

## 5 WAYS LOCAL 601 SIGNATORY CONTRACTORS CAN REDUCE COMMON CONSTRUCTION MANAGEMENT ISSUES

Wisconsin is buzzing with new construction projects from The Couture in Milwaukee to the Wisconsin History Center in Madison. As development booms, so do area construction companies. Yet they continue to face challenges such as cost overruns, schedule delays, labor shortages and safety concerns amid a turbulent economy and rising material costs. Often, companies overlook the importance of selecting the right skilled trade experts to the overall financial success of their projects.

Here are five reasons why hiring a Steamfitters Local 601 signatory contractor can help prevent or alleviate some of the common issues that arise on job sites.

### 1 ON TIME & ON BUDGET

Recent inflation and supply chain issues have eaten into profit margins driving construction companies to consider various cost-cutting measures.<sup>1</sup> One is opting for a lower bid that may not include union labor, which might seem appealing since labor always accounts for the most significant portion of a project's total cost. However, going that route can bring a host of issues, from lack of training to inadequate communications, that may result in delays and higher maintenance costs later.

Making the wrong labor decision impacts many areas, including timing and budget. Most projects today report a 20-30% delay and even a few days' delay can cost thousands of extra dollars.<sup>2</sup>

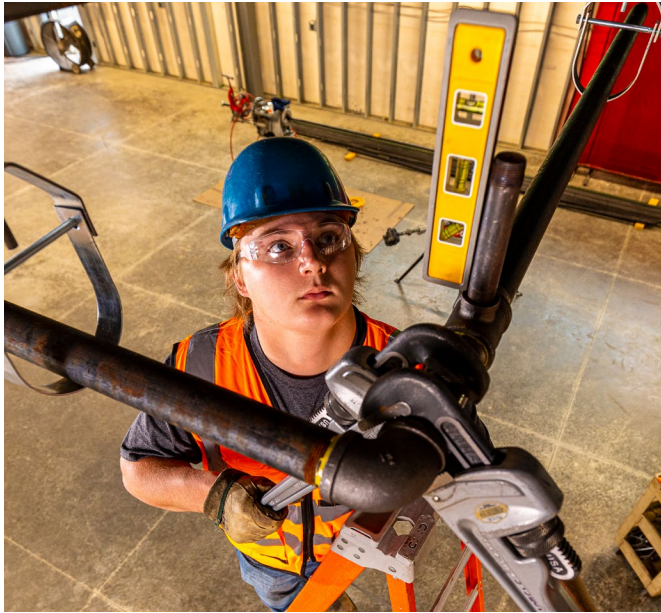
Today companies waste between \$30-\$40 billion annually due to labor inefficiencies.<sup>3</sup> So, the signatory contractor you hire will positively impact project quality and result in major cost savings.

According to the Independent Project Analysis (IPA), union labor provides 14% higher productivity than open shop labor. Working with a Steamfitters Local 601 signatory contractor, a highly qualified workforce of journeymen and apprentices, ensures higher productivity and proper planning. This reduces the risk of budget increases due to project delays or change orders.

Union mechanical contractors were found to be 15% more productive than non-union with productivity gains resulting in 4% less costs.

**Local 601 affords us a flexible work staff, and when we need more labor we can get them quickly.**

- Ed Tonn, President of Butters-Fetting



## 2 QUALITY WORKERS WHEN YOU NEED THEM

The construction industry is grappling with a significant labor shortage of about 500,000 workers nationwide in 2024.<sup>5</sup> Today, construction workers average 42.4 years old, and as more Baby Boomers retire, there aren't enough younger workers to fill the gaps.<sup>6</sup>

Local 601 provides a vast network of qualified workers to its signatory contractors, with 2,900 members in Wisconsin and a nationwide network connected with United Association (UA). That means working with a Local 601 signatory contractor results in a more reliable union labor workforce with one-third less likely turnover compared to open shop workers.<sup>7</sup> When workers do need to be replaced, their backfills are equally trained and qualified. This maintains project momentum and quality.

Mechanical Contractor Butters-Fetting has been using Local 601 labor since its founding more than 100 years ago, including recently on The Couture.

