# 2016 YEAR IN REVIEW



### 2017-2022 STRATEGIC GOALS

Based on the merit shop philosophy, ABC helps members develop people, win work and deliver that work safely, ethically and profitably for the betterment of the communities in which they work.

- Establish ABC members as the world-class standard for health, safety and environment in the construction industry.
- Increase the political influence of ABC to advance the merit shop philosophy and free enterprise.
- Be the leading force in the construction industry for workforce development and training.
- Continuously grow and deliver value to a diverse and committed membership.



### How ABC Delivered Value in 2016

- The Merit Shop ABC celebrated wins for merit shop construction in the 2016 election cycle and in state legislatures.
- **Develop People** Through education, training, competitions and outreach, ABC cultivated the next generation of construction professionals.
- Win Work ABC defended open competition in bidding to help members win more than \$40 billion in federal contracts.
- **World-class Safety** ABC helped members achieve world-class safety performance through its Safety Training Evaluation Process, Safety Performance Report and other initiatives.
- **Ethics and Compliance** 15 ABC advocated for solutions that ensure regulations and legislation are consistent with the merit shop philosophy and provided compliance tools.
- **Profitability** ABC helped members be more productive, anticipate industry trends and improve their bottom line.
- Community 19 ABC showcased members' achievements and commitment to the communities where they live and work.
- What's Next Chuck Goodrich, president of Gaylor Electric Inc., will lead ABC as 2017 national chair

### 2016 EXECUTIVE COMMITTEE

David Chapin | CHAIR

Willmar Electric Service, Lincoln, Nebraska

Chuck Goodrich | CHAIR-ELECT

Gaylor Electric Inc., Indianapolis, Indiana

Pamela L. Volm | IMMEDIATE PAST CHAIR

Annapolis Contracting Inc., Annapolis, Maryland

Ray Zamora | MOUNTAIN WEST REGION VICE CHAIR

AnchorBuilt, Albuquerque, New Mexico

Chuck Wiegers | PACIFIC REGION VICE CHAIR

A & A Roofing Co. Inc., Fairbanks, Alaska

Steve Klessig | MIDWEST REGION VICE CHAIR

Keller Inc., Kaukauna, Wisconsin

Tony Rader | SOUTH CENTRAL REGION VICE CHAIR

Tim Keating | SOUTHEAST REGION VICE CHAIR

R. C. Stevens Construction Co., Winter Garden, Florida

George Nash | MID-ATLANTIC REGION VICE CHAIR/SECRETARY

Branch & Associates, Herndon, Virginia

Paul Lemley | MID-AMERICA REGION VICE CHAIR

Triangle Inc., Grand Rapids, Michigan

Stephanie Schmidt | NORTHEAST REGION VICE CHAIR

Poole Anderson Construction, State College, Pennsylvania

Anthony R. Stagliano, CPA, CCIFP | TREASURER

CBIZ & Mayer Hoffman McCann P.C., Plymouth Meeting, Pennsylvania

Michael D. Bellaman | PRESIDENT AND CEO

ABC National, Washington, D.C.

Angela M. Latino-Geier | CHAPTER PRESIDENT LIAISON

ABC New Orleans/Bayou Chapter, St. Rose, Louisiana



## Led by Members to Provide Value to Members

In the truest sense of the word, ABC is a member-run association, governed by a 170-member board of directors composed of delegates from each chapter. In addition, ABC offers its members an opportunity to serve on committees and affiliate organization boards that provide valuable input to the board of directors and help establish the association's policies, priorities and objectives.

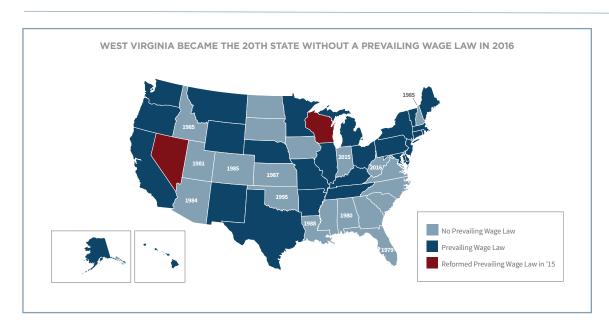
### THE MERIT SHOP

For more than 65 years, ABC has been the leading voice for the merit shop philosophy, defending the principles of free enterprise in construction. This philosophy encourages open competition based solely on merit, regardless of labor affiliation.

