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arshall Hickox, the 2019 president of the Building Industry Association of Hawaii, offers his insights in this issue on key topics facing the construction industry, from so-called "monster houses" to rail and Honolulu's permitting process. Additional coverage in our "Inside the BIA-Hawaii" report includes a look ahead and recaps the organization's accomplishments of 2018 by CEO Gladys Marrone and out-

going President Dean Uchida.

Gauging by the numbers, this year will prove to be another banner year, possibly even topping 2016. Read our industry review to see what's developing across the Islands in public, private and military

Painters know best when it comes to what is the best coating to apply in Hawaii. According to our report, paints and finishes that offer a "green" component and are heat-reflective have become the popular choice.

Snag-resistant work shirts, in highvisibility colors, and cranes that "walk" to the work area are among some of hottest products to hit the market in 2018. Be sure to read our report inside.

1960 Saint Louis School alum Mike Scarfone talks story with Contributing Editor Don

Chapman on his career in Hawaii's building industry. Scarfone, who now has his own consulting firm, has worked on many of Oahu's most iconic structures.

The years can roll by fast, and no one knows that better than the folks at Black Construction Corp., which is celebrating its 60th year of doing business on Guam.

A hui hou,

david@tradepublishing.com





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On the cover

2019 BIA-Hawaii President Marshall Hickox Photo by Nathalie Walker Design by Ursula A. Silva

COMING IN JANUARY

Building Industry Hawaii offers a look Inside the GCA, with insights from incoming president Layne Machida on Hawaii's construction industry. And with our Military Construction Forecast, we salute the Armed Forces' valuable role in the Islands' building sector as well as the overall economy. We also take a look at High-Rises and include the annual Cement & Concrete Products Directory.





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If you'd like your organization's event to be considered for Datebook, contact brett@tradepublishing.com a minimum of two months prior to your event.

DECEMBER 1

Electrician Continued Competency: License Renewals Course

The Associated Builders and Contractors Association Inc. Hawaii Chapter course, scheduled quarterly, is open to ABC Hawaii members and any licensed electricians. Course satisfies the state's continuing education requirements for Electrical Journey Workers IAW HRS section 448E-8.5.

Contact ABC Hawaii at 845-4887 for additional information and/or to sign up for the next available class.

DECEMBER 3-6

OSHA 500-Trainer Course in OS&H for the Construction Industry

Offered by the Building Industry Association of Hawaii (BIA-Hawaii) and UC-San Diego's OSHA Training Institute. Four-day OS&H trainer course prepares students to teach the 10- and 30-hour Outreach classes. Thorough knowledge of OSHA Construction Standards and other documentation required. Laptop recommended. Various credits available. No online class enrollment.

8 a.m.-4:30 p.m. (daily). BIA-Hawaii/CTC Pacific, 94-487 Akoki St., Waipahu. For more information, go to biahawaii.org or osha.ucsd. edu. To register, call (800) 358-9206 or email oshatraining@ucsd.edu. Fee: \$765. No refunds after Nov. 26.

DECEMBER 4

AGC WebEd: Five Mistakes in Managing Your Construction Budget

Open to both members of the General Contractors Association of Hawaii (GCA of Hawaii) and non-members, the online webinar presented by the Associated General Contractors of America (AGC) shows contractors how to maximize their budgets and minimize their overruns.

9-10 a.m. To register and for more information, go to gcahawaii.org or contact Gladys Hagemann at gladys@gcahawaii.org. Free.

DECEMBER 7

2018 BIA Annual Installation Banquet

Welcome incoming BIA-Hawaii President Marshall Hickox and say mahalo to 2018 President Dean Uchida at BIA-Hawaii's annual ceremony and banquet. Awards will be presented to Associate, Builder, Developer, Supplier, Specialty Contractor and Affiliate of the Year. Live music, no-host cocktails with pupus and dinner.

5:30 p.m. (cocktails); 6:30-9 (dinner and awards). Koolau Ballrooom, 45-550 Kionaole Rd., Kaneohe. RSVP with payment at biahawaii.org or send an email to ipc@biahawaii.org. Fee: \$150 per person. Table sponsorships available.

DECEMBER 8

AIA Architectural Walking Tour of Honolulu

On every second and fourth Saturday of the month (except during the Holidays), the American Institute of Architects Honolulu Chapter (AIA Honolulu) hosts walking tours of Honolulu's architectural landmarks. Tour groups must be 4-12 people.

9-11:30 a.m. AIA Honolulu Center for Architecture, 828 Fort Street Mall, Suite 100. RSVP with payment in advance at contact@aiahonolulu.org by Dec. 6. For more info: call 628-7243 or go to aiahonolulu.org. Fee: \$15 per person.

DECEMBER 11

AGC WebEd: OSHA's Final Rule to Protect Workers from Exposure to Respirable Crystalline Silica

Open to both members of GCA of Hawaii and non-members, the online webinar presented by the AGC covers all aspects of management of respiratory silica on the jobsite: required control measures, protection, employer responsibilities, employee rights and recent OSHA activity surrounding the new Respirable Crystalline Silica standard.

9-10 a.m. To register and for more information, go to gcahawaii.org. Free.

DECEMBER 11, 13, 15, 18, 20

40-HR Safety Hazard Awareness Training for Contractors

This BIA-Hawaii five-day training session provides a Site Safety & Health Officer (SSHO) with the additional certification required by the NAVFAC UFGS 1.6.1.1.1. Also covers the EM-385. Industry/academic credentials required. Certification provided after successful testing.

7:30 a.m.-4 p.m. (daily). BIA-Hawaii/CTC Pacific, 94-487 Akoki St., Waipahu. Online registration at biahawaii.org (except for ETF applicants). For more information, contact Barbara Nishikawa at 629-7505 or via bln@biahawaii.org. Fee: BIA-Hawaii members \$450; nonmembers \$575; \$287.50 with available ETF funding.

DECEMBER 12

AIA Honolulu General Membership Meeting

A community service event will be the focus of AIA Honolulu's popular general membership meeting.

11:30 a.m.-1 p.m. AIA Honolulu Center for Architecture, 828 Fort Street Mall, Suite 100. To register and for more information call 628-7243 or go to aiahonolulu.org.

DECEMBER 13

YAF Pau Hana: The Hi Brau Room

Get to know your peers and explore new labels and initiatives at AIA Honolulu's Young Architects Forum. YAF Honolulu welcomes professionals who are nearly licensed, newly licensed, and out to 10 years of licensure.

5:30-7 p.m. The Hi Brau Room, 700 Queen St. For information and registration, go to aiahonolulu.org or yaf.aia.honolulu@gmail.com.

DECEMBER 20

ARE Prep Review Session

Go to aiahonolulu.org for the topic of this ARE exam prep session that assists those on the path to licensure. Various credits available.

5-7 p.m. AIA Honolulu Center for Architecture, 828 Fort Street Mall, Suite 100. Advanced online registration and payment is required. For

more information, contact Todd Hassler at toddh@pva.com. Fee to be announced.

JANUARY 17

NAWIC General Membership Meeting: "The Past, Present and Future of Construction in Hawaii"

Denny Watts, principal at DWC Construction Advisors & Consultants and legendary Island builder, presents his view of Hawaii construction at this National Association of Women in Construction dinner meeting and forum.

5 p.m. (networking); 5:30 (dinner); 6 p.m. (meeting). Nordic PLC Construction Co., 1099 Alakea St., #1600. For more information and to register, go to nawic114@yahoo.com or nawic-honolulu.org. Dinner fee \$40.

JANUARY 25-27

BIA 2019 Home Building & Remodeling Show

The 26th annual BIA-Hawaii home and remodeling show at the Blaisdell Exhibition Hall will feature Hawaii's top contractors, suppliers, experts and vendors and the latest homebuilding tools and techniques for consumers and other builders.

For more information, go to biahawaii.org.

JANUARY 2019

240 Electrical EJ Compliance Program

Electrical workers who complete ABC Hawaii's 240-hour academic course that complies with HRS section 448E-5(b) can then be licensed by the Board of Electricians and Plumbers as a journey worker electrician to perform electrical work. To register, applicants must have credible and documented work experience of a minimum of 8,000 hours and a minimum of four years full-time or its equivalent in the trade under the supervision of a journey worker or supervision electrician.

Classes meet evenings, twice weekly, for one calendar year beginning in January. Contact Ken at 845-4887 for additional information and for an application that is sent out in September and is due on Dec. 1.

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A Front-row Seat for Amazing Advances

Scarfone is going strong with his own consulting firm, capping a career that includes some of Honolulu's most iconic buildings



ike Scarfone has had a hand in building some of Hawaii's most iconic structures, served as director of the city's Department of Housing and Community Development and executive director of the Hawaii Community Development Authority (HCDA), and along the way has had a front-row seat for some amazing construction technology innovations.

Today, the 1960 Saint Louis School alum stays busy with his consulting firm MNS. Clients include American Savings Bank, for which he oversees three construction projects.

Construction was not in his plans growing up. He was supposed to be a business major, and went off to San Jose City College, but dropped out after two years and came home.

"I got bored, and my dad was not happy," Mike recalls. "I was the first



Mike Scarfone

son, I was supposed to graduate from college."

Still, his dad, also named Mike, asked his son to come work for him, building houses in Kailua's Enchanted Lake area with leg-

endary developer Joe Pao.

"I came in as a construction trainee," Mike says, and by 21 he was doing estimating work.

He remembers those years fondly. "Joe Pao was building homes for fire-fighters, regular people, they could afford to buy their own homes."

But after five years, "my friend Fritz Hewitt called me, said Swinerton and Walberg were looking for help in estimating. The project was the Sheraton Waikiki—1,800 rooms. I went into the main office as an estimator. Once we got the contract going,

it was for \$42 million, but there was \$8 million in allowances for areas that hadn't been designed yet. My role was estimator-change order, so we had to re-do budgets to fit the variances. It's all on-the-job training; this was before construction management classes."

From Sheraton he went to Yacht Harbor Towers.

"And then Chris Hemmeter was going to do the Hyatt Regency," he says. "I got hired as project manager."

But first there was the matter of the old Biltmore Hotel that stood on the site.

"One of the things we did at the Hyatt, we introduced slip-form concrete in the elevator shafts. Pankow had done one building before. That was one of the biggest things. Before that you had to pour the deck, let it cure, then do the next one, let it cure. With slip-form, it's all prefab, the cranes pick it up, you just slip it in. We were able to take a 10-day work cycle down to five days, three days in some cases. So from a construction standpoint we—not just Swinerton, but Dredging, Pankow—learned how

"The big thing in Kakaako was putting in the infrastructure for everything that would follow."

"We imploded the Biltmore, the first one ever done in Hawaii," Mike says. "It saved a lot of money, and more important saved about four weeks instead of bringing it down with hammers.

"It worked, but it got a little spooky. It was all supposed to come down in about 12 seconds, but it took 42. We were across the street, Chris Hemmeter had a big party. The floors came down right away, and then it just sat there, but you could see the cracks going up the walls, and finally it came down."

Once work on the Hyatt began, a serious problem developed. Plans called for doing two levels of basement. But tests showed they could not control water from seeping into the lower level, which explains why today there is only one level below the street.

"So we changed the contract, gave Hemmeter a refund and he went out and bought the property across the street and built that seven-story parking structure," Mike says. to do high-rises quickly and efficiently, and we're still using it today.

"Hawaii was the leader nationally in construction technology. I'm not a big tech guy, I'm more of a management type person, a numbers guy." He liked the slip-form numbers.

Mike left Swinerton in 1980 and joined forces with Fred Kresser of BMA Hawaii. "He's an engineer, worked at Hawaiian Dredging, went out on his own. His first big project was Discovery Bay while I was doing the Hyatt. Hired me as marketing development, front-end, my job was to get us in position to bid on a project if not negotiate a project. Times were getting better."

