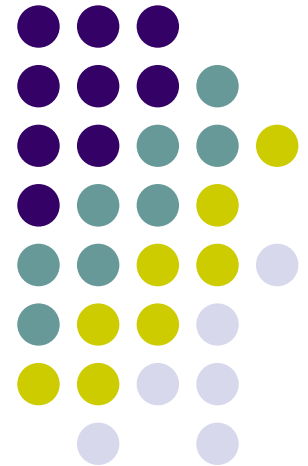


Florida Residential Incentive Contract

Piece rate contract: A tool to
break into the huge Florida
residential A/C market?

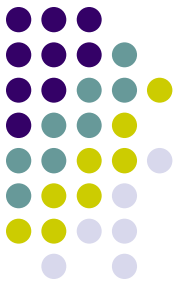




Background

- Florida selected as a pilot project by the SMWIA-SMACNA Best Practices Task Force.
- Suggested areas of focus for market expansion:
 - Testing, Adjusting & Balancing (TAB)
 - Service work.
 - Residential.

Residential??!!!***



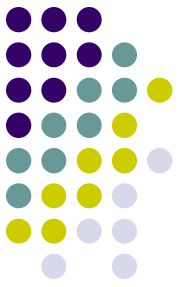
- The idea was met initially with skepticism.
 - “The market has been lost for decades.”
 - Illegal practices prevalent in the industry with little or no enforcement?
 - Can we compete?
- The piecework approach was suggested as a means to enter this market.



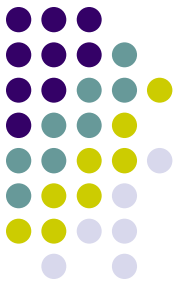
Possible Obstacles.

- Is it legal to pay on a piecework basis?
- Need to make a contract to suit Florida market.
- Will union leaders promote it?
- Will current union members participate?
- Massive organizing challenge.

Residential Contract Sub-Committee Process:



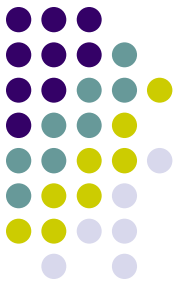
- Toronto Residential Piecework Agreement.
- Residential Addenda used by other areas.
- Rates per piece list from FL contractors.
- Typical Florida house plan.
 - Obtained Quotes.
 - Material and equipment costs.
 - Installation man hours.
- Solicited additional input.
- Expanded scope to Condo High Rises.



What is Residential Work?

- Definition of Residential includes:
 - Single family dwellings.
 - Multiple family housing units.
 - Apartment buildings.
 - Condominiums. (includes high rise units)
 - Sleeping unit sections of hotels and motels.

Method of pay: Incentive or Hourly



Incentive Method:

New Equipment with New Prefab. Duct Work

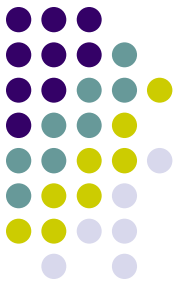
Install Equipment, Ref. Lines &

up to 5 Supply Ducts: \$480.00

(Rough in:\$305.00)

(Start Up:\$175.00)

Additional ducts, each (per run): \$25.00



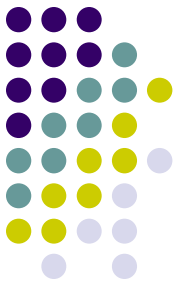
Incentive Method (cont'd):

New Duct Work Only

Installation of Rectangular S/M

Duct per linear ft. (excluding plenum)	\$ 7.00
Installation of Rectangular Fiberglass duct per linear ft. (excluding plenum)	\$ 7.00
Installation of Flex Duct per linear foot	\$ 1.00
Per grill	\$ 5.00
Round Pipe per linear foot	\$ 5.00
Up to 8' of Flex to grill box	\$ 25.00
Fiberglass & Flex, per Duct per run	\$ 25.00
Fire Dampers with duct access door	\$ 50.00

Note: When installing a unit and a plenum, the plenum is part of the unit. When there is no unit installation, the plenum is part of the duct system (i.e. cost per linear foot.)