### 200 ABC-supported Candidates Won House Seats in 2016 Election

In a very successful election cycle for champions of free enterprise, 90.2 percent of the candidates ABC PAC supported were elected to the U.S. House of Representatives for the 115th Congress—an all-time high including 24 elected to their first term. Nineteen of 23 ABC-backed Senate candidates won or held their seats. ABC PAC spent more than \$1.4 million supporting merit shop-friendly candidates in the 2016 election cycle. The Free Enterprise Alliance, founded by ABC to advocate for open and fair competition, funded a seven-figure advertising campaign to highlight candidates' stances on key issues impacting the merit shop construction industry. Four of the six pro-free enterprise candidates were elected to the U.S. Senate. Stay engaged with the ABC Action app.

### abc.org/abcaction



### **State Prevailing Wage Law Repealed**

West Virginia is the most recent state to repeal its prevailing wage law, bringing the number of states that don't have one on the books to 20. Prevailing wage laws drive up costs on publicly funded projects, discourage small contractors from bidding, and require contractors to use outdated and rigid job restrictions. The ABC West Virginia Chapter pushed for the repeal with an aggressive lobbying and media campaign, arguing that prevailing wage increased the cost of public construction by at least 25 percent.

### **ABC Issues Second Annual Merit Shop Scorecard State Rankings**

According to ABC's website "Building America: The Merit Shop Scorecard," Louisiana, Virginia and North Carolina are the top-ranked states for creating a free enterprise-based environment where merit shop construction contractors are well positioned to succeed. The scorecard grades states on their policies on prevailing wage and project labor agreement (PLA) mandates and Right to Work status, as well as their construction job growth rate, commitment to developing a well-trained workforce, career and technical education (CTE) opportunities and results, and use of public-private partnerships (P3s). It also calls attention to states where strategic improvements need to be made.

### meritshopscorecard.org

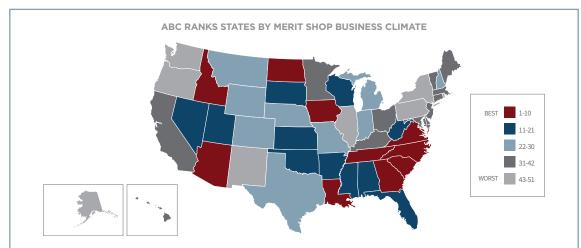
### **Right to Work Advances State by State**

Right to Work laws guarantee workers can seek employment without fearing they will be required to join (or pay) a union if they are

hired. In 2016. West Virginia became the 26th state to pass Right to Work legislation. A ballot initiative to put existing Right to Work law into the state constitution passed in

Alabama, and an effort to gut South Dakota's law failed. ABC provided talking points, opeds and political expertise to further these efforts.





### **ABC Brings Lawmakers to Member Jobsites**

ABC arranged 30 visits to member jobsites by lawmakers, including governors and U.S. senators and representatives, to build

relationships and highlight the economic contributions of merit shop contractors. Vice President Mike Pence is pictured here visiting Worth and Company in Pennsylvania.



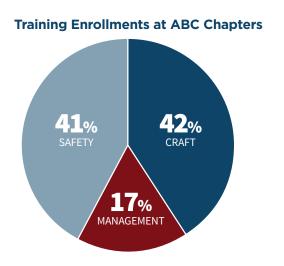
### **DEVELOP PEOPLE**

ABC is the leading force in the construction industry for workforce development and training.

### **Training the Skilled Workers of Tomorrow**

ABC is working to address the worker shortage through more than 800 apprenticeship, craft training, management and safety training programs set up by its chapters around the country. ABC highlighted quality hands-on training, high-demand careers and opportunities for professional advancement to students, parents, teachers, veterans, unemployed adults and the general public by generating more than 300 stories in Reuters, The Hill, major daily newspapers and local media outlets. And ABC developed Tools for Schools, a branding and marketing campaign that helps chapters boost training enrollments. The Trimmer Construction Education Foundation awarded grants totaling more than \$210,000 in 2016 to expand and rebuild chapter training centers. Enrollment in chapter training programs rose 20 percent to more than 114.000 in 2016.

careers.abc.org





### Tradesmen International & ABC



# In Partnership for Workforce Staffing and Productivity Solutions.

Tradesmen has established thousands of staffing alliances with ABC contractor members

nationally. The company – an ABC National Strategic Partner and active member in 60 ABC chapters – serves as a premier source for high-caliber craftsmen who emphasize safety, productivity and craftsmanship.