Then tragedy struck. Kresser was in Singapore visiting former colleague Fred Kunimoto of Hawaiian Dredging. On the evening of Jan. 29, 1983, they boarded a cable car high above the harbor. The runaway derrick of an oil drillship struck the cableway after the ship became unmoored from its tugboat and drifted with the tide. Two



Among Mike Scarfone's projects over the years was the 34-story Admiral Thomas, which was built in 1980.

cable cars plunged into the sea, killing seven, including both Freds.

Kresser's death changed Hawaii construction, Mike says. "Fred was in a position, if he lived, to put together a pretty good management team." He wonders what they could have accomplished together.

Mike did some work with developer Bruce Stark, including the Admiral Thomas condo, then joined Pacific Construction, and helped build more than a thousand homes for Herbert Horita, among other projects.

Then Honolulu Mayor Frank Fasi came calling, appointing Mike deputy director of the Department of Housing and Community Development, and later director. The mayor wanted to redevelop downtown, which led to Chinatown Plaza and One Alii Place, among others.

"Instead of doing one project at a time, we assembled teams to do three projects at a time. ... The publicprivate thing was the best," Mike says. "It was on city land, we just made the land available on a lease basis, the development company comes in and builds. That's how those downtown

projects got built.

"And Frank was pursuing the train. I got brought in because of the real estate component. We had already spent \$50 million, had the train all set up, it was going to go to UH, federal government committed to 50 percent of the cost, not what they got now. We still needed to expend some more money to get the funds, needed a final approval, and we had a previous approval by a 5-4 margin, but then Rene Mansho."

When the then-council member changed her vote, it killed rail for a generation. "We could have built it for \$2 billion, and been operating by 2000, and here we are in 2018," Mike says.

"Just imagine if the train was up and running, all these arguments about traffic wouldn't be happening."

Gov. John Waihee called next, naming Mike executive director of the HCDA, overseeing Kakaako development.

"The big thing in Kakaako was putting in the infrastructure for everything that would follow," Mike says.

Moving on, he started the new gym at St. Francis, built the Maryknoll gym, worked with Stanford Carr on the Niketown building in Waikiki and was involved with hundreds of homes at Kapolei.

Today, he represents financial institutions that do construction loans.

"They hire me upfront to review the contracts and the plans, do due diligence and then do field observation as they progress," Mike says.

Following this interview, he was off to Nanakuli to check on a milliondollar paving project at Wailuna.

"Nobody gets paid until I sign off," he says. ••••••

Have a good story about a good person in the Hawaii construction business? Please shoot me an e-mail at Don@ tradepublishing.com.



Government Awards Continue at Record Pace

Despite waning volume typical in fourth quarters, five government agencies awarded 22 contracts worth \$63,207,518 during October. After 10 months of 2018, awards total \$1,588,081,978, up a whopping 38 percent from \$1,145,561,358 during the first 10 months last year and eclipsing the 10-year high of \$1,525,503,503 for the corresponding period in 2016.

October awards, up 23 percent from \$51,274,093 last year, included \$44,000,436 for work on Oahu. Hawaiian Dredging Construction Co. Inc. landed the largest contract of \$26,773,196 for the Phase 2B project at Moanalua High School's Performing Arts Center.

The next largest job—a \$9,950,000 contract—was won by Sapigao Construction for exterior repairs, reroofing and ADA improvements at Punchbowl Homes. Pavement rehabilitation at Kalaeloa Airport, a \$4,140,080 project, was October's third-largest award.

More than half of October's volume

totaling \$32,289,327 was authorized by the Department of Transportation.

Though it may not be awarded by year-end, a \$267 million contract for work on the Honouliuli Wastewater Treatment Plant looms on the horizon, which could nudge 2018 government totals over the \$2 billion threshold for the first time.

AWARDS BY AREA

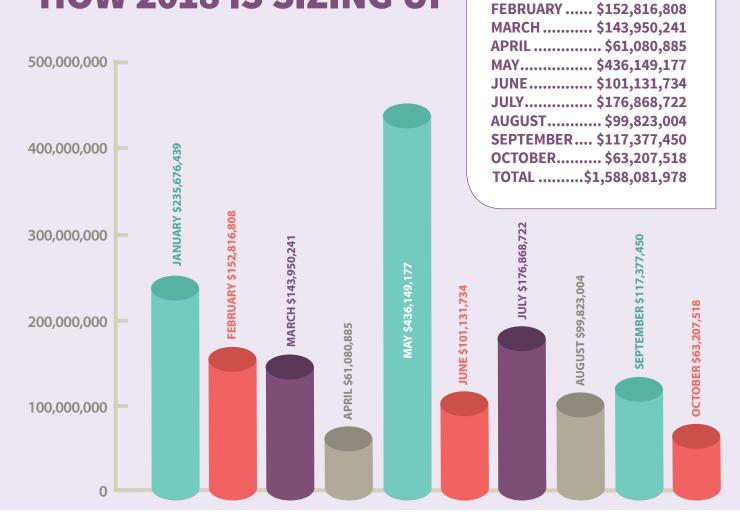
Oahu	\$44,000,436
Hawaii	10,808,711
Maui	4,796,252
Kauai	3,602,119
Total	\$63,207,518

AWARDS BY AGENCY

DOE	\$32,289,327
HPHA	13,939,657
DOT	9,505,050
DAGS	7,209,033
DLNR	264,451
Total	\$63,207,518

JANUARY \$235,676,439

HOW 2018 IS SIZING UP



Cons	niian Dredging truction Co. Inc\$26,773,196 lua High School, Performing Arts Center, Phase 2B
	& Highways Builders LLC 4,140,080 ent Rehabilitation at Kalaeloa Airport
Mangro	I. Contractors Inc
	's Contracting Inc2,506,950 ublic Library, Miscellaneous Repairs and Improvements
Ralph IIT Agri	n S. Inouye Co. Ltd1,844,975 cultural Station Expansion at Daniel K. Inouye tional Airport
	's Contracting Inc
	Plumbing & Sheetmetal Ltd1,479,833 Ana Building, Replace Chillers and Pumps
	's Contracting Inc929,300 Jhau, Exterior Repairs
	etheus Construction 579,050 nd Head Crater, Repair Various Tunnel Shotcrete Finishes
Moderr	Wiring Service Ltd
	Electrical Services Inc
Dole M	wood Engineering 48,040
Doon Inspect	ion, Maintenance and Repair of the Lift Stations at the Al d Keehi Small Boat Harbors

Kawika's Painting & Waterproofing Inc	Kaikor Construction Associates Inc 765,900 West Hawaii Veterans Cemetery, Additional Columbarium Niches, Kailua- Kona	
HI Built LLC467,388 King Kekaulike High School, Amphitheater Improvements	Maui Pacific Solar Inc	
Tom's Backhoe & Excavation	Kauai	
GP Roadway Solutions Inc.	Pacific Concrete Cutting & Coring Inc	
Hawaii	Artistic Builders Corp	

Punchbowl Homes (HA 1011), Exterior Repairs, Reroofing, Site

and ADA Improvements, Oahu

Kallua- Kulla	
Kauai	
Pacific Concrete Cutting & Coring Inc	Kekaha-Haaheo
Artistic Builders Corp	1,630,794

OCTOBER'S	TOP 10	CONTRA	CTORS
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1. Hawaiian Dredging Construction Co. Inc. (1)	\$26,773,196
2. Sapigao Construction (1)	9,950,000
3. Brian's Contracting Inc. (3)	5,157,250
4. Road & Highways Builders LLC (1)	4,140,080
5. H.T.M. Contractors Inc. (1)	3,400,000
6. Castaway Construction & Restoration LLC (1)	3,137,269
7. Pacific Concrete Cutting & Coring Inc. (1)	1,971,325
8. Ralph S. Inouye Co. Ltd. (1)	1,844,975
9. Artistic Builders Corp. (1)	1,630,794
10. Oahu Plumbing & Sheetmetal Ltd. (1)	1,479,833

Information is summarized from the Contractors Awarded section of BIDService Weekly, compiled by Research Editor Alfonso R. Rivera.

LOW BIDS

The companies below submitted the low bids in October for the work detailed. Submitting the lowest bid is not a guarantee of being awarded the job. However, it is a strong indication of future work, and subcontractors can plan accordingly.

Waterproofing and Roof Repairs

Kaimuki Middle School, Bldg. C & I, Provide Elevator

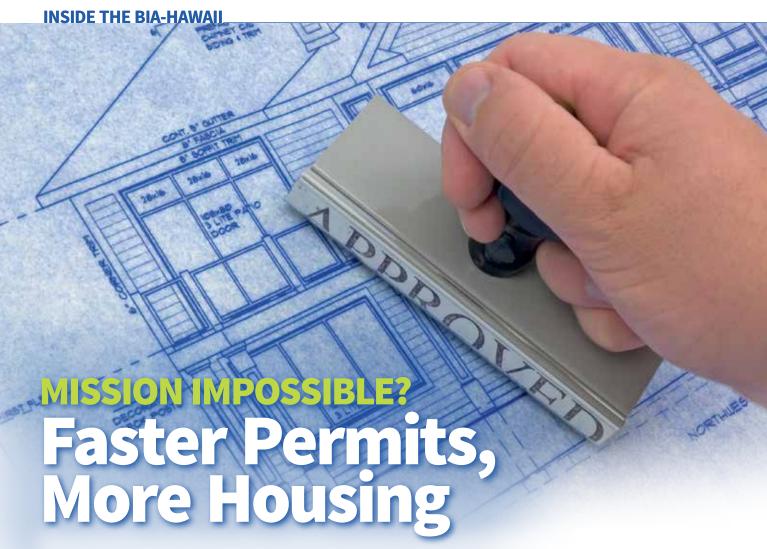
McDaniel Electric LLC 39,545

,
Oahu
Nan Inc. \$267,247,844 Honouliuli WWTP Secondary Treatment, Phase 1B, Secondary Compliance Facilities
Paul's Electrical Contracting LLC3,157,700 Waialua District Park, Replacement of Baseball Field Lighting Syster
Pave-Tech Inc
GP Roadway Solutions Inc2,435,783 Installation of Enhanced Pavement Marking and New Milled Rumble Strip at Various Locations, Island of Oahu
United General Contracting Inc 1,001,992 Leilehua High School, Renovate Portables for SPED
Kawika's Painting & Waterproofing Inc508,350 Holmes Hall Spall Repairs, University of Hawaii at Manoa
Construction Engineers LLC392,690 Lyon Arboretum, Various Health and Safety Improvements, UH-Manoa
CC Engineering & Construction Inc 48,100 Anuenue School, Bldg. A, Room 25, Replace Section of Covered Walkway

Maui High School, Weight Training and Wrestling Facilities, Kahului

Campbell High School, Building H, Install Ceiling Fans
Maui
Road & Highways Builders LLC 21,303,303 Reconstruct Runway 3-21 at Lanai Airport
HI Built LLC
Central Construction Inc 797,843 Haiku Field House Improvements
Alpha Inc711,030
Emergency Repair of Puu Way Culvert
Norrie Construction
MEI Corp 547,756
Kalana Pakui, AC Replacement, Wailuku
Wasa Electrical Services Inc 366,177 Iron Maehara Stadium Light Pole Replacement

Maxum Construction of Hawaii LLC 351,650 Helene Hall, Restrooms Renovations
Sonny Vicks Paving Inc257,500 Launiupoko Beach Park Parking Improvements, Lahaina
Betsill Bros192,772 Coach Soichi Sakamoto Pool Restroom Renovations
Betsill Bros.
Maui Kupuno Builders LLC96,202 Speed Tables, FY 2019
Hawaii
Loeffler Construction Inc132,340 Pavement Repairs at Kawaihae Harbor
Kauai
Earthworks Pacific Inc
PCCC



The Building Industry Association presses for urgent changes in the permitting process that will ease Hawaii's housing shortage

BY DAVID PUTNAM

awaii's building permit process, says the CEO of the Building Industry Association of Hawaii, is "severely" hampering the Islands' residential construction industry while the

state struggles to remedy its housing shortage.