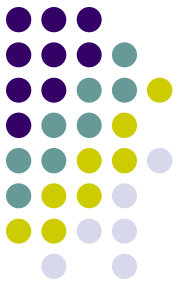


Categories of Workers

3 categories of workers:

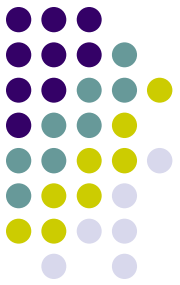
- Residential Journeymen
- Residential Trainees
- Residential Shop Fabricators
- If the Journeyman works with a Trainee, the total incentive rate shall be split
 - Journeyman 75%
 - Trainee 25%

Method of Pay: Hourly Method



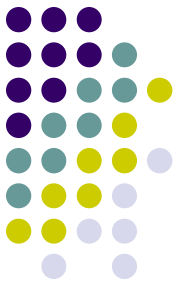
- As an alternative to the standardized incentive system, employees may be paid by a minimum hourly rate as follows:
- Residential Journeyman \$14.50
- Residential Shop Fabricator \$11.50
- Residential Trainee \$ 8.50

Hourly: Payment of Fringes



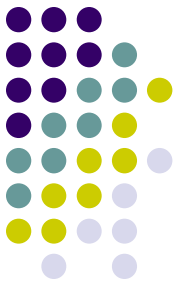
- **Medical Fund*** **\$1.50**
- **NPF** **1.00**
- **NSSP (voluntary)**
- **JATC** **.10**
- **ITI** **.12**
- **NEMI** **.03**
- **SMOHI** **.02**
- **Industry Fund** **.23**

Piecework: Payment of Fringes



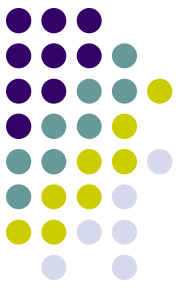
- Remittance of fringe benefits under the incentive program shall be based on a percentage of the cost of the piece.
- Journeyman: 17%
- Trainee: 26%
- Example: Install of equipment, ref. Lines and up to 5' supply ducts: Installation cost: \$480.00
- If the journeyman works alone, fringes: \$81.60 split among the various fringes
- If the journeyman works with a trainee, the fringes are split 75% for the journeyman; 25% for the trainee.
- Installation cost: \$480.00
- Journeyman pay: $75\% \times \$480.00 =$ \$360.00
- Trainee pay: $25\% \times \$480.00 =$ \$120.00
- Journeyman fringes: $17\% \times \$360.00 =$ \$61.20
- Trainee fringes: $26\% \times \$120.00 =$ \$31.20

Recent Developments & What's Next:

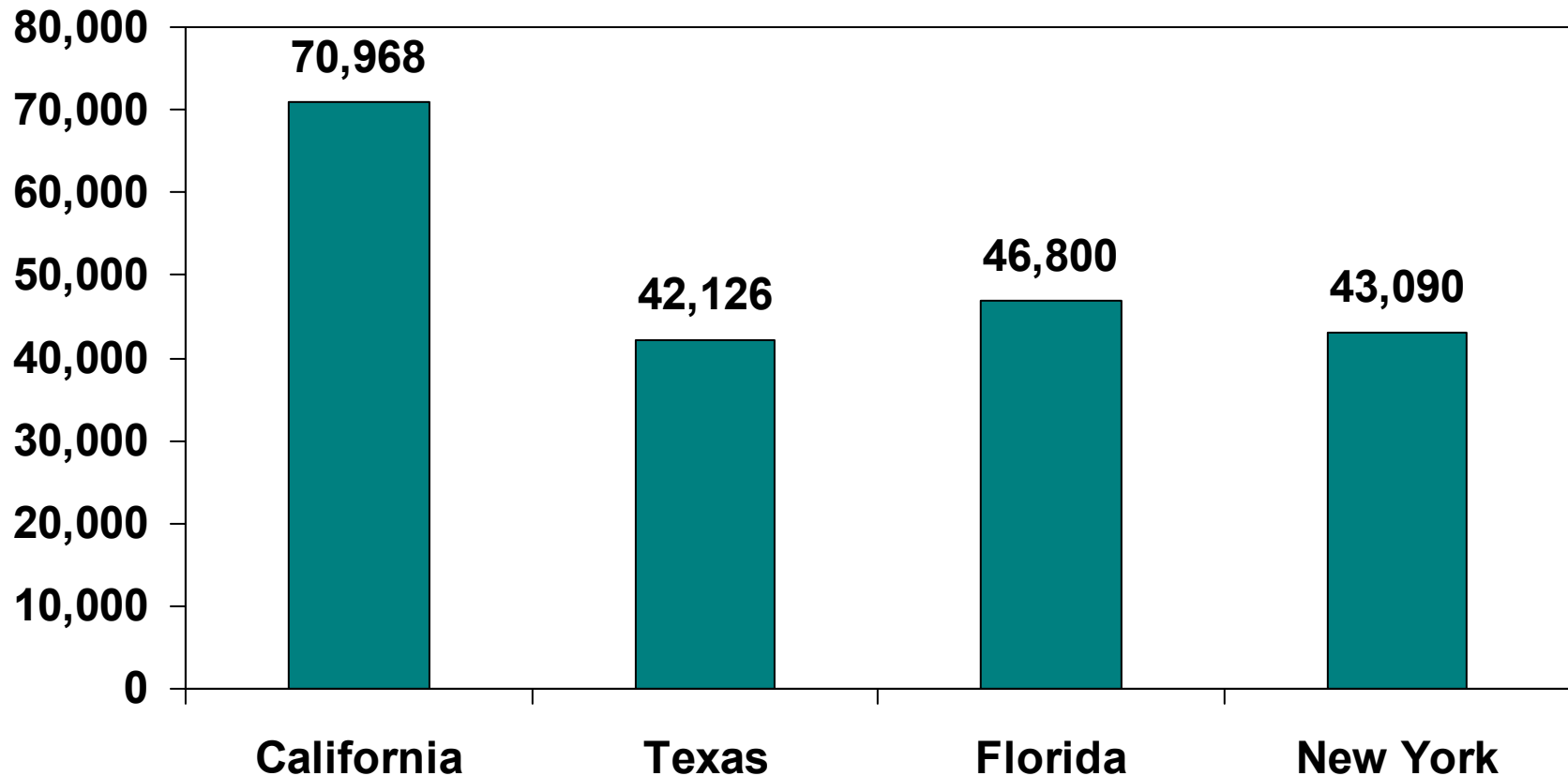


- Agreement signed April 20, 2004.
- Contractor interest.
- Membership interest.
- Training module in development.
- Organizing.
 - Sign new contractors.
 - Target campaigns to national home builders.
 - Recruiting workers from non-union.

The Florida Construction Market in Context:



Average Construction Establishments 2002

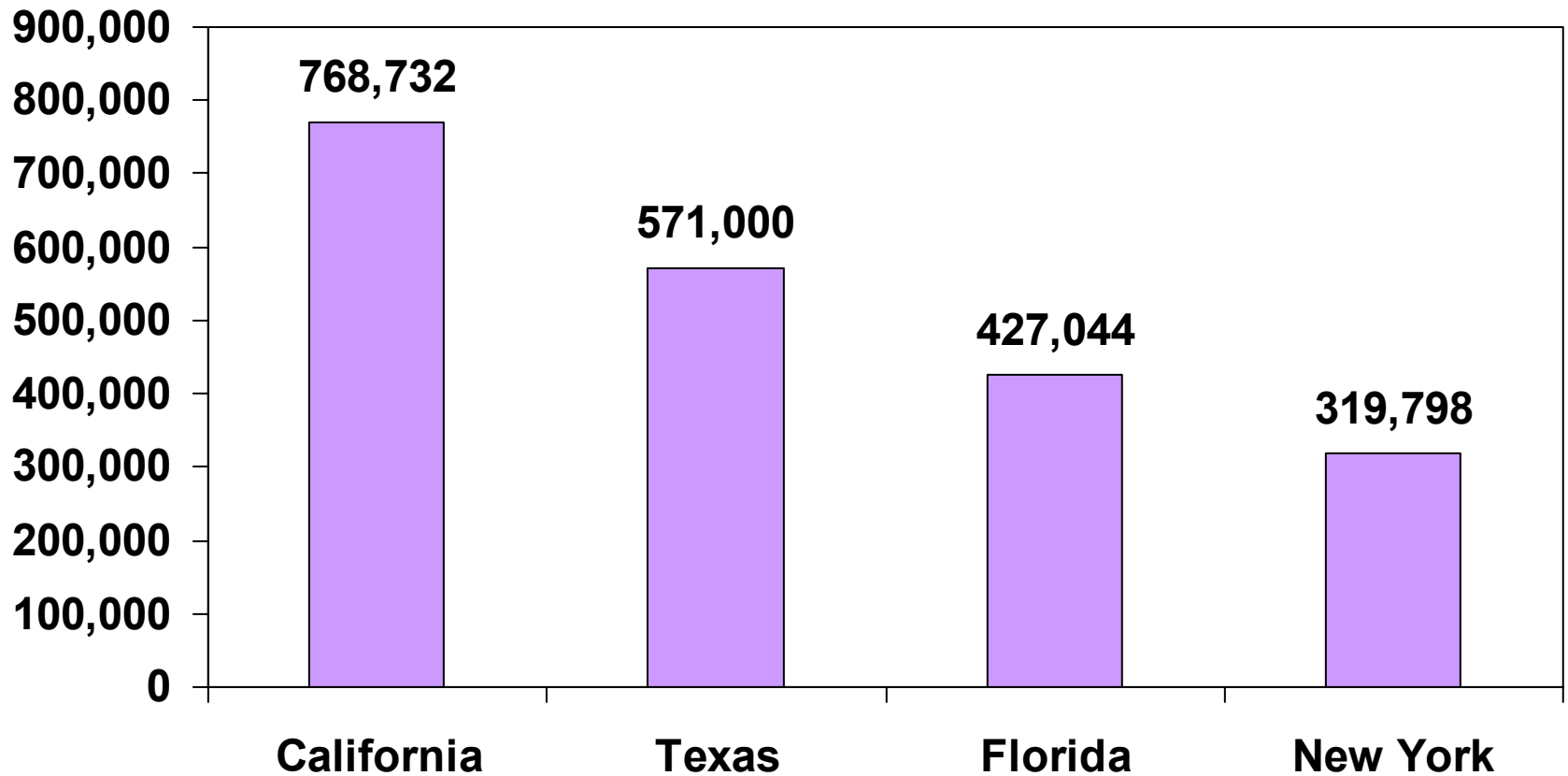


Source: Bureau of Labor Statistics

The Florida Construction Market in Context:



Annual Average Employment 2002

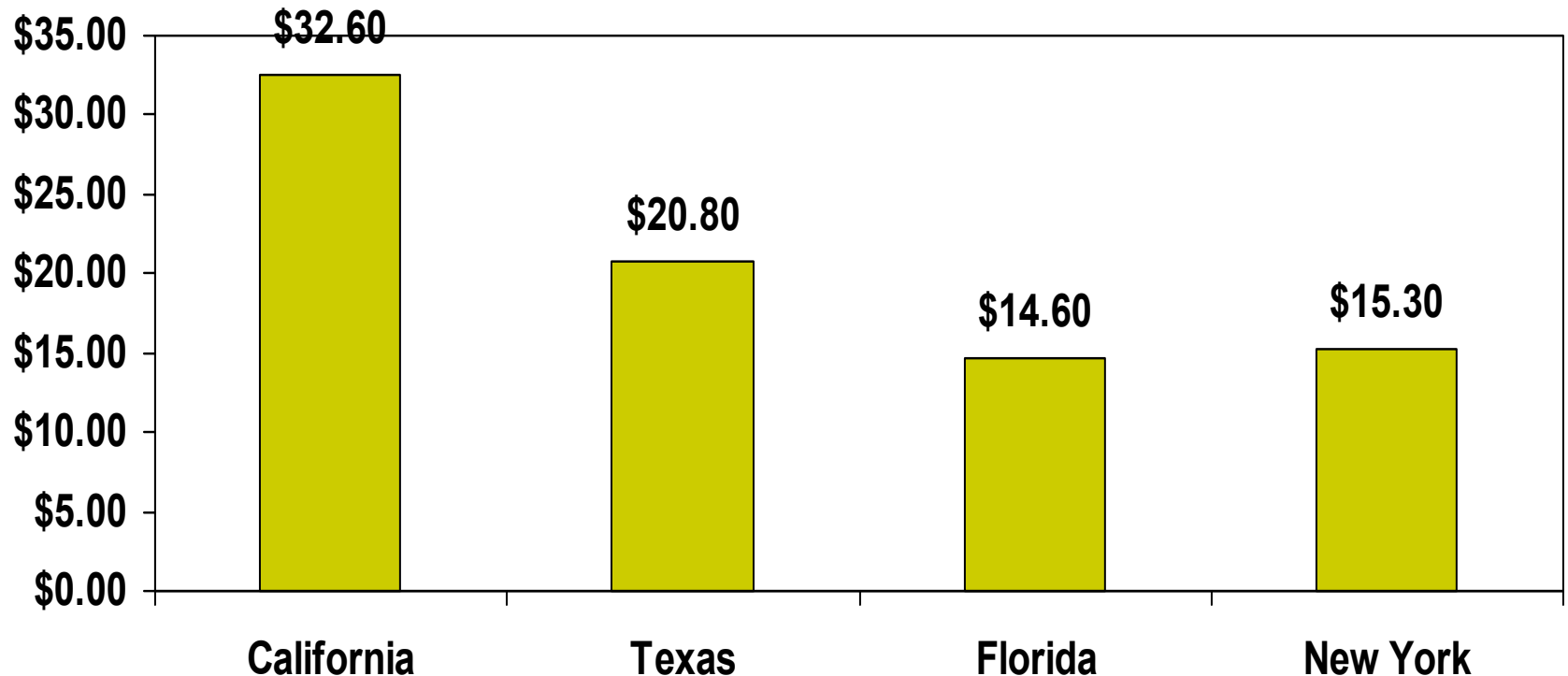


Source: Bureau of Labor Statistics

The Florida Construction Market in Context:

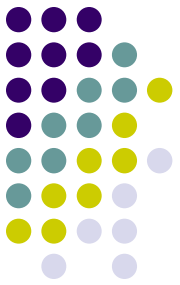


Total Annual Wages 2002 (Billions of Dollars)

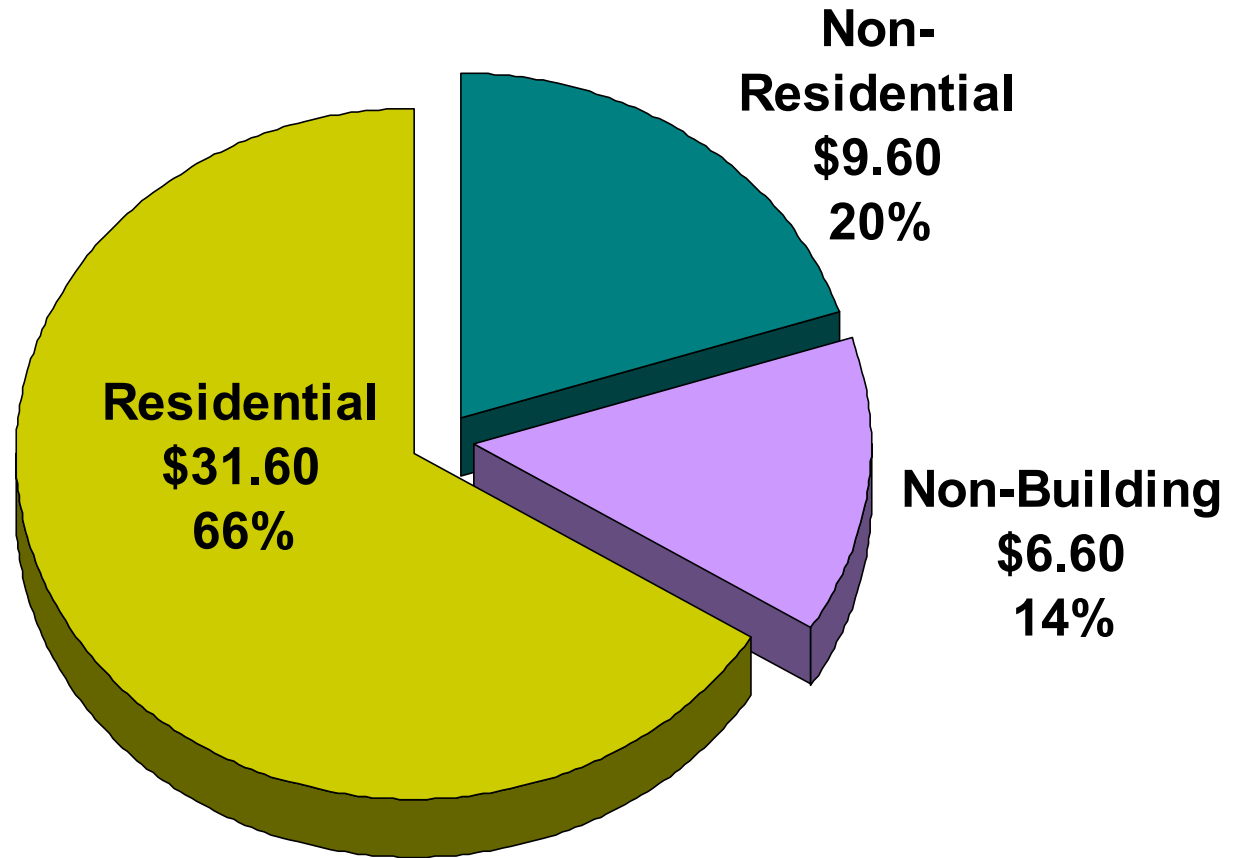


Source: Bureau of Labor Statistics

Residential Market:



Florida Construction Activity 2003 (Billions of Dollars)



Source: McGraw-Hill Southeast Construction

Thank you.



Mike Jeske
SMWIA, Local 15



Susan Karr
Florida SMACNA