The company's national recruiting power and custom staffing solutions have been central to Tradesmen's 25 years of success. However, it is their comprehensive strategic support – aimed at increasing workforce productivity and helping contractors control costs related to Workers' Compensation, benefits, unemployment and human resources – that has resulted in exceptional ABC member loyalty.



Tradesmen has proudly sponsored ABC's *Craft Professional of the Year* award since 2005. Pictured right is the 2016 award recipient, Scott Walters, Superintendent for Dan Vos Construction. Nick Marcus, is Tradesmen's Grand Rapids General Manager and a member of ABC's Western Michigan Chapter.



### **Record Number of National Craft Championships Competitors**



A record 210 craft apprentices and trainees from 32 states traveled to Fort Lauderdale Fla.. to compete in an intense contest of skills and knowledge during ABC Workforce Week. The annual National Craft Championships (NCC) showcases the enthusiasm

and pride of competitors in 13 commercial and industrial crafts, and the resulting media coverage helped ABC tell the story of rewarding careers in construction to tomorrow's craft professionals.

### national craft championships.org

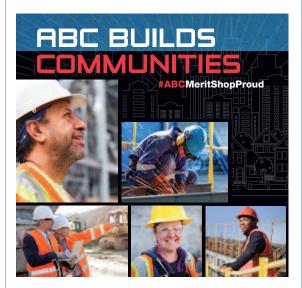
### **ABC Congratulates NCC Winners**

Gold medalists were recognized at a Freedom Fireworks celebration before an audience of 40.000 at a Washington Nationals baseball game. Watch the video here:





### **Campaign Celebrates Merit Shop Careers**



At Associated Builders and Contractors, we don't just build buildings, we build communities ABC members empower individuals to train for high-wage careers and achieve their professional and personal dreams

Because we believe in the merit shop philosophy—that personal advancement should be awarded based on performance, skill and achievementwe put people in control of their own destiny. This motivates them to aim high, set their own goals and make their dreams a reality.

Building careers. Building communities. Building America

WAKE UP TO THE AMERICAN DRE

Look forward to learning! Visit careers.abc.org to discover what you're passionate about

ABC's 2016 branding and imaging campaign helped promote careers in construction through a Washington Nationals media program. Twenty-five chapters also local markets.

### **ABC Cultivates Young Leaders**

ABC's Young Professionals program was founded in 2014 to create opportunities for young leaders to build relationships, expand their skills and

advance their careers while continuing to



promote the merit shop philosophy. Membership grew nearly 200 percent in 2016, and professional development programs include a symposium and Future Leaders Lab. Brooke Wenger, director of business development at Triad Engineering Inc., won ABC's second annual Young Professional of the Year Award for achievement leadership and vision for the future of the industry.

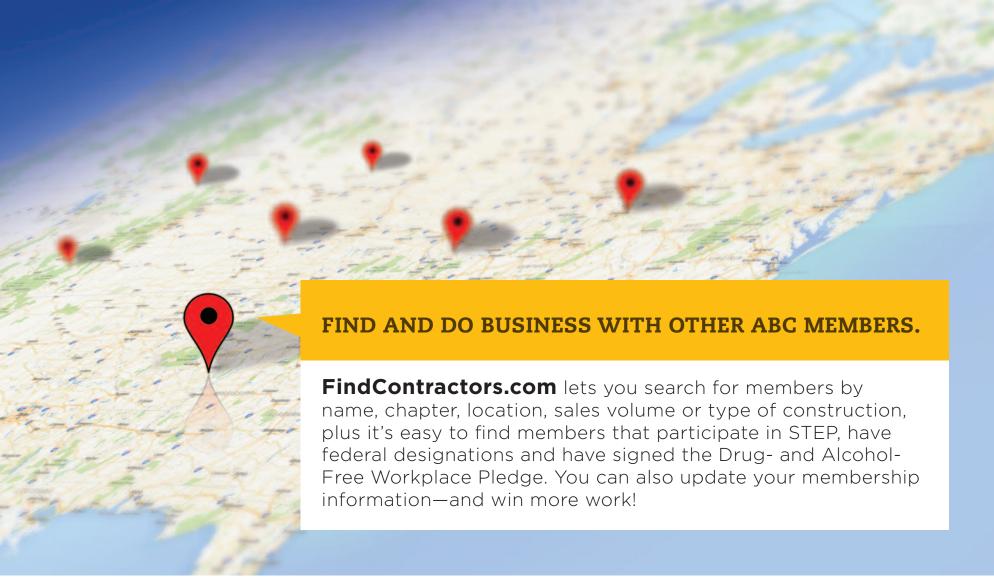
### **Honoring Careers in Construction**