Delays in gaining building permits, says Gladys Quinto Marrone, who also serves as the BIA-Hawaii's chief lobbyist,



Gladys Quinto Marrone

"negatively impacts our economy, communities and quality of life.

"Building permit approvals have always taken long, but the delays

seemed to take a turn for the worse in the last few years."

Lobbying efforts by the BIA and others led to the passage in November of Bill 64 by the Honolulu City Council. The measure requires that the Department of Planning & Permitting (DPP) process applications within 60 days for projects involving

one- and two-family dwellings.

Marrone, 2018 BIA-Hawaii President Dean Uchida and 2019 President Marshall Hickox rallied a group of builders and suppliers in



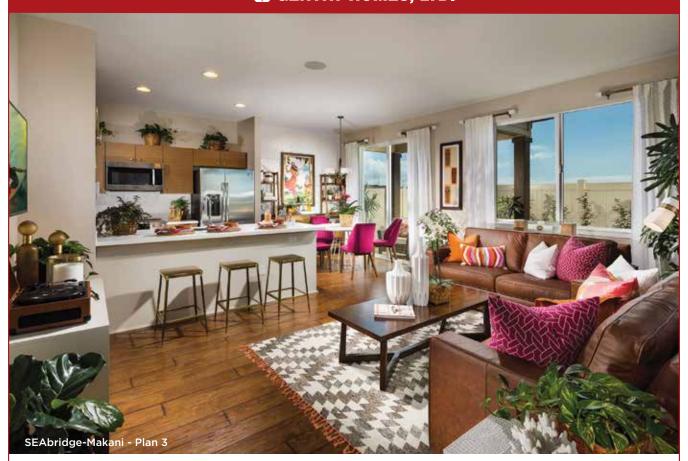
Dean Uchida

October to take the permitting issue to city officials.

"After not seeing any improvements in processing time, even after permit fees were increased in 2013, and again in early 2018, BIA and the Oahu Homebuilders Coalition organized a rally to raise awareness and support on Bill 64," Marrone says. "About 100 people were in attendance, most concerned for their livelihoods. Honolulu City Council Chair Ernie Martin and Zoning and Housing Committee Chair Kymberly Pine both committed to an expedited approval of the bill.

"Bill 64 is intended to empower the DPP with tools to more efficiently review and process building permit applications in 60 days," Marrone adds. "We understand their challenges with staffing, so this bill will help with that by alleviating the review process

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at the front end and still ensuring code compliance at the back end, which is how other jurisdictions across the country operate. This will not jeopar-

"The BIA is ready to work with the administration and council members to ensure implementation of Bill 64 is successful."

> — Gladys Quinto Marrone

dize public health and safety, and we don't want them to do that.

"Bill 64 will change the way permits are reviewed at DPP.

"Change is uncomfortable, but we

Presidential Advice...

As he concludes his one-year term as president of BIA-Hawaii, Dean Uchida leaves behind some advice for 2019 President Marshall Hickox:

"Keep your foot on the gas! We have initiated a lot of efforts at the federal, state and county levels."

Uchida notes that Hickox's term "coincides" the start of the 2019 state Legislative session and the National Association of Home Builders board meeting at the International Builders Show (IBS). "This is on top of all the work that is required for the various BIA programs and projects, and our ongoing efforts at the counties.

"You need to master the art of time management to ensure we are doing what needs to be done to keep the various initiatives on track.

"But you're not in it alone.
There is a wealth of knowledge
and talent serving on the board
and with the staff of BIA-Hawaii.
Delegate where you can, and let
others help do some of the heavy
lifting.

"Although the leadership changes every year, the momentum that has been created by the volunteers and staff at the BIA keeps the organization moving forward. It started long before I got here and will continue long after your term ends."

And, he adds, "enjoy the trips to Waipahu because BIA will become part of your family."

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As an industry and a community we have been devastated by policies and systems which threaten our livelihood and home. This year, we have fought many battles to improve permitting and increase housing production. This work resulted in the successful passage of Bill 64 and put the permitting problem into the light.

We need you to support the fight and make a contribution today. Let's keep the momentum going and enjoy a more prosperous 2019.

You can make a single gift or modest monthly contributions. Any amount helps, mahalo.

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Happy New Year



need to start somewhere with an open mind and in good faith. The BIA is ready to work with the administration and council members to ensure implementation of Bill 64 is successful."

Permitting Dilemma

Uchida echoes Marrone's hopes for

a more expedient permitting process.

"We have successfully brought the delays in the issuance of building permits to the forefront of discussion at the City Council," he says. "There are millions of dollars of residential construction work unable to get started because of delays in the issuance of building permits.

"In other cities around the United States, building permits are issued over the counter once building plans are submitted," Uchida adds. "There is a review to ensure the building plans contain some basic information on the project site, and have been stamped

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1986: Karen T. Nakamura, Wallpaper Hawaii Ltd.

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1991: Steven S. Hidano, Hidano Construction Inc.

1992: Kenneth K. Nakamura (Jan. 1-May 30), Herbert K. Horita Realty Inc.

1992: Robert H. Armstrong (June 1-Dec. 31), Armstrong Builders Ltd.

1993: Brian T. Yahata, Lusk Hawaii

1994: Norman Sakamoto, SC Pacific Corp.

1995: Ronald V. York Sr., Skylights of Hawaii Inc.

1996: Gerald Onaga, G.S. Onaga General Contractor

1997: Edmund Aczon, Aczon Construction Ltd.

1998: Danny Graham, Graham Builders Inc.

1999: Audrey Hidano, Hidano Construction Inc.

2000: Audrey Hidano, Hidano Construction Inc.

2001: Randall Lau, Designer Built Systems Inc.

2002: Craig Watase, Mark Development Inc.

2003: Kenneth Choate, Haseko Construction Inc.

2004: John Cheung, CC Engineering & Construction Inc.

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2007: William A. Paik, Grace Pacific Corp.

2008: Mary K. Flood, DR Horton Schuler Homes LLC

2009: Michael J. Brant, Gentry Homes Ltd.

2010: Douglas E. Pearson, Castle & Cooke Homes Hawaii

2011: James Byxbee, Homeworks Construction Inc.

2012: Dean I. Asahina, Universal Construction Inc.

2013: Gregory Thielen, Complete Construction Services Corp.

2014: Brian K. Adachi, BKA Builders Inc.

2015: Richard Hobson Jr., Gentry Homes Ltd.

2016: Craig Washofsky, Servco Home and Appliance
Distribution

2017: Evan Fujimoto, Graham Builders

2018: Dean Uchida, SSFM International Inc.

by a licensed architect or engineer. Compliance with the various building codes is done during construction by city inspectors who check to ensure contractors are in compliance."

"There are millions of dollars of residential construction work unable to get started because of delays in the issuance of building permits." —Dean Uchida

Uchida points to redundancies in Honolulu's permitting process that jam project starts. He says the DPP "invests an inordinate amount of time reviewing construction plans to ensure



The BIA-Hawaii's membership luncheon in November focused on the theme, "Economic Outlook: Housing & Development." Attendees included, from left, Christian Clemens, Audie Gerilla, Geoffrey Michaelson and 2017 BIA-Hawaii President Evan Fujimoto. PHOTO BY NATHALIF WALKER



they are being designed to meet the various codes. While reviewing the plans, comments are also being made on items that are not code-related, such as items required to protect public health or safety. Plans are sent back to the architect/engineer and need to be revised based on the comments made during the city's review.

"There is no limit to this iterative review process, and sometimes a new set of comments is made during the review of the revised plans."

> "Members of the BIA have been in dialogue with the nonprofit housing advocates, and found a lot of common ground on the need for more housing."

"We continue to work with the mayor's administration and the county on a solution to this problem that is negatively affecting our industry."

Housing Shortage

The BIA-Hawaii, which was chartered in 1955 and is affiliated with the National Association of Home Builders (NAHB), has another priority in 2019: finding solutions to Hawaii's housing woes.

The BIA-Hawaii held its fourth annual Summit on Nov. 15 with the theme, "Turnaround: Solutions to Hawaii's Worsening Housing Crisis." Key topics included "financing tools for infrastructure, smarter development that considers the environment and land partnerships for affordable housing."

The housing shortage affects both new homeowners and residential remodeling efforts, according to BIA-Hawaii.

"Because we are not building

enough new housing units to meet even current demand, remodeling will continue to be a big part of the residential construction industry in the form of extensions, multi-generational homes and ADUs," Marrone says. "However, due to the major delays in the issuance of building permits, even for simple remodeling projects, the residential construction industry could severely slow down, as it has already begun to do with people getting laid off."

Although the goal of the BIA-Hawaii is to continue pushing the state to "increase the supply of housing at all price points," Uchida says, "our focus shifted to raising the awareness of our critical housing shortage with others in the community.

"Members of the BIA have been in dialogue with the non-profit housing advocates, and found a lot of common ground on the need for more housing. While our target markets may differ, there are areas we found that both for-profit and non-profit housing developers are generally in agreement on."

Those common areas, he says, include:

- "Investing more public funds to address housing needs at the lower income levels.
- "Providing more infrastructure capacity that would allow for more urban in-fill projects, including exploring alternative ways to finance infrastructure capacity building along the rail transit corridor.
- "Simplifying and shortening the building permit process.
- "Establishing 'housing production goals' for each of the counties and link the TAT (transient accommodations tax) allotment to each county's success in meeting the production goals.
- "And create a State Development Authority that would control zoning, infrastructure and permitting, and oversee redevelopment efforts at transit locations with large state land holdings."

In 2019, says Marrone, the BIA-Hawaii will ramp up efforts to address permitting issues. "We will continue to work on this with the city until it is fixed, or at least vastly improved," she says.

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WANTED: **Bridge Builders** at BIA-Hawaii **New president Marshall Hickox aims** to recruit more young members BY DON CHAPMAN PHOTOS BY NATHALIE WALKER 'n his well-traveled youth, incoming Building Industry Association of Hawaii (BIA-Hawaii) President Marshall Hickox observed quite an array of housing. "I have kind of a complicated history," he says. "My father was in the oil business, a petroleum engineer, so I grew up overseas—born in Tripoli, lived in Libya, London, Spain, Indonesia, so middle school in Jakarta, then to Texas for a year and then up to Boston for my freshman year of high school." 22 | BUILDING INDUSTRY HAWAII | DECEMBER 2018



One thing he's learned along the way, and it's a guiding principle for his BIA-Hawaii leadership tenure, is the true value of a home beyond its price point.

"Housing is one of our basic human needs, in the top two or three," he says. "People's health, you can't put a price on that, but that couples with housing—a safe place to live. When housing becomes so unaffordable ..."

The streets of Honolulu speak loudly and colorfully to what happens when housing is beyond the means of many—rampant homelessness and all the un-safeness it brings.

"The cost to build a home in Hawaii has doubled in the time I've been here," says Hickox, president/partner of Homeworks Construction, which over the years has done more than a thousand builds and remodels. "I pulled old estimates I did back in the mid- to late-'90s, and the comparable estimate has doubled."

Which is one of the reasons he advocates a more active role for BIA-Hawaii in creating favorable government policies that impact the building industry, and thus the cost of a home.

HICKOX ON BUILDING PERMITS ...

"No issue better illustrates the importance of having good governmental relations than building permits."

On Nov. 14, the Honolulu City Council passed Bill 64, which requires the DPP to process permit applications within 60 days for one- and two-family dwellings. The passage of the measure followed a flurry of activity by the BIA and others, such as a rally by the Oahu Homebuilders Coalition spearheaded by Hickox.

