilities.

As we sped by Fan Pier and the new Institute of Contemporary Art, I found myself reflecting on how the building construction industry (both public and private) in New England has also changed over the last decade—much of it for the better.

I've been in construction, in one capacity or another, for 47 years. I started working for a large industrial owner, then as a specialty subcontractor, and for the past seven years as an advocate for the amicable prevention and resolution of construction disputes, primarily as a mediator. Along the way, I also served as president of the Massachusetts Building Congress. Looking back, I'm struck by how much—and how little—has changed in the industry over the last nine or 10 years.

Together with a colleague, Roland



Reardon

Kluver, I've distilled these observations.

Vision: As evidenced by the courthouse project, we pay much greater consideration to questions about sprawl, infrastructure, user experience, long-term appearance, and construction quality. Metropolitan planning approaches, peer reviews, user focus groups, neighborhood influences and impacts, and more stringent building codes are all having a positive influence on what we build, as well as where, why, and how.

Relationships: I see much greater reliance on working with known entities, especially among developers, owners, designers, contractors, and related stakeholders. While money is still king, we pay more scrutiny to experience, past performance, and craftsmanship. I see more private projects taking a construction team approach that builds on past relationships. But there's a downside, too, as general contractors shy away from performing trade work. Fixated on customer relationships, they leave the actual construction details and

methods to subcontractor specialists, who, though increasingly indispensable, are rarely compensated in a timely manner.

Sustainability: The environmental impact of new construction was a hot topic 10 years ago, but it's even hotter today. Builders are (or should be) thinking harder about where and how to locate new structures; what their impact on existing conditions will be; exactly what materials to acquire and use; and how the new facility will perform over the long term, in terms of both energy consumption and personal comfort of its users. Smart developers, owners, and contractors are embracing green and LEED construction methods and objectives, thanks to the foresight of the architectural community. However, sometimes the specification of materials goes way too far.

Sourcing: With the decline of American manufacturing and the outsourcing of product source or assembly, lead times for building materials are increasing. At the same time, volatile world conditions bring uncertainty to delivery dates. And the transportation need to obtain such remote materials (whether from within the United States and Canada or from overseas) runs counter to LEED objectives. This trend has exploded over the past 10 years, and

I don't see it abating.

Personnel: The U.S. population is projected to grow by 100 million people (a 33 percent increase) over the next 30 years. They'll need to live and work somewhere, yet there seems to be a relative decline in the number of engineering, staff, and trade personnel in the building construction industry. The Massachusetts Building Congress addressed this trend at a luncheon last year with a discussion about talent shortages. The likely causes include industry image, lack of role models, lack of governmental and industry leadership, and competing careers that are considered more glamorous. In any case, we're headed for trouble at a time when our nation needs more construction, more professionals to conceive and lead it, more employment in good jobs, and more opportunities in quasi-professional and administrative positions—all of which the building construction industry could provide.

Technology: Computing, automation, and other technological changes affect every industry, but the impact on building construction has been less pronounced. With so many projects unique in design and functional performance requirements, robotics will never revo-

Continued on page 39

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Continued from page 17

lutionize construction quite the way it has manufacturing. Yet I see great potential for Building Information Modeling. By making it easier to simulate designs, assess compatibility, and weigh possible changes before or during construction, this emerging technology will soon transform the way we approach building design—just as it did manufacturing, finance, and the process industries. And there is no doubt in my mind that prefabrication of more building components will continue to advance, as will the use of new materials in construction.

Permitting: Attitudes toward the permitting, approval, and jurisdictional inspection processes remain negative. Inspectors are still overwhelmed by the volume and variety of what they are asked to permit or approve, owing in part to their own lack of technical building expertise and lack of continuing education funds. Meanwhile, owners, designers, and contractors remain frustrated with the process, with its ever-changing array of permitting and approval steps.

Oversight: The growing use of private inspection firms by owners is more encouraging. There is no better quality control than to be alerted promptly if workmanship is slipping,



Reardon

which is why I'm skeptical of the emerging "building commissioning" movement, in which completed projects earn a pass/fail score. Greater oversight also pays off in the realm of job safety. With building construction recognized as one of the most dangerous work venues, I'm heartened by the decline in workplace accidents, injuries, and deaths. However, with the introduction of newer, less experienced tradesper-

sons, workplace safety will require even more vigilance if this downward trend is to continue.

Productivity: I won't venture an opinion on trends in worker productivity, as there are so many variables and so many ways to measure it in building construction. It's much harder than calculating man-hours per ton of steel or other productivity ratios.

Risk Sharing: Most of us have

gravitated to this industry because we like to imagine, design, create, and admire the end product—a legacy we leave humankind. But the legal and financial risks shouldered by owners, designers, contractors, and consultants appear to be growing less commensurate with the rewards of working in building construction. The last decade has brought a downward squeeze on fees and profits, while the threat of litigation seems to be on the upswing. Sadly, the old adage still applies: Every firm, regardless of size, is just one job away from bankruptcy.

Dialogue: In the years since the federal courthouse was built and *High-Profile Monthly* began publication, we're learning to communicate with one another more effectively. The industry has begun to embrace alternative dispute avoidance and resolution techniques to cope with risk at all levels. These mechanisms are far more desirable than letting others decide our fates at the arbitration table, in the jury room, or in the judges' chambers—even those within the federal courthouse on Boston Harbor.

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