Scott Walters, a carpentry superintendent at Dan Vos Construction Co., Ada, Mich., was

named the ABC 2016 Craft Professional of the Year. The award is presented annually to a construction craft professional who excels in his or her field and demonstrates a commitment to safety, training and the merit shop philosophy.



ABC named John Lupacchino of Fishers, Ind., a design engineer at Gaylor Electric Inc., its 2016 Craft Instructor of the Year. The award honors an instructor who possesses outstanding creativity, a positive attitude, and the ability to transfer knowledge through communications skills and innovative teaching to promote lifelong learning to the future construction workforce.



# Check out FindContractors.com today.



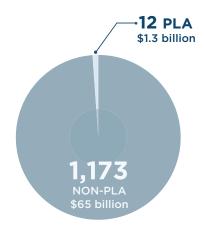
### **WIN WORK**

ABC creates opportunities for its members to bid on additional work, and then helps them win it.

### **ABC Defends Open Competition in Federal Contracting**

ABC prevented government-mandated project labor agreements (PLAs) on nearly 99 percent of contracts exceeding \$25 million during fiscal years 2009-2016, ensuring that billions of dollars in federal construction contracts were awarded based on merit, not mandates or political favoritism.

### **DEFENDING OPEN COMPETITION** IN FEDERAL CONTRACTS



FEDERAL CONTRACTS EXCEEDING \$25 MILLION, FISCAL YEARS 2009-2016



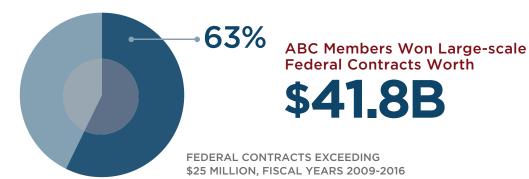


### **Find and Do Business With ABC Members**

ABC created FindContractors.com to help members find and do business with other ABC members. Search by name, chapter, location, sales volume or type of construction, plus verify federal designations, adoption of the Drug- and Alcohol-Free Workplace Pledge and participation in ABC's Safety Training Evaluation Process (STEP). Member companies also can build and update their profiles to help them win more work.

FindContractors.com

### ABC Members Won 63 Percent of the Value of Large-scale Federal Contracts





### **ABC Recognizes Top Contractors**

Exclusively for ABC members, the Accredited Quality Contractor (AQC) program recognizes construction firms that annually document their commitment in five key areas of corporate responsibility: quality, safety, employee benefits, training and community relations. Once contractors achieve accreditation the AQC credential can be used in bid documents, corporate documents and signage. In 2016, this elite group of almost 400 AQC members was recognized for their accomplishments at national trade shows. ABC events and in Construction Executive magazine.

abc.org/agc

### **Members and Owners Collaborate During Users Summit**

ABC's fourth annual Users Summit brought industrial and health care contractors and owners together in New Orleans to hear the latest economic outlook for the sectors and share insights on quality, safety, productivity advancements and automation on the jobsite.