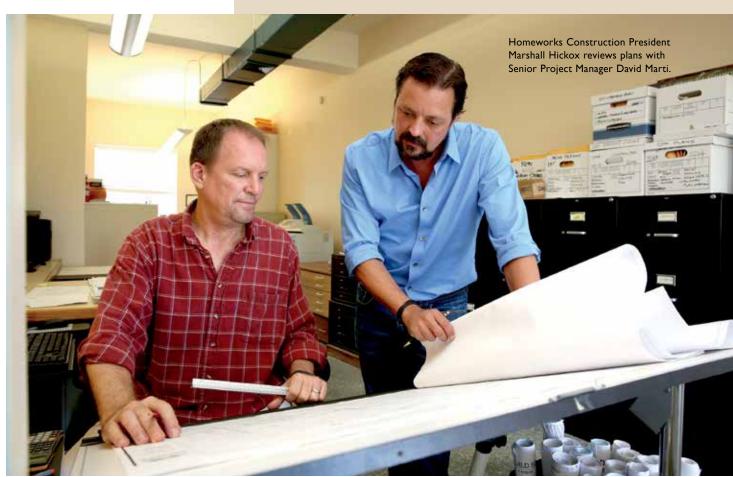
He says the 60-day timeframe "is more than a fair amount of time to get a building permit issued.

"I'm a member of the National Association of Homebuilders, and it seems that's around the national average. We're asking for the top of the spectrum. And DPP has stepped forward and supported the bill, they feel it's doable. So we're optimistic that we'll be able to help our

industry with that.

"Waiting a year for a permit, the cost to the homeowner is tremendous. ... We had a family who just bought a property with a home on it that they intended to tear down. They came in to talk, this was in February, and asked if they could be in the new house by the end of the year, and I said we'll be lucky to have your permit by the end of the year. They went ashen—they would have to carry both properties, and they couldn't do that. So they dropped their idea of building a dream home and decided to find something that is more move-in ready.

"We want to focus on affordable housing at all price points. Bring the cost down for everybody, housing for firefighters, nurses, people like that. I think the focus often shifts down to low-income housing, which is a very important issue, but a separate one from affordable workforce housing."



"BIA has changed so much over the past few years," he says. "We want BIA to be more and more the voice of the industry that can shape the industry. We don't just want to offer opinions, we want to offer counsel (to) make changes that benefit our industry and the members of BIA, the people we're working for.

"I've been active with BIA pretty much my adult career in construction. Jim Byxbee is my partner and a past president." (Sylvio Boucher is the firm's third partner.)

Hickox was "involved in the early Home Shows, got on a lot of committees real early, chaired Renaissance, Homebuilding and Remodeling shows, then got onto the board of directors, and then the leadership ladder. You get in there and get your feet wet, learn the process.

"The thing that has been most influential for me was getting on the government relations committee. Past presidents are on there, we take on issues such as we're addressing now—permitting, 'monster homes,' rail. For me it's about learning the politics of our business, which has been exciting, discouraging, but an amazing experience."

While politics may not be for everyone, Hickox says, forging relationships with city and state lawmakers



Hickox says the cost of building a home has doubled just "in the time I've been here."

and officials is crucial for BIA and its members.

"You have to (be involved)," he says. "I love building, and I love the philosophical side, that you're providing shelter and homes, providing one of life's necessities for people. What made me really want to get involved, especially on the politics side, was seeing housing (costs soaring), with increasingly larger and larger amounts of money that put home ownership out of the reach of this next generation.

"It's discouraging, because I sit

with multi-generation families—maybe the kids are moving back home from the Mainland, maybe with their own kids, or maybe to take care of their parents, and they want an addition, a remodel, the house is not designed for multi-generation. And I'm seeing that becoming increasingly difficult for folks to afford. It's like death by a thousand cuts, in terms of the things increasing the cost of building.

"I had to start doing something. Hawaii has this hesitance for builders and architects to stick their necks out.

HICKOX ON 'MONSTER HOUSES'...

"That's a whole article unto itself. 'Monster house' has become this amalgamous term that nobody knows what it means any more. The reality is the original seed of what was called a 'monster home' is really people building homes that are apartment buildings in residential neighborhoods-illegal homes. These big, ugly homes are built as cost-effective as possible. It's a big box crammed with bedrooms and bathrooms. Monster homes started off as illegal apartment buildings, but now it's morphed into what they call Large Detached Dwellings.

"They're basically saying you

can't build a home as big as you used to build. Which we're opposed to, because people are trying to build multi-generational homes, three generations. They're also investing in their parents' property, or vice versa, pooling resources so they can build a bigger house. And then with the ADU law (accessory dwelling unit), where you can actually build a little rental on there, yes, homes for multi-generational use were getting bigger. But now they're restricting the size of those. We're saying why are you punishing working people who are following the rules, following the law? Why

are you punishing them because of these bad apples who are building these illegal apartments?

"For us, it's all about enforcement. You have to put in rules and laws that are about enforcement of people who are breaking the law. Go after people who have illegal apartment buildings, not people who need to build homes that are well within our current laws and codes. We have this shifting dynamic within our economy. Hawaii has always been about families, and taking care of each other, but right now it's about punishing families who need to pool their resources."

No one wants to be the martyr, and I certainly don't want to be a martyr by sticking my neck out and start complaining to the Building Department or the mayor.

"So we're trying to work with them. We need to build these relationships with the mayor, with councilmen and women, with people at the DPP (Department of Planning and Permitting)."

Recruiting a New Generation

Another point of emphasis during his term is to bring younger people into the BIA-Hawaii.

"As with any industry, you're trying to bring in a younger group of business owners and employees who are willing to get involved," Hickox says. "I feel like I'm sort of a bridge between the longtime older members and the younger ones. I'm one of the youngest longtime members, so I kind of feel this obligation for one of my focuses to be on bringing in these younger members and help them get involved and help them understand the government relations part of it in order to help our industry. We can do so much better if we have those vounger members involved."

While aiming to make BIA-Hawaii younger, he's also well aware of those who have preceded him as the chapter's president.

"The men and women who were part of this organization before and stepped up in leadership roles, in many cases were trailblazers. A lot of strong personalities. And a lot of really smart people," Hickox says. "There's some apprehensiveness going in, but I'm



Hickox wants to focus on adding younger members to the BIA-Hawaii.

surrounded by people who are really smart and passionate. Dean Uchida, the outgoing president, and the two presidents before him (Craig Washofsy and Evan Fujimoto) are highly involved, and I got Dwight Matsunaga as the president-elect behind me. And Greg Thielen chairs the government relations committee. Good people.

"How humbling it is to walk into that position and represent BIA, and they have the trust and faith that I can do the job, and nurture a younger generation to be involved."

Raised in the Business

Hickox is a graduate of the University of Massachusetts in building materials and wood technology.

"I studied woods and plywood and

glues and engineered building materials," he explains.

Multi-hued samples of woods from around the world fill a case behind his desk.

"Every single one of those is a different species of wood. One of my (college) tests, you'd walk in and there was a stack of 20 of those wood blocks, and you'd have to microscopically identify each one—the Latin name, the type. There was always a 'gimme' in there, like a cedar, you could smell it. Or an oak, which you could visually identify. But other than that, the only way you can identify the wood is microscopically, so you have to make a slide, look at the cellular makeup and determine what type of wood that is."

He was introduced to the business by his stepfather, a builder.

"My Boston summer jobs were helping him. I always had a love for building, but going into my freshman year of college I wanted to be a journalist. My father, being an engineer, forced my hand a little bit. I was taking some journalism courses and told him, 'Dad, I love journalism!' He said, 'Son, look up the starting salary for a journalist.' He said you pick something in the building or engineering trade, I'll help with your tuition. So I was in the campus dining commons and there was a table set up for a brand new major, building materials



HICKOX ON RAIL..

"You have to constantly change gears. We're focusing tremendously on rail, and trying to do our part to make it work. We keep pushing for a discussion on infrastructure. You have the TOD (transit-oriented development) corridor where rail goes, and the whole philosophy and the reason BIA supported rail is that along that corridor there should be immense development, for businesses, for residences, and again these should be residences for people who work and need to commute.

"But the infrastructure issues are massive. The way (HART) is

structuring it now, they want the first developers who come to put in the infrastructure. Which they can't afford, it doesn't make the project viable. So if I'm the first guy in, I have to put in the sewer that will be used by other people. We're trying to help them develop ways to solve that. Many successful TOD projects in the rest of the country, it's sort of like if you build it they will come. The people who are responsible need to put in the infrastructure and then the people who come in to develop can pay their part. We're trying to meet various people with the city to share some ideas we've heard."

and wood technology in the College of Arts and Sciences. They said graduating class 100 percent job placement and starting salary \$40,000. I grabbed it. The first course, I fell in love.

"So when I graduated, my girlfriend at the time, now my wife, was going to school at St. Lawrence University in upstate New York, and we were off by six months (graduating), so I got a job out here through a friend, laboring, assistant to a project engineer. I was just going to work here until she graduated, and then we'd figure things out. Well, like Paul Harvey says, here's the rest of the story: I'm still here, she's here, kids here, business here."

His wife Heather is a project manager with Homeworks, spending much of her time at job sites. Together they have two sons, James and Ethan, 15 and 11, with whom he shares his passion for Boston's sports teams. (Sitting down for this interview just days after the Red Sox won the World Series, Hickox was in a particularly buoyant mood.)

"Family time is really important," he says, which means "a lot of time spent in Waipio" for the boys' soccer games. The family resides in Kahaluu, not far from the Hygienic Store:

"We built our home out there 15 years ago, during the concrete strike (of 2004) and 40 days of rain. It was a good experience, and makes you empathetic toward clients—budgets, time constraints, delays, picking out a tile color with your spouse."



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A New Boom?

Big project starts in 2019 point to a replay of 2016's banner year

BY BRETT ALEXANDER-ESTES

f asked to predict the course of Hawaii's building industry in 2019, Yogi Berra might point to 2016 and say, "It looks like *déjà vu* all over again."

If pressed, Berra would note that funding for 2018 public projects—approximately \$1.59 billion through October—tops the approximately \$1.53 billion 10-month tally in 2016, Hawaii construction's banner year.

And possibly signaling a new condo boom, a \$510 million condominium/hotel by Avalon Development was granted a permit in November by the City & County of Honolulu.

Sky Ala Moana's Interim Planned Development-Transit (IPD-T) permit allows greater height and density in exchange for long-term community benefits.

"The budget is set, the funding is available." —Bill Brennan

IPD-T permits, a transit-oriented development (TOD) incentive used by other new condo projects along

Bill Brennan

Kapiolani Boulevard, are tied to the city's rail project. So it's good to know that rail funding—or the lack of it—is not really an issue, according to Bill Brennan, director of communications at the Honolulu Authority for Rapid Transportation (HART).

"The budget is set, the funding is available," Brennan says. "The city is working out the final details of its



Hensel Phelps is building the \$140 million Hawaii State Hospital New Patient Facility, a 2019 Department of Accounting and General Services (DAGS) project. RENDERING COURTESY HENSEL PHELPS CONSTRUCTION CO.

commitment, after which the Federal Transportation Administration is expected to approve the project's Recovery Plan, and release the balance of federal funding." As part of its commitment, the city in October approved \$44 million in bond financing.

"Major building industry sectors will remain busy."

—Jay Manzano

Fixing the Holes

A new boom may also spring from public projects targeting holes in Hawaii's infrastructure. Jay Manzano, president of the General Contractors

Association of Hawaii, sees progress in many areas.

"On the state and county level," Manzano says, "Hawaii construction will benefit from the Statewide Airport/



Jay Manzano

Harbor Modernization Program, the Honolulu Rail Transit Project and the wastewater and treatment systems improvement/upgrade projects per



HDOT's Kapalama Container Terminal Phase I, currently underway by Kiewit Infrastructure West PHOTO COURTESY HAWAII DEPARTMENT OF TRANSPORTATION

the consent decree with the U.S. Environmental Protection Agency and the state Department of Health."

