

Overall Themes—Panel Presentations from 2-15-06 Meeting

Contractors Panel

Andrew L. Beyer, Walsh Construction Company (Oregon)

Walsh Construction is a General Contractor that has built more than 10,000 multi-family housing units. Mr. Beyer stressed the “major differences” between commercial construction and residential homebuilding. His concerns and recommendations are offered from the perspective of a commercial general contractor specializing in multi-unit housing construction.

Concerns

- Vast differences between commercial construction and residential home-building
- Insurance: Oregon is a “tight” insurance market; makes it difficult to find coverage
- More time, and money being directed to risk management
- Modern building materials have reduced air infiltration and are less forgiving of moisture

Recommendations

- Clearly distinguish between commercial contractors and homebuilders
- Third-party consultant or project architect are required to:
 - Certify building envelope design; certification should be required to obtain permit
 - Certify that design has been followed during construction
- Require adequate training, experience, liability coverage & bonding for contractors
- Institute a “fix it first” approach that goes beyond current “right to cure” statute:
 - Require notification of all parties within three months of discovery of defect
 - Fix the defect; all parties must contribute
 - Establish liability once the defect has been repaired
- Envelope system field training and certification for contractors
- Require general contractors to maintain \$1 million each of general liability and professional liability insurance
- Clarify Oregon’s “additional named insured” issue
- Institute a 6-year statute of repose
- Align the contractor and architect statute of repose; both should be the same
- Establish owner maintenance requirements for key systems, including envelope
- Establish adequate maintenance reserves
- Require owner to document maintenance in order to make a construction defect claim

Tim Bogart, Bogart Construction Enterprises Inc.

Mr. Bogart has over eleven years experience in the siding and construction industry in Oregon and Washington as the owner of Bogart Construction. His company installs a variety of siding and his comments are offered from that perspective.

Concerns

- Too easy to get a license in Oregon
- Different inspection practices for each different contractor

Recommendations

- Include sufficient detail in design and require review of the details with contractor

- Create standard inspection process to ensure quality assurance that all contractors follow
- Create certification standards for contractors
- Require specialty licenses and continuing education for:
 - Weather-resistant barrier
 - Window installation
 - Flashing installation
 - Siding installation
- Increase amount of required bond
- Adopt Washington model including:
 - Inspections
 - Approval by architect
 - Approval by design engineer

Glyn Jones, S.D. Deacon Enterprises Inc.

Glyn Jones currently serves as the Division Manager of S.D. Deacon's Repair and Restoration Division in Portland. Mr. Jones shared that S.D. Deacon has experienced many of the same types of concerns as other presenters. However, he also stated his belief that the industry is waking up to the problem and is taking positive steps. He advised the task force to avoid over-regulation and instead to look toward cooperative solutions.

Concerns

- Design and engineering
 - No standards for building envelope design
 - Lack of emphasis on building envelope by developers, architects etc.
 - No follow-up or inspection by architect or engineer after design completion
- Permits and Inspections
 - Envelope design not reviewed during plan review
 - Design details for envelope not required in order to get permit
 - No requirement for envelope inspection during construction
- Construction practices
 - Lack of training and knowledge on envelope installation
 - Failure to follow proper installation instructions and product specifications
 - Items affecting integrity of envelope excluded due to cost concerns
 - No quality control
- Building maintenance
 - Failure to maintain building systems or failure to perform annual inspections
 - Poor understanding of product warranty
 - Reserve does not normally include building envelope maintenance

Recommendations

- Design and engineering
 - Develop industry standards for building envelope systems
 - Promote certification for design professionals in building envelope design
 - Require envelope design details in project design
 - Require continuing education for architects and engineers
- Permits and inspections

- Require envelope details for permitting and approval of design
- Certified professional must stamp construction details
- Sign-off of building envelope by certified professional
- Construction practices
 - Require basic knowledge in order to obtain contractor's license
 - Continuing education for contractors (could be provided by manufacturers)
 - Engineer/architect must approve "value engineering" items for suitability
 - Develop quality assurance program
- Building maintenance
 - Establish preventive maintenance program
 - Builder provides uniform product warranty and building maintenance booklet
 - Require Home Owner Associations to perform annual inspections
 - Require building envelope reserve study and establish reserve fund

Phil Peach, President and CEO, Oregon Remodelers Association (ORA)

Phil Peach has served as President & CEO of the Oregon Remodelers Association since 2003. Mr. Peach offered the views of the ORA, which is primarily comprised of small firms. Two-thirds of ORA members have fewer than five employees. He voiced concern over perceptions that the building industry "controls" the CCB. In his view the entire industry is served when the CCB prevents shoddy work and exposes dishonest contractors.