#### userssummit.abc.org

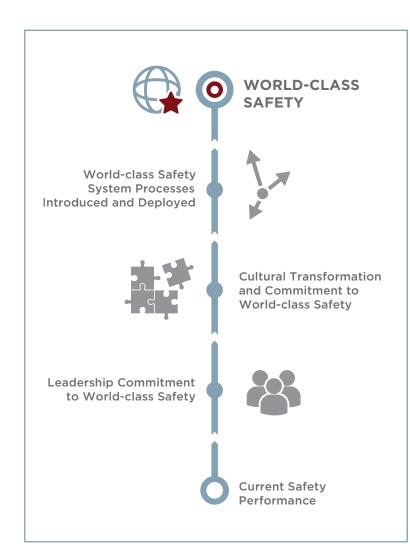
### **Diversity Initiatives Foster Success**



ABC hosted its second annual Diversity & Inclusion Summit, which featured speakers from Fedex. United Rentals and Walmart, and recognized member firms for diversity leadership at the National Diversity Excellence Awards, ABC launched six Diversity Resource Groups in 2016 to help articulate and support the needs and goals of women, African Americans, Asians, people with disabilities, veterans and Hispanics in construction

abc.org/diversity

### **WORLD-CLASS SAFETY**



ABC sets world-class standards for health, safety, wellness and environment in the construction industry and helps its members achieve them.



### **STEP Helps Members Achieve World-class Safety Performance**

Established in 1989, ABC's flagship Safety Training Evaluation Process (STEP) is the standard for developing world-class safety programs in construction. Participating members measure their safety processes and policies on 20 key components through a detailed questionnaire and earn a rating level from Bronze to Diamond. Applying worldclass processes dramatically improves safety performance regardless of company size or type of work. Nearly 1,900 member firms participated in STEP in 2016, and the number of top-level achievers increased 37 percent. Getting started is free.

abc.org/step

### **Safety Academy Educates Members on STEP**

ABC safety leaders presented a full-day Safety Academy program at more than 20 chapters and member firms in every region of the country in 2016. The program helps members understand the commitment and leadership required to get on the path to world-class safety performance. ABC also conducted presentations at the Construction Users Roundtable. Construction Leaders Summit and ABC Users Summit to establish STEP as a prequalification standard for safety in construction.

abc.org/safety



# CNA & ABC

In partnership for safety and your success.

Through ABC and CNA's strategic partnership, we leverage a unique understanding of the industry to provide comprehensive insurance products and services created exclusively for the needs of builders and contractors. And, we're committed to providing educational resources to help ABC members continue to navigate their vastly evolving industry, like Excavation Safety, FallPRO, Work Zone Safety, Motion is Money®, Fleet Operations and more.

Experience the benefits of collaborating with a national carrier rated "A" by A.M. Best, whose local presence and industry experience can give you a competitive edge.

To learn more, contact your independent agent or visit www.cna.com/abc.







### **2016 Safety Performance Report Details Impact of STEP**

In observance of Safety Week, ABC released its annual Safety Performance Report to further the industry's understanding of how to make construction jobsites safer. Packed with infographics and practical takeaways, the award-winning report documented the dramatic impact of using proactive safety practices to reduce recordable incidents.

abc.org/spr

### **2016 STEP Diamond Participants Were** 770 Percent Safer Than the Industry **Average**



Total Recordable Incident Rate (TRIR): STEP vs. the U.S. Bureau of Labor Statistics (BLS) Industry Average

### Safety Week 2016: Grand Slam for Safety

Construction jobsites in Washington, D.C., stopped work midday on Thursday, May 5, so workers could attend a special Safety Week



event: the Ballpark Grand Slam for Safety at More than 800

workers made their way to the stadium for safety and equipment exhibits and demonstrations, a stretch-and-flex exercise. subcontractor safety awards and more. ABC

sponsored the event along with major general contractors, insurers and trade groups.

### constructionsafetyweek.com



### **Chapters Host Safety Week Events**

Numerous chapters hosted Safety Week events around the country. More than 90 contractors from three states attended the ABC Delaware Chapter's fall protection standdown. Safety, medical and risk management experts, equipment vendors and an OSHA representative conducted education sessions and demonstrations.