Additional project funding, he notes, may also be available through the nearly \$90 billion earmarked for infrastructure repair in the 2018 federal budget.

The combined value of three ongoing public projects alone—the Mauka Extension at the Daniel K. Inouye International Airport, Phase I of the Kapalama Container Terminal (KCT), and the Hawaii State Hospital



The Mandarin Oriental, a new luxury project on Kapiolani Boulevard.
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New Patient Facility—is more than \$550 million.

KCT Phase II, valued at \$250 million, will soon go out to bid.

Overall, "major building industry sectors will remain busy," Manzano says. "Work will include affordable housing and timeshares, hotel

renovations, high-rise residential condos, military projects from both the Army and Navy ... DOE projects, and road and bridge improvement and renovation projects."

Kakaako Mauka

In addition to Sky Ala Moana,

other big-ticket condominiums are slated to pop up within the Kapiolani corridor, dubbed "Kakaako Mauka" by TOD planners. These include The Central Ala Moana, a 513-unit condominium, set to break ground in early 2019 with Hawaiian Dredging Construction Co. Inc. as GC; 1500







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Kapiolani, a 444-unit condo and its sister property, the Mandarin Oriental; and three other towers—the Azure, the Hawaii Ocean Plaza and the Hawaii City Plaza.

Meanwhile, 2019 condo and related construction in neighboring Kakaako is still humming. A'ali'i, the fifth residential tower in Ward Village developed by The Howard Hughes Corporation, broke ground in October with Albert C. Kobayashi Inc. as GC. HHC's Ko'ula, a new 565-unit residential tower on the site of Kakaako's former farmers' market, is poised to break ground in 2019. Construction on HHC's Kewalo Harbor renovations, with Sea Engineering Inc. as GC, and on Ward Village's expansive Victoria Ward Park, with Layton Construction Co. LLC as GC, is ongoing.

Other current Kakaako residential towers include Hale Kewalo, Ola Ka'Ilima Artspace Lofts and Nohona Hale.

Real TOD

TOD, long touted as a sure path to more affordable housing and economic growth, is breaking ground in 2019 with projects that run the gamut from street rehabilitation to park pavilions.

Harrison Rue, the city's community-building and TOD administrator, cites \$21.3 million earmarked for roadwork in three Honolulu neighborhoods alone. First out for bid in 2Q 2019 is rehabilitation of Kakaako streets for \$9.5 million. At Ala Moana Beach Park, \$6 million in park pavilion upgrades is up for bid in 2Q 2019 as well.

Across town, the massive \$1.3 billion redevelopment of Mayor Wright Homes, a kingpin TOD project, is closing in on its proposed 2019 start. "The state Environmental Impact Statement was accepted by Governor Ige on April 24, 2018, and ... the Federal National Environmental Policy Act EIS is still going through the process," says Benjamin Park, a planner with the Hawaii Public Housing Authority.

TOD, often mischaracterized as limited to Oahu, is underway on the Neighbor Islands, too. On Kauai, for example, Hanapepe's \$3 million TOD Complete Streets project is slated to break ground next year.

On the Home Front

Long-term residential construction on Oahu next year includes Hoopili (\$4.6 billion in reported permit value) and Koa Ridge (\$2 billion). Ongoing development of approximately 120 new homes in Gentry Homes' SEAbridge and Coral Ridge communities is also underway. On the Neighbor Islands, a host of smaller and phased residential projects are going up, including Kealohilani and Highlands

Kapiolani Corridor's New Condominiums & Hotels			
PROJECT	PERMIT	VALUE	START DATE/GC
Sky Ala Moana	IPD-T	\$510 M	Unknown
The Central Ala Moana	State of Hawaii 201H permit through HHFDC	Unknown	Early 2019/ Hawaiian Dredging Construction Co. Inc.
1500 Kapiolani	IPD-T	Unknown	Unknown
Mandarin Oriental (aka Mana'olana)	IPD-T	\$1 B (reported)	Unknown
Azure	IPD-T	Unknown	Unknown
Hawaii Ocean Plaza	IPD-T	Unknown	Unknown
Hawaii City Plaza	IPD-T	Unknown	Unknown





Niumalu Marketplace, a new 180,000-square-foot shopping center in Kailua-Kona RENDERING COURTESY AHL/SENTINEL REAL ESTATE GROUP

Ongoing 2019 Public Projects				
PROJECT	GC	VALUE	AGENCY	
Mauka Extension – Daniel K. Inouye International Airport	Hensel Phelps Construction Co.	\$240M	HDOT	
Kapalama Container Terminal (KCT)	Kiewit Infrastructure West Co.	\$174.1M	HDOT	
Hawaii State Hospital New Patient Facility	Hensel Phelps Construction Co.	\$140M	DAGS	
		TOTAL: \$554.1M		

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Kehalani by D.R. Horton, offering a combined total of 170 single-family homes near Wailuku.

Military Might

NAVFAC Hawaii and the U.S. Army Corps of Engineers are also adding muscle to Hawaii's construction market.

A conservative estimate of the total value of next year's 53 NAVFAC Hawaii/NAVFAC Pacific "Potential FY19 Projects" is approximately \$325 million. USACE just awarded two new projects with a combined value of more than \$60 million, in addition to the \$284.4 million USARPAC Command and Control Facility Phase 3 at Fort Shafter, and the \$75 million Behavioral Health/Dental Clinic Addition Phase 1 at Schofield Barracks, both currently underway by Hensel Phelps Construction Co.

"The homebuilding industry should be growing."
—Gladys Marrone

Bumps in the Road

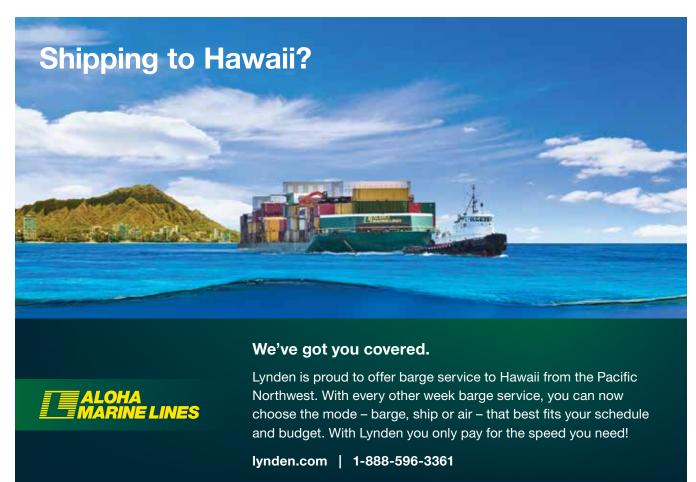
"The increase in tariffs have already impacted the cost of construction materials in Hawaii, which will eventually increase the cost of construction projects," says Manzano.

Other obstacles to a smooth industry takeoff include permitting delays and labor shortages.

"The homebuilding industry should be growing in order to accommodate our residents, their families, and the growing population," says Gladys Marrone, CEO of the Building Industry Association of Hawaii.



A gantry installs sections of HART's guideway between columns PHOTO COURTESY HART







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Oahu (808) 832-9245 • Maui (808) 877-5068 2344 Pahounui Drive • Honolulu, HI 96819 • www.hcdhawaii.com "However, delayed permits threaten that growth."

Bill 64, passed in November by the Honolulu City Council, requires some residential permits to be issued within 60 da



permits to be Gladys Quinto issued within 60 days Marrone of an application, and may achieve some of the goals advocated by BIA-Hawaii and the Oahu Homebuilders Coalition—Permitting Now, a building industry advocacy group.

"Employers are... feeling the pinch."—Jonathan Young

The migration of local workers to the Mainland and an aging labor force also sap the industry. "Workers are being spread thinly, (and) employers are also feeling the pinch," says







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Jonathan Young, president and CEO

of the Associated Builders and Contractors Inc. Hawaii chapter. "Our ABC Construction Backlog Indicator, which shows the time between when a project is ready



Jonathan Young

for work to commence and when the contractor can actually start the work, has increased steadily over 2018 YTD, and is expected to continue to expand even further into 2019."

The "September Construction Forecast" by the University of Hawaii Economic Research Organization also sounds a note of caution: "With the economic upswing in its eighth year ... uncertainty about government policy and the business environment may weigh on investment plans."

But as signs of a new boom overall prosperity, a pro-business administration and big new projects continue to mount, Berra might offer a different take: "It ain't over till it's over."

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Black Construction MarksSix Decades on Guam

The company has been blessed with heavy workloads since 1958, says its General Manager

BY MAR-VIC CAGURANGAN

lack Construction Corp. celebrated its 60th anniversary on Guam with a sprawling reception in October at the company's compound in Harmon,

where its building serves as a landmark in Dededo's construction district.

"Our company started in 1926 in Hawaii, so we have been around for many, many years.



Leonard Kaae

We are proud and honored to be part of the development on Guam," says Leonard Kaae, Black Construction's senior vice president and general manager whose career with the firm spans 25 years throughout the Pacific Rim.

Over the years, Black expanded to other islands and is now one of the largest construction companies in the Western Pacific. "If you consider the rest of the region, I'd say we probably have done over a thousand projects," Kaae says.

The company's history on Guam dates back to post-WWII. It began operating on the island in June 1958 in a joint venture to build 1,000 houses for the U.S. Air Force. Black has since built about 700 defense and civilian projects on Guam.

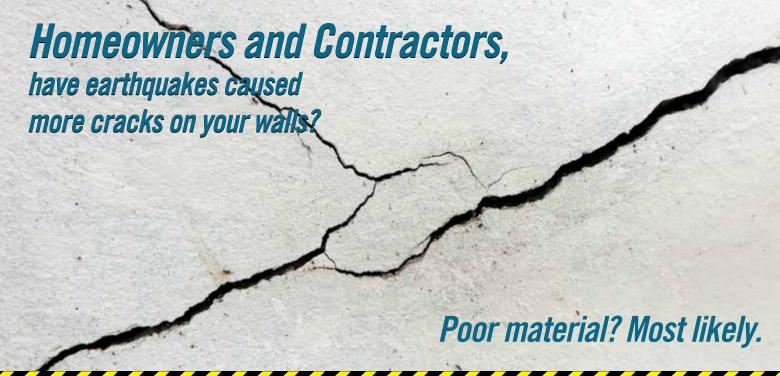
"We also went to the Philippines in 1959, so next year we will celebrate our 60th year of continual presence."

Operating as a subsidiary of Tutor Perini Corp., Black Construction provides civil, structural, architectural, mechanical and electrical engineering services. Besides Guam and the Philippines, the company has clients in the Northern Marianas, the Federated States of Micronesia, Palau and the Marshall Islands and Diego Garcia.

According to its website, Black Construction had \$547 million worth of completed contracts throughout the region between 2000 and July 2018.

"We have been blessed with a lot of different things going on, not only on Guam but in other islands in the region as well," says Kaae, whose primary responsibilities include the overall management of Black's daily field operations, estimating and technical requirements along with coordinating the necessary manpower and equipment resources.

Black Construction is currently working on the terminal building structural upgrade and concourse isolation project at the Antonio B. Won



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Leonard Kaae, second from left, joins Guam officials during the partial opening of the arrival corridor at the AB Won Pat International Airport.

Pat International Airport Authority. The \$97 million project, financed with federal and local funds, involves adding features to allow the separation of departing and arriving passengers at the Guam airport. Construction began in March 2017 and substantial completion is anticipated in August 2019.

In the Northern Mariana Islands, Black will soon break ground on a \$120 million low-income housing tax-credit project for developer Triple J Enterprises. The project involves 48 three-bedroom residential units on Saipan. "We're just about to start this project," Kaae says.

conditions, and a high-bay corrosion control hangar consisting of two bays: a planned maintenance interval bay and a corrosion control bay.

In August 2017, Black Construction was awarded a \$78 million contract for design and construction of a live-fire training range complex at Northwest Field on Andersen Air Force Base. Although the project is scheduled for completion in November 2020, NAVFAC has yet to announce a groundbreaking date.