Concerns

- General concerns:
 - Rising costs of liability insurance
 - Insurance companies are reducing coverage and increasing exclusions
 - Need for education of the consumer
- Concerns with some proposals discussed by task force:
 - Unsure of proposal that only contractor take out permits
 - Determine the proper target for increased competency testing and continuing education requirements (many people are affected)

Recommendations

- Inspections must focus on building envelope
- Sufficient detail on building envelope in order to obtain permit
- Institute a recovery fund to replace the current bonding requirement
- CCB should provide educational tools for consumers
- Focus on availability of insurance

Crafts and Trades Panel

Royal Robinson, Plasterers and Cement Masons Local 528

Royal Robinson is the Business Agent for the Plasterers and Cement Masons Local 528. He was instrumental in drafting the Plasterers Building Envelope Certification being implemented among signatory contractors in Western Washington. Mr. Robinson highlighted the need for proper training, licensing and registration of building envelope specialists.

Concerns

- Lack of certification and training for building envelope specialists
- Poor training and education in envelope design

Recommendations

- Certification of the individuals performing the work on the building envelope
- Require details on design drawings including flashings, windows caulking etc.

Mike Thompson, Roofers Local 49

Mike Thompson started roofing in the summer of 1977 and continued in the trade for 19 years. He served as President of Local 49 for 12 years as well as the Business Manager. Mr. Thompson stressed the importance of proper training and licensing for the individuals performing the construction work.

Concerns

- Lack of qualified installers
- Failure to follow manufacturer specifications
- No training on proper installation especially at transitions (flashing etc.)

Recommendations

- Make roofing a licensed trade, requiring passage of a hands-on examination
- Alternative: require certification from manufacturers for different products
- Perhaps require licensing of a certain percentage of workers at each site

Keith Wright, Bricklayers and Allied Craftworkers Local 1

Keith Wright has been a Bricklayer for 28 years, with 16 years in the field and 12 years as a Local Representative and Organizer. Mr. Wright discussed the Joint Apprenticeship Program that has been in place for nearly 100 years in his local. He expressed his view that proper training and certification in installation is the most important step in preventing moisture intrusion.

Concerns

- Improper building design and insufficient details in design
- Improper installation practices
- Exclusions and restrictions placed on contractors by insurers

Recommendations

- Require certification and training of contractors especially in envelope specialties
- Require certified contractors to train employees and have oversight to ensure that training takes place
- Penalties for failure to gain certification and for failure to properly train installers

Building Material Suppliers Panel

Wallace D. Corwin; Corporate Manger, Product Integrity Group, Jeld-Wen Inc.

As Manager of Jeld-Wen's Product integrity group Mr. Corwin has analyzed, inspected and/or remediated over 36,000 building units.

Concerns

- Not crazy about third party sign-off if the third party does not assume any risk
- Products today are far superior, but they must be installed properly
- Need a system that can arbitrate disputes before ending up in court
- A majority of issues arise due to improper installation, not bad design etc.

Recommendations

- Proper training and instruction for homebuilders and installers
- Arbitration system to resolve disputes
 - Should look at the Arizona model: For defects discovered within two years:
 - Builders board intercedes and mediates dispute
 - Board determines who needs to do what to remedy the defect

Kenneth Nota; Vice President and General Counsel, Dryvit Systems, Inc.

Kenneth Nota is Vice President and General Counsel for Dryvit Systems, Inc., the leading manufacturer of exterior insulation and finish systems in North America. Mr. Nota discussed the findings made by Dryvit Systems after reviewing over 1000 third party inspection reports relating to water intrusion. The key issue from Dryvit's perspective is proper design and integration of building envelope components.

Concerns

- General concerns:
 - Improper installation and integration of the various building envelope components
 - Lack of sufficient design details
- Lack of coordination of various contractors that would integrate the various components
- Concerns with task force recommendations:
 - Oppose idea that material supplier should certify proper installation
 - New standards for products should be performance based and should not proscribe a particular product

Recommendations

- Sufficient details that address the integration of various envelope components
- Define the scope of work for each contractor in the building contract
- Require properly trained and certified supervisor at each job site to ensure proper sequencing
- Require suppliers to provide sufficiently detailed instructions