### More Than 5.000 Members Take the **Drug-free Workplace Pledge**

ABC and industry partners created the Construction Coalition for a Drug- and Alcohol-Free Workplace to provide companies and organizations with the resources to successfully implement an



**Construction Coalition for a Drug- and Alcohol-free Workplace** 

effective substance abuse policy and work toward eliminating substance abuse-related incidents on construction jobsites. The number of member firms that have taken the pledge is 5,327-up 59 percent from 2015and a new website allows the public to find drug-free partners by function, company name or location.

drugfreeconstruction.org



FBG has been assisting ABC members since becoming a business partner in 2009 through their product, The Contractors Plan, which offers a full-service suite of tools and services that simplifies the benefits administration process for contractors. The program has already helped more than 500 ABC members greatly reduce their out-of-pocket costs and payroll burden.

With the recent election results and new administration, we anticipate there being several new compliance and regulatory changes. FBG is proud to assist ABC members with these anticipated changes and increased infrastructure spending under the new administration.

ABC contractors and brokers can turn to Fringe Benefit Group for the latest information, updates and regulatory changes on federal, state and local regulations including:

- Affordable Care Act (ACA)
- ERISA
- Davis-Bacon Act

- State Prevailing Wage Laws
- Service Contract Act
- Local Wage Ordinances





### ETHICS AND COMPLIANCE

FINAL RULE	ABC ACTION	STATUS	TOOLS
BLACKLISTING (Fair Pay and Safe Workplaces)  BLOCKED	<ul> <li>Litigating final rule</li> <li>Supported legislative efforts</li> <li>Submitted comments</li> <li>Met with regulators</li> <li>Member impact survey</li> </ul>	A court issued a preliminary injunction blocking the final rule except the paycheck transparency provision     Lawsuit ongoing	<ul><li>News releases</li><li>Webinar</li><li>Updates in Newsline</li></ul>
ELECTRONIC INJURY REPORTING AND ANTI- RETALIATION (Improve Tracking of Workplace Injuries and Illnesses)	Litigating the anti- retaliation provisions of the final rule	<ul> <li>Anti-retaliation provisions took effect Dec. 1, 2016</li> <li>Reporting requirements took effect Jan. 1, 2017</li> <li>Lawsuit ongoing</li> </ul>	<ul><li>News releases</li><li>Webinar</li><li>Updates in Newsline</li></ul>
OVERTIME BLOCKED	Litigating final rule     Supported legislative     efforts	A court issued a preliminary injunction blocking the final rule     Lawsuit ongoing	News releases     Webinar     Updates in Newsline
PAID SICK LEAVE	Submitted comments     requesting withdrawal     of the proposal     Member impact survey	Took effect Nov. 29, 2016	• Updates in <i>Newsline</i>
PERSUADER BLOCKED	Litigating final rule     Supported legislative     efforts	A court issued a permanent injunction blocking the final rule     Lawsuit ongoing	News releases     Webinar     Updates in Newsline
RESPIRABLE CRYSTALLINE SILICA	Litigating final rule     Supported legislative     efforts	Takes effect June 23, 2017 for the construction industry with limited exceptions Lawsuit ongoing	News releases     Webinar     Updates in Newsline

ABC works to ensure that regulations and legislation are consistent with the merit shop philosophy and develops member compliance resources.