Black Construction also is currently working on an insulated, pre-engineered, single-story, metal building on award and the National Pyramid Award for the regulatory closure of Saipan's Puerto Rico dump, a \$21 million project that entailed the installation of dump static and seismic slope stability, installation of drainage and erosion control, installation of a landfill gas system and the final cover system.

Black Construction has 1,110 employees throughout the region, including 370 on Guam. But the overall number of workers on the island is not adequate to meet the amount of work. In December 2015, the U.S. Citizenship and Immigration Service stopped issuing H-2B visas for Guam. The federal government, through the National Defense Appropriations Act of 2018, eased the foreign worker visa restrictions, but only for projects related to the military buildup.

Looking ahead, Kaae says potential issues affecting Guam's construction industry include the embargo of steel from foreign countries, the surge in fuel cost that subsequently raised ocean transportation, local tax increases and the manpower shortage on the island. "Obviously labor is a problem," he says. "Everybody is impacted by the shortage of labor—that is a major concern.

"Like all businesses, in order to succeed, we must continue to hire and train young people to allow them the opportunity to take over one day, and also to continue to improve our processes as technology improves. That's our short-term goal."

Long-term, Kaae says, Black aims "to be as competitive as we can in the market, recognizing that our employees are the most valuable assets that we have."

"If you consider the rest of the region, I'd say we probably have done over a thousand projects."

—Leonard Kaae

Since its entry into the Guam market, Black has done a large amount of work for the Department of Defense, playing a significant role in the \$10 billion military buildup program on Guam.

On Sept. 27, the Naval Facilities Engineering Command Pacific awarded an \$82 million contract to Black for the design and construction of an aircraft maintenance facility and a corrosion control hangar with supporting facilities at Andersen Air Force Base.

The work to be performed provides for a low-rise airframes shop facility with slab-on-grade shallow foundation, reinforced concrete walls and roof, including windows, mechanical and electrical systems appropriate to Guam earthquake and environmental Wake Island under a \$12.4 million contract awarded by NAVFAC in September 2017. The facility will provide workspace for approximately 60 deployed personnel during Missile Defense Agency test events.

The company's thick portfolio also comes with a number of awards. It is a 10-time winner of the GCA Contractor of the Year. And in March, Black Construction won the Associated Builders and Contractors' top Excellence in Construction award in the heavy infrastructure category at the national association's 28th annual award ceremony. The award was for the reconstruction of the Chuuk International Airport existing airfield.

At that ABC event, Black also received the National Safety Excellence







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Hot Products, Great & Small

From cranes to workshirts, 2018 brought a variety of new items for the construction industry

BY BRANDON BOSWORTH

eed a crane capable of walking through doorways? A way to secure your roof during a hurricane? Or how about just a shirt to keep you safe and cool on job sites? 2018 saw a variety of innovative new construction products hit Hawaii shores.

The Big Boys

This year Western Pacific Crane & Equipment delivered the first Grove GMK4100L-1 in Hawaii to Keaau

Service Station. This crane features 197 feet of main boom, 58-foot jib and aluminum wheels.

"It's also the first Grove all-terrain

Dennis Piatek

crane to feature
Max Base which
allows the outriggers
to be deployed at
various positions,"
says brand manager
Dennis Piatek.

He adds that Grove products are popular with Western Pacific Crane & Equipment customers. "From small mom-and-pop to large construction companies, most have at least one rough-terrain crane in their equipment fleet," Piatek says.

He says Grove recently introduced an extended warranty on new GRT model rough-terrain cranes. "Standard warranty is two years and customers can now extend up to five years of bumper-to-bumper coverage," he says.

Among 2018's best-selling products

for Hawaiian Crane & Rigging Ltd. were big crawler cranes that can put out nearly 480 feet of boom.

"Just the ability of being able to pick up, say, a 400,000-pound load and then 'walk' with it gives us one



Kerwin Chong

more facet of service to the construction industry," says Kerwin Chong, the company's vice president. "Another surprisingly popular product that we have is on the other end of the spec-

trum: our mini-spider crane."

Manufactured by UNIC Cranes Europe, the Spydercrane 200 is available in several sizes and features a variable geometric footprint courtesy of adjustable outriggers, allowing for set-up in tight spots such as hallways, balconies, or around obstacles.

"We typically bare rent this thing to contractors to do steel erection on the top of parking decks, where their smallest forklift would exceed the parking deck rating. At 4,000 pounds, the mini-spider crane weighs a little more than a Toyota Prius," Chong says. "It has about 200 feet of line on the main drum so it can easily take delivery off the side of a 150-foot-tall building. It's electric; it has an internal battery or it can be plugged into a standard 110V outlet. And, it can walk through a standard door and then set up in a confined space with a nine-foot ceiling and put out 30 feet of boom."

Tech Time

This summer, San Francisco-based DroneDeploy released Live Map, a feature that allows drone operators to create real-time maps in the field with their iOS device. Users can see maps rendered on-screen during flight without the need for internet or cell connection.

"It's a big move for us," says Mike Winn, CEO and co-founder of DroneDepoly. "This tool is for people looking for real data in real time."

Winn says previ-



Mike Winn

ously devices would take three to four hours to process data from drones..



Hawaiian Dredging & Construction Co. Inc. used a new UNIC Spydercrane on the 100-foot parking deck to take delivery of materials over the side of the building from the ground. PHOTO COURTESY HAWAIIAN CRANE & RIGGING



DroneDeploy's Thermal Live Map is a thermal mapping tool allowing drone operators to see temperature variability on the ground in realtime. PHOTO COURTESY DRONEDEPLOY

Live Map can generate a 3D map of a 40-acre site within 10 minutes.

"There's no SD cards, no uploads and no waiting," he says. "Now our customers, from across any industry, can get the data they need, immediately providing the instant insights and enabling them to make real-time decisions, right in the field."

Winn says it is becoming easier for companies to utilize drones in the field. "The key thing is the accessibility of tech," he says. "We recommend some drones that only cost \$1,000. A few are small enough to fit in a backpack. Our basic software is free."

Soon after the release of Live Map, DroneDeploy released Thermal Live

Map, a thermal mapping tool that allows drone operators to see temperature variability on the ground in realtime. Live thermal footage from a drone can be streamed directly to a user's smartphone. A SD card or an internet connection is not required. The display is color-coded to show temperatures, and operators can view both the data as it's collected and the larger image it's being stitched into. The map syncs to the Cloud once the device is connected to the internet.

Hurricane Hardware

Hawaii dodged a couple of potential major hurricanes this year, but the good luck can't last forever.



(from left) The new HPT hurricane tie by Simpson Strong-Tie Co. was designed specifically for Hawaii homes and is the result of a decade of development; UltraTech's Ultra-Aqua Bag is a sandless sandbag designed to protect property against water damage.

Fortunately, there are products available to help make Island buildings more storm-resistant.

The new HPT (Hawaii Plantation Tie) hurricane tie by Simpson Strong-Tie Co. was designed specifically for Hawaii homes.

"We started working on it about

10 years ago," says Tim Waite, senior territory manager. "We make about 20 or 25 different hurricane ties, mostly for new construction projects. It's really difficult to find the right tie for Hawaii's



Tim Waite

plantation-style single-wall homes. Contractors were struggling to create their own, testing them in their garages. We decided to make our own."

The goal was to meet the Hawaii Wind Resistive Devices (WRD) required minimum of 400 pounds of allowable uplift.

"We went through about nine different prototypes before we got to our target," Waite says.

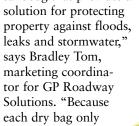
The resulting HPT connects the wall to the rafter, avoiding interference from the blocking. The strengthened transition area of the HPT helps the structure resist high wind and allows the transfer of forces from the roof to the wall to help prevent damage.

Majestic's high-visibility snag-resistant shirt with reflective striping was chosen "New Product of the Year" in the Protective Apparel category for 2018 by the Occupational Health & Safety magazine. PHOTO COURTESY GP ROADWAY SOLUTIONS

The HPT is only sold in Hawaii. "We don't make a lot of money off it. It's more of a public service project. At least 700 homes have already been retrofitted with the ties," Waite says, noting that the ties along with professional installation would run about \$2,000.

If a storm does hit, flooding becomes an issue. For those situations, UltraTech offers the Ultra-Aqua Bag, a sandless sandbag designed to protect property against water damage.

"The Ultra-Aqua Bag is a revolutionary water barrier or sandless sandbag that provides an effective



weighs a third of a pound and lays flat, it is ideal for Hawaii's property man-





Bradley Tom

"It is easy to store cases of it dry and only hydrate and use it when the need arises. To plan effectively for hurricanes, many hotels and businesses near the ocean or

streams would need to store messy sandbags. In the past, we would get calls from property managers in a





TechLevel 150 by CustomTech levels floors prior to the installation of ceramic tile, natural stone tile, resilient flooring, carpet, wood and other floor coverings.

panic, looking to get filled sandbags on the day of an approaching hurricane. Now you can have a few cases of this Ultra-Aqua Bag in a closet and only bring it out when it is needed."

Constructed of hydrophilic, nonwoven fabric covering four layers of absorbent polymer, the Ultra-Aqua Bag measures 17 inches by 22 inches when dry. It can be fully activated and ready for use after approximately five minutes of water immersion. Once filled it remains useable for one to three months depending on temperature, humidity and other environmental factors. Properly stored, dry Ultra-Aqua Bags have a shelf life of 10 years.

Safe Shirts

Meeting ANSI/ISEA 107-2015 Class 2, Type R Standards, Majestic's high-visibility snag-resistant shirt with reflective chainsaw striping was chosen "New Product of the Year" in the Protective Apparel category for 2018 by the Occupational Health & Safety magazine.

"These shirts seem like they were designed for our construction workers in Hawaii's hot tropical weather," Tom says. "They took the same material used in high-performance apparel and created a high-visibility shirt suitable for construction workers. It has the same moisture wicking properties as other sports gear to keep the workers cooler during the day. It has vented sides for airflow and breathability. The required reflective striping is now in a chainsaw design to make it more comfortable by not reflecting as

much heat as solid striping does.

"The new design has several features that make it practical. The black bottom helps to hide the area that gets most soiled. The chainsaw striping also wears better after several washings than solid striping. The material is snag-resistant for easier care."

Fast Flooring

TechLevel 150 by CustomTech levels floors prior to the installation of ceramic tile, natural stone tile, resilient flooring, carpet, wood and other floor coverings. It helps eliminate installation problems such as bond failure, crumbling and staining of resilient



Annie Kuhlmann

flooring caused by the free moisture found in traditional underlayments.

"This product is a self-leveling underlayment that will achieve greater than 4300 psi compressive strength in

a low-prep technology," says Annie Kuhlmann, branch manager of CanDo Supply. "Where many self-levelling products' maximum depth neat is one inch, this product can be poured neat up to 1.5 inches."

In 2019, Kuhlmann says CustomTech will be releasing TechLevel 125. "It's a versatile deeppour self-leveling underlayment, poured neat up to three inches. This will save contractors time and money. Owners will have their floors leveled back sooner. Everyone is satisfied with a job well done."



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GREEN AND COOL

Heat-reflective and energy-saving paints and finishes gain popularity among the Islands' painters and suppliers

BY BRANDON BOSWORTH

awaii's sunny weather can be hard on house paint, but new options make repainting—as often as every seven years, says one expert—a better option than ever before.

"Over time, UV exposure leads to the breakdown of the paint," says Sean Dunham, estimator-project manager at Kawika's Painting. "The most common cause of premature wearing is due to inadequate mills applied. However, add too many millimeters and the paint loses breathability and is more likely to delaminate due to trapped moisture.

"Regular-scheduled repaints every seven years with any manufacturer's middle-of-the-line paint will produce good results. High-end paint still looks bad seven years later with all the dirt

Sean Dunham

and grime from our roads so, in our experience, doesn't provide the benefit for the cost as it is prohibitive to clean a high-rise versus a house."