"Local 601 affords us a flexible work staff, and when we need more labor we can get them quickly to meet our schedule demands," said Ed Tonn, President of Butters-Fetting. "Plus, as a rule, Local 601 members have rigorous, standardized training, including continuing education."

## 3 SAFETY MINDED & WELL-TRAINED

Injuries on the job are costly in both human impact and financial burden costing the construction industry an average of \$11.5 billion annually.<sup>8</sup> Insurance costs are also higher than ever with rates increasing as much as 30% and liability insurance costs for some have quadrupled.<sup>9</sup> Today more than ever, prioritizing safety saves money.

Union worksites are 19% less likely to have an OSHA violation, and they had 34% fewer violations per OSHA inspection than non-union sites.<sup>10</sup>

Local 601 signatory contractors have extensive safety training, including OSHA 30, electrical safety and infection control certifications. All members are up to date with safety protocols, significantly reducing the likelihood of accidents on site. The safety-first mindset is ingrained across the UA network.

Lee Mechanical has relied on Local 601 since the 1990s for Steamfitters on high-profile projects like the Baird Center, Milwaukee's premiere convention center, and one of the largest projects in Wisconsin at the time, valued at nearly \$500 million.

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"Steamfitters Local 601 has helped set the bar when it comes to the standard of safety expected on job sites. Early on, they instill in their apprentices the importance of safety, making certain it's always a top priority, no matter the task. They've helped us employ top-notch tradespeople who are not only skilled but also safety-conscious," said Brandon Quinn, President and CEO of Lee Mechanical.

## 4

**PROVEN COMMUNICATION & ACCOUNTABILITY**

Poor communication can lead to rework, which costs the industry an estimated \$31 billion annually.<sup>11</sup> Local 601 signatory contractors are collaborative and highly skilled—thanks to a rigorous 5-year apprenticeship program that includes both classroom and on-the-job training. They are invested in their work due to better incentives, in fact, union labor typically earns wages 9.7% higher than open shop workers.<sup>12</sup> This fosters greater accountability and commitment to getting the job done right the first time.

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“We appreciate the quality of the craftspeople who come through Local 601. They consistently provide qualified, enthusiastic, competent individuals who can perform at a level that we need. They are well-trained, rise to challenges and know how to conduct themselves on a job site working alongside other trades,” said Jim Hunzinger, Executive Vice President of Hunzinger, which has been around since 1907 and is responsible for high-profile projects like the American Family Insurance Amphitheater and Komatsu Mining Co. South Harbor Campus.



## 5

**REDUCED ABSENTEEISM**

Worker absenteeism due to health issues, including mental health, is a persistent challenge in the construction industry and cost as much as \$1.3 billion annually.<sup>13</sup> While wages are up, pressures are high for construction workers who face long days in harsh weather conditions, stressful deadlines and can spend months away from home. It may not be surprising then that the suicide rate for construction workers is 75% higher than the general male population.<sup>14</sup> There's also a high susceptibility to substance abuse in the industry with nearly twice the rate of substance abuse as the national average.<sup>15</sup>

Local 601 takes proactive steps to support the well-being of its members, which translates to less absenteeism and a safer work environment when it comes to Local 601 signatory contractors. The union offers access to a dedicated mental health clinic and an Employee Assistance Program (EAP), so members receive the support they need. The union fosters a drug-free work environment with mandatory and random testing, and less than half a percent of those tested fail drug tests.





#### Sources

<sup>1</sup> ABC WI

<sup>2</sup> CEACISP

<sup>3</sup> GPRS

<sup>4</sup> IPA

<sup>5</sup> ABC

<sup>6</sup> Jencap Group

<sup>7</sup> IPA

<sup>8</sup> NCBI

<sup>9</sup> ABC WI

<sup>10</sup> DOL

<sup>11</sup> For Construction Pros

<sup>12</sup> IPA

<sup>13</sup> Investopedia

<sup>14</sup> NBC News

<sup>15</sup> American Addiction Centers

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## A STEAMFITTERS LOCAL 601 PARTNER

Choosing the right partner for your next construction project can help you get your project done on time and on budget. For the best outcome, use a Steamfitters Local 601 signatory contractor when you need to hire a steamfitter. Our members are experts in the trade with broad experience and top-notch training. **To learn more about Steamfitters Local 601 and the companies we work with, reach out to our team on our [website](#).**