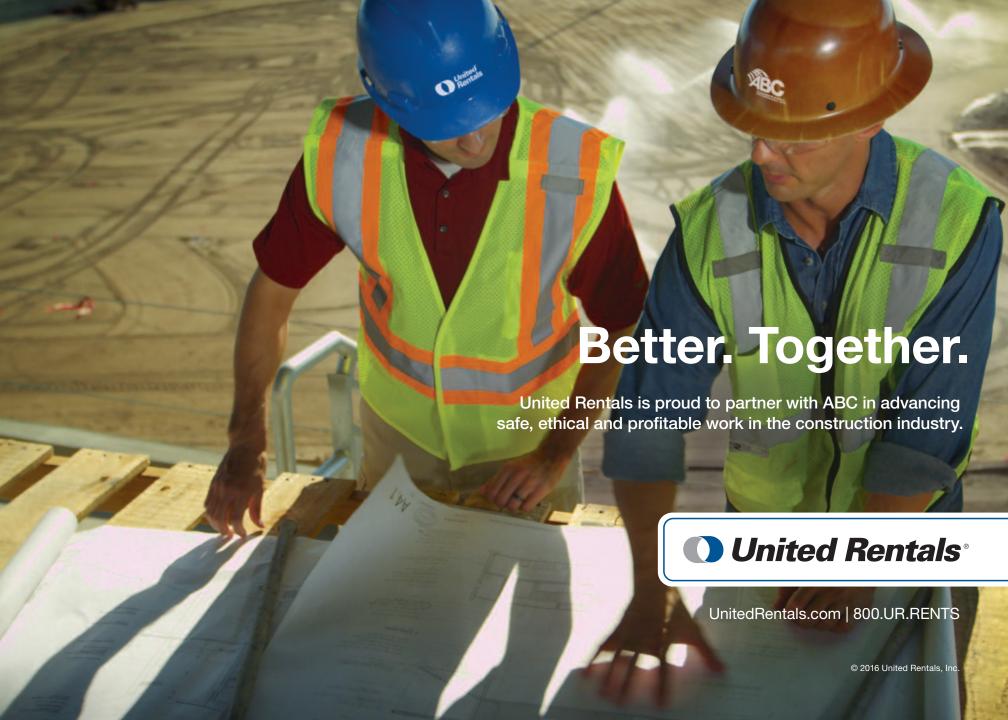
### **MORE KEY** COMPLIANCE **ISSUES**

- ▶ Davis-Bacon Act
- ▼ Energy and Environment
- ▶ Health Care
- ▼ Human Resources Policy
- ► Labor and Employment
- ▶ Project Labor Agreements
- ▶ Procurement
- ▼ Tax Policy
- ▼ Training and Education
- ▼ Union Organizing Rapid Response
- ▼ Workplace Safety

### abc.org/academy

Check out ABC's archive of nearly

abc.org/newsline



### **PROFITABILITY**

### **New Strategic Partners Add Value**

ABC welcomed three strategic partners in 2016. Autodesk helps members increase productivity, reduce redundancy and eliminate waste. Dexter + Chaney develops software for managing growth, streamlining processes and maximizing profits. United Rentals provides equipment solutions to help members win and deliver safe and profitable work.

### abc.org/strategicpartners

### **ABC Insurance Trust: 60 Years of Exclusive Member Benefits**

The ABC Insurance Trust, formerly Merit Choice, offers an array of life and health insurance products and is the leading group benefits purchasing resource for ABC members. ABC has a 99 percent membership retention rate with the trust's clients. In 2016, the trustees extended the rate guarantee on the ABC dental plan until Jan. 1, 2020.

### abcinsurancetrust.org

### Members Saved More Than \$33 Million in **2016 Using ABC Discount Programs**

New in 2016: Office Depot/OfficeMax





### **ABC's Economic Outlook: Continued Slow Expansion for Construction**

ABC tracks and analyzes construction indicators to help members understand the market and plan strategies for growth.

### abc.org/economics

ECONOMIC INDICATORS YEAR-OVER-YEAR PROGRESS			
Indicator	Value	% Change	
Nonresidential Construction Spending	\$699.7 billion	2.6%	
Construction Employment	6.7 million jobs	2.4%	
Construction Input Prices (PPI)	210.2 (index value)	0.5%	
Construction Backlog Indicator	8.7 months	2.1%	
Construction Confidence Index: Sales	65.1 (index value)	-6.2%	
Conctruction Confidence Index: Profits	61.1 (index value)	-2.9%	
Construction Confidence Index: Staffing Levels	64.9 (index value)	-2.0%	
Note: CCI readings above 50 signal ongoing progress			

ABC helps members understand the changing business landscape, save money and work with trusted partners.



### **Construction Executive Keeps You Informed**

ABC's award-winning Construction Executive magazine is the leading source for news, market developments and business issues impacting the construction industry. New in 2016: Invite a colleague to subscribe for free.

### constructionexec.com | subscriptionsconstructionexec.com

"Construction Executive gives us a window into projects and ideas in other parts of the country, new technology to consider and insights into businesses similar to ours." -2016 Reader Survey



Dexter + Chaney is honored to be an ABC Strategic Partner, providing members with the technologies, software, and expertise to help them manage growth, streamline processes, and maximize profits.

Learn more at www.dexterchaney.com/abc.



### **COMMUNITY**

From award-winning projects to community service, ABC members build America.