New paint can have the added

benefit of keeping homes cooler, says Jodi Allen, chief marketing officer at

Behr Paint Co.



Jodi Allen

"Heat-reflectance is a function of reflecting light in the infrared portion of the light spectrum," Allen says. "Coatings with high-reflectivity colors, like white

paints, can be used to reflect or bounce energy off a surface. Generally, additional colorant in the paint makes it less reflective."

"Heat-reflective coatings have been in the market for the past several years," says Sheldon Ibara, business development manager at JD Painting and Decorating. "Its popularity and



steady growth has primarily been the result of increased fuel charges and finding alternative sources to minimize air-conditioning usage.



Sheldon Ibara

"Recent technology," Ibara adds, "has made significant improvements in transforming heatreflective coatings to what were once predominantly just roof coatings to now vertically applied wall coatings.

"These days, painting contractors have the ability to provide energy-



Dean Nagatoshi

saving cost to their clients as an option."

Dean Nagatoshi, executive director of the Painting and Decorating Contractors Association of Hawaii, says these

sorts of paints have proved especially popular when it comes to roofing.

"Heat-reflecting paints in Hawaii



Hawaii's tropical environment necessitates regular repainting of homes. PHOTO COURTESY BEHR PAINT COMPANY

have been mainly associated with roof coatings due to their thermal protec-

tive characteristics," Nagatoshi says. "Roof coatings are gaining in popularity due to their low costs and ability to extend the life of existing roofing systems."



Corey Haitsuka

"These types of coatings are out there and starting to gain a little momentum," says Corey Haitsuka, business development manager at Kawika's Painting. "There aren't too many local suppliers that carry them." The benefits of heat-reflecting paints sound appealing "from reading some reports," Haitsuka says. "They seem to work well, lowering temperatures by about 10 degrees in some cases."

New paints are more "green" as well. "Practically every supplier has an 'eco-friendly' line of finishes," says Haitsuka. "There are also a lot less alkyd-based (oil) products."

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Plenty of Work, Too Few Painters

PDCA and others offer apprenticeship programs to attract and retain a solid workforce

BY BRANDON BOSWORTH

New projects and repainting work promise to provide plenty of work in the upcoming year, but are there enough painters to do the jobs?

"After seeing a decrease in work from the military and the private sectors we are cautiously optimistic for year 2019," says Dean Nagatoshi, executive director of the Painting and Decorating Contractors Association of Hawaii. "From Kakaako to Kapiolani Boulevard, more residential high-rise projects appear to be on the horizon and we are hopeful that more single-family and townhouse residential projects will also be built. We also hope to see more projects from the military in 2019."

Sheldon Ibara, business

development manager at JD Painting and Decorating, wonders if there are enough painters to meet the demand.

"Currently, there seems to be a shortage of individuals interested in the painter apprenticeship program," Ibara says. "Unfortunately, it is from this pool of candidates that the next generation of journeyman painters will be selected to continue this skilled trade in Hawaii."

As current workers age, the problem will just get worse. "Construction—with painting being no exception—has an aging workforce that is retiring with not as many people entering the trades," says Sean Dunham, estimator-project manager at Kawika's Painting. "Barring a

market correction, everyone will be having to find ways to attract, train and retain the next generation of tradespeople. We maintain an apprenticeship program but are always trying to find a way to make it more attractive to those entering the workforce versus other career opportunities."

The PDCA's Nagatoshi is a bit more optimistic than some of his peers when it comes to finding new tradespeople.

"Like any industry," he says,
"there are always fluctuations, but
our apprenticeship training program
continues to attract and train new
workers that are interested in going
into the painting industry."





"Low- or zero-volatile organic compounds (VOC) paints are being specified more frequently," Nagatoshi says. "Volatile organic compounds emit gases that have an effect on air quality."

"For many years, we've seen environmentally friendly paint products on the market," Allen says. "Over time, technological advancements in low-VOC paints have led to products that are both environmentally conscious and durable with high-performance characteristics. Government regulation limits VOC levels for paint at 380 grams per liter (g/l) for most finishes (e.g., semi-gloss, eggshell, satin) and 250 g/l for flat finishes. Professionals are now able to leave the store with a low-VOC product that will perform well and last."

"These days,
painting
contractors have
the ability to
provide energysaving cost to
their clients as
an option."
—Sheldon Ibara

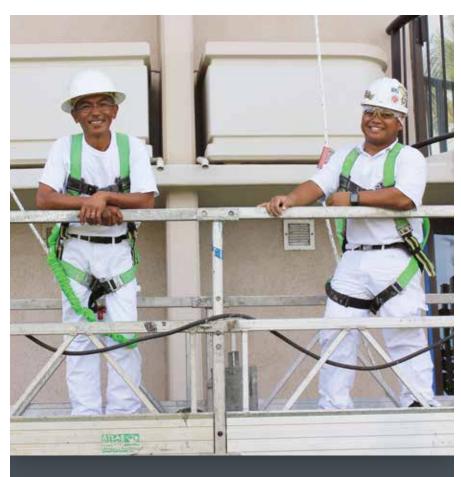
"Currently, a lot of specifications call out for low-VOC paints for interior applications," Ibarra says. "Low VOC is defined as 50 grams per liter or less. Most premium grade paints today are low-VOC and are self-priming, meaning that they can be applied over themselves with proper surface preparation."

Ibarra adds that "every major paint manufacturer" offers zero-VOC paints. However, he says, "zero-VOC is not the same as zero odor. Paints still have binders that may have an offensive odor to sensitive individuals, especially in an enclosed space with very little air circulation. Also, unless you are using a pure white paint, or the paint store is using zero-VOC colorants, the colorants may be 'contaminating' your zero-VOC paint."

Brands offering zero-VOC options include Behr, AFM Safecoat, Benjamin Moore, Sherwin Williams and Yolo Colorhouse.



The Westin Princeville is being painted by crews from JD Painting and Decorating. PHOTO COURTESY JD PAINTING AND DECORATING



Finish Well.

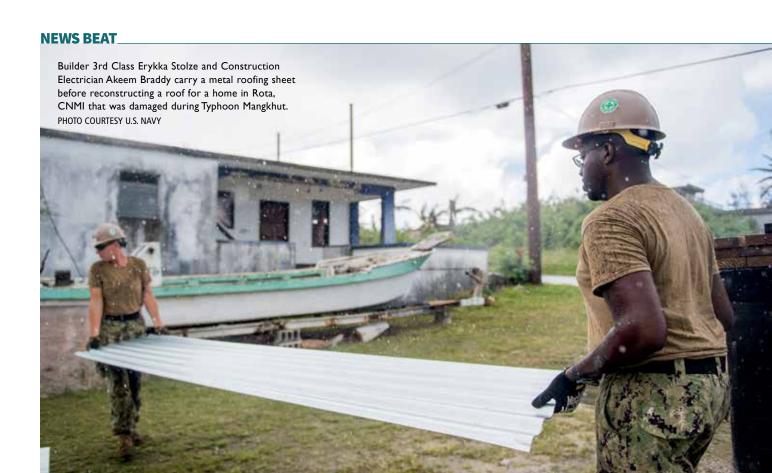
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Seabees Repair Roofs in Rota After Typhoon

Sailors assigned to Navy Mobile Construction Battalion (NMCB) 1, Detachment Guam, reconstructed emergency temporary roofs on homes damaged during Typhoon Mangkhut in Rota, Commonwealth of the Northern Mariana Islands (CNMI) that hit the islands in September.

The Category 2 typhoon was the strongest storm to hit the island since 2002, with maximum sustained winds

of over 160 kilometers per hour.

The Seabees arrived in Rota on Oct. 10 to conduct same-day to multi-day reconstruction efforts on the affected homes. They removed damaged roofing materials and ensured homes were structurally sound before reconstructing temporary emergency roofs, able to withstand wind forces from future storms.

"I believe a lot of people join the

military to make a difference in the lives of others and be a part of something important," says Builder 1st Class Scot Crist. "As Seabees, humanitarian relief and disaster recovery missions like this give us the chance to make that difference and see the impacts made in communities and individual lives."

During their mission in Rota, NMCB 1 completed a total of 33 emergency temporary roofs for homes.

EIS for \$1.3B MWH Project Underway

The Federal National Environmental Policy Act (NEPA) Environmental Impact Statement (EIS) for the proposed redevelopment of Mayor Wright Homes, a Hawaii Public Housing Authority residential community in Honolulu, is currently undergoing the approval process. This follows the April acceptance by Gov. David Ige of the state's EIS, and a \$4.5 million appropriation by the 2018 Legislature for Capital Improvement Project (CIP) bond funding for predevelopment and planning needs at the Mayor Wright Homes site.

MWH's proposed redevelopment

calls for new construction of approximately 2,500 rental units in at least three high-rise residential towers, a commercial center and a park, and has a reported value of \$1.3 billion. A construction start date, originally slated for 2019, has yet to be released.

Global Begins Pearl City Pool Project

Global Specialty Contractors Inc., which has offices in Hawaii and Minnesota, began a \$972,000 renovation and repair project at the Pearl City District Park swimming pool.

The pool was closed on Nov. 1 and is expected to remain closed until the work is completed in Fall 2019.

The scope of the project includes addressing concrete spalling, replacing pool equipment, re-plastering the pool, retiling the training pool, upgrading the drainage, installing new ceramic tile lane markers, replacing the pump room concrete deck and installing a new chain link fence.



Brian Ninomoto (left) of Hawaii Sheetmetal & Mechanical in Hilo receives the first-place Safety Award in the 1-25,000 man-hours category from Sheet Metal and Air Conditioning Contractors National Association President Jack Knox at the SMACNA convention in San Diego on Oct. 17. Also, SMACNA Hawaii placed third nationally for highest participation of chapter contractors who submitted the safety survey.

PHOTO COURTESY SMACNA HAWAII



Visa Approval Paves Way for Construction of Guam's Tsubaki Tower

5M Construction has received the U.S. Citizenship and Immigration Services' approval for its H-2B petitions for 38 foreign workers who will pick up the construction work for Ken Corp.'s stalled luxury hotel project in Tumon.

The 340-room Tsubaki Tower, estimated to cost \$180 million, is the first civilian project to have received H-2B visa approval under the National Defense

Authorization Act, which authorizes the hiring of skilled workers for projects related to the military buildup.

"The Tsubaki Hotel project is the first private sector project to be designated as being associated with the military realignment and to be approved as such by USCIS. Previous approvals were for government projects," according to a statement from the governor's office.

Ken Corp. broke ground on the project next to Nikko Hotel in 2016. It was originally anticipated to be completed in October 2018 and scheduled for its grand opening in 2019. However, the subsequent labor crisis, resulting from the federal clampdown on H-2B visas for Guam, impeded project progress.



At the project site are, from left, Nick Sonoda of Benjamin Moore & Co., Jaime Dominguez of JD Painting and Decorating, Helping Hands Hawaii's COO Susan Furuta and CEO Jan Harada and PDCA of Hawaii Executive Director Dean Nagatoshi.

PHOTOS BY ANJJ LEE

PDCA Members Give Helping Hands Hawaii a Facelift

Members of the Painting and Decorating Contractors of America's Hawaii chapter volunteered their time and skills to put a fresh coat of paint on Helping Hands Hawaii's building on Nimitz Highway.

"We are happy to do this work for Helping Hands Hawaii because their programs serve a wide range of people in Hawaii who need the help," says PDCA of Hawaii Executive Director Dean Nagatoshi.

PDCA of Hawaii partnered with contractor member JD Painting and Decorating Inc. and associate member Benjamin Moore & Co., which donated the materials, to paint the exterior of the building.

"The building hasn't been painted since we purchased the property nearly 20 years ago," says Jan Harada, president and CEO of HHH, "and



now our clients, business partners and other guests will be greeted with a brighter, more welcoming facility."