### ABC Honors \$7.4B in Award-winning **Projects Across the United States**

Each year ABC recognizes the best merit shop construction projects and contractors. from manufacturing plants and museums to



airports and universities and more. From a field of 282 projects that won awards at the chapter level. 98 were selected for national honors at the 27th annual Excellence in Construction® awards gala based on complexity, attractiveness, unique challenges, completion time, workmanship, innovation, safety and cost.

abc.org/eic

#### **ABC Cares**

When catastrophic flooding left the ABC Pelican Chapter with \$900.000 in damage to its administrative building and training center and half its staff



lost their homes. ABC, its chapters. members, employees and the Trimmer Construction Education Foundation donated more than \$350,000 to rebuilding efforts

ABC members give back to their communities too. Hargrove Engineers + Constructors mostly works in industrial and



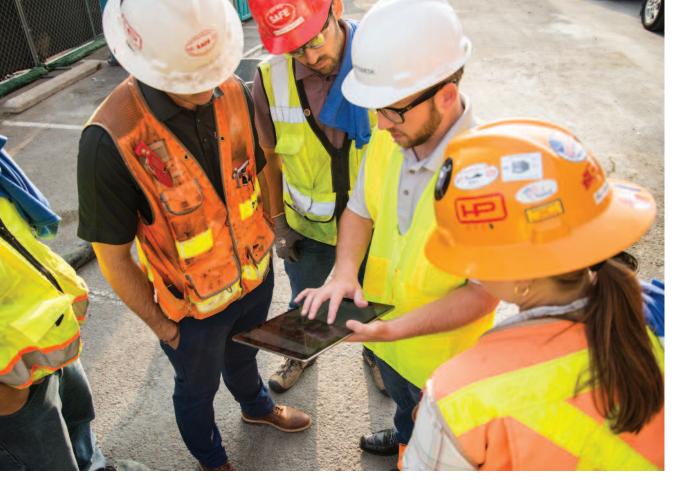


commercial construction, but the firm just designed its first adaptive toy for mobility-limited children. Made possible by the company's own 501(c)3 organization, harGIVES, it was built for 11-year-old Emma Pablo, who has cerebral palsy.

HarenLaughlin Construction is one of many ABC members that participates in Habitat for Humanity projects.

### ABC Members Are #ABCMeritShopProud

ABC launched a new website, ABCMeritShopProud.org, that highlights national, chapter and member news and events to help tell the ABC story. More than 10,000 stories were posted in 2016



# Discover the most valuable tool on your jobsite

The digital age in construction is here. Are you ready?

As an ABC strategic partner,
Autodesk is here to help you choose
and adopt the right technologies
for your business. Keep everyone –
from the office to the jobsite – on
the same page. Improve the
precision and impact of decisions.
And drive up margins, while driving
down risk.

Are you ready to kick off 2017 with all the tools you need? Get started for free at bim360.com/abcdocs.

### VIEW

View more than 50 design file formats – 2D or 3D – from any device.

### CONNECT

Connect data and workflows seamlessly across all project phases.

### **COLLABORATE**

Connect your entire team in one workspace—communicate faster and share feedback in real time.

### DELIVER

Speed delivery and improve quality through better communication.



See it better. Build it better.

### **ABC 2017 Events**

ABC WORKFORCE WEEK | Feb. 28 - March 3 | Fort Lauderdale, Fla. workforce.abc.org

ABC LEGISLATIVE WEEK | June 19-23 | Washington, D.C. legweek.abc.org

USERS SUMMIT | Oct. 18-20 | New Orleans userssummit.abc.org

ABC LEADERSHIP WEEK | Nov. 5-9 | Orlando, Fla. leadership.abc.org

### WHAT'S NEXT?

The merit shop is on a roll. During the past five years, several states have enacted Right to Work laws, repealed prevailing wage requirements and banned project labor agreement mandates. In 2016, we beat back onerous regulations such as the persuader rule, blacklisting and overtime expansion. And we helped elect merit shop-friendly lawmakers to a majority of governorships and legislative chambers. In 2017, we will build on these hard-won victories to maintain a healthy business climate. We will invest in people to build the workforce of the future. We will continue to raise the bar for performance and integrity. And we will set the standard for safety in the construction industry. That's how ABC members build America.



2017 ABC National Chair

CHUCK GOODRICH

Gaylor Electric Inc.

Indianapolis, Indiana