The project began on Oct. 22 and was completed on Nov. 2.

Sheldon Ibara of JD Painting and Decorating pointed out that the building was due for a facelift because it looked "dingy," and the exterior paint was "faded and chipped. We're glad to provide assistance to Helping Hands Hawaii, and enjoy participating in PDCA's campaign of giving back to the community."

OSHA Issues Final Rule on Crane Operators

The U.S. Department of Labor's Occupational Safety and Health Administration (OSHA) published a final rule on crane operators that clarifies certification requirements and takes effect on Dec. 9.

The final rule also maintains the employer's duty to ensure that crane operators can safely operate the equipment, and also safety and health protections for workers while reducing compliance burdens, according to OSHA.

The evaluation and documentation requirements under the final rule will become effective on Feb. 7, 2019.

Under the final rule, employers are required to train operators as needed to perform assigned crane activities, evaluate them and document successful completion of the evaluations. Employers who have evaluated operators prior to Dec. 9 will only have to document when those evaluations were completed.

The rule also requires crane operators to be certified or licensed, and receive ongoing training as necessary to operate new equipment. Operators can be certified based on the crane's type and capacity, or type only.

For more information, go to osha.gov.

Plaza Construction to Build \$540M Miami Tower

General contractor Plaza Construction is expected to begin work in 2019 on the SkyRise Miami, a 1,000-foot-tall entertainment and observation tower that will be the tallest building in Florida.

The project by developer Berkowitz Development Group is valued at \$540 million, according to The Real Deal, a South Florida real estate news outlet.

The downtown Miami tower, reports constructiondive.com, will overlook Biscayne Bay and include an indoor drop tower-style ride with a 95-mph descent speed, as well as five observation decks, a 55-mph base-jumping experience, a zero-gravity tunnel, a transparent slide, a transparent deck at 866 feet and a "skywalk" at 908 feet.



Rendering of the SkyRise Miami

The project, scheduled to wrap up in 2023, also will feature restaurant, music and bar space; an indoor playground; 14,000 square feet of combined event and ballroom space; a 9,500-square-foot conference center with another 4,000-square-foot area for circulation; and an open-air terrace.

Lego-inspired Home Ready for Move-in

A Vancouver Island home built using cutting-edge green technology is now move-in ready. Called the "Harmless Home," the exterior walls are made of Lego-like blocks made of compressed hemp, lime and water.

The home, near Victoria, is being touted as the safest and most energy-efficient house possible. The fire-resistant blocks are manufactured in Calgary.

"We heat it up to over 1,500 degrees Fahrenheit and it barely has an impact," Just Bio Fiber builder



The Lego-like exterior blocks

Mark Faber told Global News. "Very unlikely for this house to catch fire."

The blocks also absorb carbon, he said, making them grow stronger over time.

IPI Named Construction Manager \$1.6B Aluminum Mill

Industrial Project Innovation LLC (IPI) was named construction manager by Braidy Industries Inc. for its \$1.6 billion aluminum rolling mill project in Ashland, Ky.

IPI joins the existing team of Kiewit Construction, SMS Group and EBNER Industrieofenbau GmbH Construction.



Aluminum mill under construction in Kentucky

IPI will be responsible for program planning, construction management, project cost and schedule control, according to Aluminum Insider.

The facility is the country's first greenfield aluminum rolling mill to be built in 35 years. Work on the 2.5 million-square-foot mill began in June and is expected to be completed in 2020.

Work Begins on Morocco Skyscraper

Work has begun on Morocco's

Bank of Africa tower, which at 820 feet tall will be the second-highest sky-scraper on the continent behind The Pinnacle, which is under construction in Nairobi, Kenya.

Rising to 55 floors in the capital of Rabat, the Bank of Africa tower will host a luxury hotel, apartments, office space and a viewing terrace at the top. It is due to be completed in May 2022. The new skyscraper is being built by construction firms BESIX Group and Travaux Generaux de Construction de Casablanca (TGCC).



Rendering of the Bank of Africa tower in Morocco

The Pinnacle will reach 984 feet and is due to be finished in December 2019, overtaking the record held by the 732-foot Carlton Centre in Johannesburg, South Africa.

Brandt Joins A&B as Senior VP

Jordan Brant has been named senior vice president, leasing, at Alexander & Baldwin Inc. (A&B), the state's fourth-largest private landowner.

Previously, he was director of leasing in Hawaii for Brookfield Properties, with responsibility for Ala Moana Center, Whaler's Village and Prince Kuhio Plaza.

Brant earned a bachelor's in speech communications from the University of San Diego.

Nibler New COO at Island Stone

Jeff Nibler was named chief operations officer and president of sales at



Jeff Nibler

California-based Island Stone.

He brings 16 years of experience in the tile industry to Island Stone, which is headquartered in Santa Cruz, having worked his way up through

inside sales, customer service, outside sales and management.

Island Stone products are available at multiple Hawaii locations such as Hawaii Stone Imports on Oahu and the Big Island, Daltile on Oahu and LEI Floor & Window Coverings, Maui Marble and Granite and Ohana Interiors on Maui.

Mason Architects Promotes Three

Joy Davidson has been named a partner at Mason Architects Inc. A 16-year veteran



Joy Davidson

of the firm, Davidson is a historical architect, often acting as a consultant to other design firms.

She currently serves as secretary of the board of trustees of the Historic Hawaii Foundation. Davidson holds a doctorate in architecture from the University of Hawaii and has a graduate certificate in historic

Polly Tice

preservation.
Polly Tice and
Melanie B. Y.
Islam have been
named associates.

Tice has been manager of the firm's division of architectural historians since 2003.

Under her leadership the division has steadily grown, and provides its services to other design firms, planners and government agencies. She has a master's in historic preservation

from Columbia University.

Islam manages and delivers sustainable focused projects as her role as project architect on various educational and commercial proj-



Melanie Islam

ects. Active in U.S. Green Building Council, she is currently board chair of the Hawaii Community. Islam holds a doctorate of architecture from UH.

Hassler New Senior Associate at PVA

Todd James Hassler has been promoted to senior associate at Peter

Todd James Hassler

Vincent Architects.

Hassler is currently project
manager/project
architect on the
new Hoakalei
Country Club Golf
Clubhouse and
multiple custom
homes, and has



more than 19 years of commercial and residential experience. Hassler is also a director at large for the American Institute of Architects Honolulu Chapter.

Hassler rose to associate in 2017 after joining PVA in 2015. He holds a bachelor's in architecture from the New York Institute of Technology.

Unlimited Promotes Two

Unlimited Construction Services Inc. has promoted both Kuuleialoha "Kuulei" Santos and Jason Thon to

vice president of operations.

Santos brings 25 years of experience with the construction industry. Since 2015, she served as finance director at Unlimited. She oversees the



Kuuleialoha Santos

accounting, human resources, safety and IT departments.



Jason Thon

Thon has been in the construction industry for 17 years and previously was Oahu operations manager at Unlimited since 2016. His experience has been in preconstruction and

in civil and structural areas of industrial and commercial construction.



Hybrid Wheel Loader

John Deere has added Final Tier 4 engine technology to its 944K hybrid wheel loader, increasing fuel economy from the Interim Tier 4 model. Equipped with a 536-horsepower, Final Tier 4 John Deere PSS 13.5-liter engine, the 944K features 9 percent to 14 percent lower fuel consumption compared to its predecessor. Other modifications include the addition of heated and ventilated cab seats to provide additional comfort to the operator. Operator and bystander noise levels are also lowered.

www.deere.com



Backpack Vacuum

Milwaukee Tool's M18 FUEL 3-in-1 Backpack Vacuum features a Powerstate Brushless motor delivering up to twice as much suction power than traditional jobsite vacuums. A M18 REDLITHIUM 9.0 battery and cyclonic technology extend filter life and ensure bagless debris collection up to one-gallon capacity. It has a run-time of up to 25 minutes on high mode, and more than 40 minutes on low. The dry vacuum includes a removable harness and integrated

> canister, making it easy to wear, hang or carry. Standard accessories include a flexible hose, telescoping extension wand, floor tool, crevice tool, HEPA filter and dust extraction adapter.

www.milwaukeetool.com



Battery-powered Hydraulic Pump

The ZC-Series of portable hydraulic pumps by Enerpac are powered by batteries for use on jobsites with limited on-site power. The pumps are designed for applications such as foundation repair and concrete post-tensioning. A three-stage pump is powered by an 82V lithium-ion battery driving a 1.4 horsepower brushless motor. It is available with single-acting or double-acting cylinders with optional locking and power-seat functions. All pumps in the ZC-Series meet CE safety requirements and all TUV requirements.

www.enerpac.com

Hardhat Liner

NoSweat hardhat liners incorporate the company's patented SweatLock Technology and help prevent dripping sweat, fog, sweat stains, acne and odor. The disposable liner sticks on the inside of any hat, cap, hardhat, bump cap or protective headwear. No Scent technology helps prevent stains and eliminates odors. The NoSweat hardhat liners are available in packs of five, 12 and 25. www.nosweatco.com



Renée N. Rosehill, Jonathan Young, Sean Kleeman, Melissa Kleeman, Justin Ou

The Torigoe ohana: David, Maurice, Kathleen, Mari, Randy

ABC Hawaii's Casino Night

The Associated Builders and Contractors of Hawaii held its Casino Night for members and guests at the Honolulu Country Club on Nov. 1.



James Murray, Jarrett Walters



Romeo Rarangol, Lionel Badua, Courtney Domingo



Morgana Lasco, Shawn Holdt



Chad Beleno, Elton Yamashiro, Stephen Strong, Crystal Carvalho-Pakchong, Jon Fry



Joshua Kaaialii, Sharee Lai, Stephanie Rae, Mathew Lee, Edwin Barlongo



Rikie Tamayo, Emma Nicoson, Kila Chan, Tsering Dorjee



Maria Toraja, Will Lopez, Ralph Sakauye, Greg Dressen



Eric Wong, Rick Goslin, Richard Tierney



Matt Topas, Mary Cueva, Susie Hong, George Hong



Noel Daga, Janet Daga, Michael Diniega, Michelle Harris, Victor Harris, Orlando Diniega, Anita Diniega

FACES PHOTOS BY NATHALIE WALKER

BIA-Hawaii Economic Forecast

The Building Industry Association of Hawaii, at its Nov. 7 general membership and election luncheon, presented its "Economic Outlook: Housing & Development" with economist Paul Brewbaker as guest speaker. The event was held at the BIA-Hawaii's headquarters in Waipahu.



Dean Uchida, Paul Brewbaker, Marshall Hickox



Mana Gauthier, Dana Shaffer, Debbie Okada, Carolyn Aber



Sylvio Boucher, Carolynne Durant-Hall, Thomas Gibson



 $Brian\ Adachi,\ Iris\ Yafuso,\ Jonathan\ Mosher,\ Caroline\ Mosher,\ Andrew\ Forman$



Don Clifford, Kamuela and Brent Potter

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PROFIT FADE:

The Contractor's Achilles Heel



ithout question, having credibility in construction is paramount to all successful contractors. While the estimator and project manager must contend with a variety of challenges on every project, being vigilant to prevent profit fade should always be at the top of the list.

Why? Because in addition to company shareholders, outside entities such as banks and sureties monitor individual projected profit against final profit. This is where credibility can play a big factor. Simply stated, can they count on each job's cost estimate for projected profit as they will be making future decisions based on the company's projected profit.

The key to preventing profit fade is to recognize it quickly and take steps to prevent further erosion.

Profit fade can be described as the comparison of the original estimated gross profit on a job to the actual profit progression throughout the construction period. Generally, a regular decline in the projected profit against actual profit will impact reliability and the company's ability to estimate and manage jobs. All jobs experience some change from forecasted profit, but what is important is how far off the mark did the profit fade?

The key to preventing profit fade is to recognize it quickly and take steps to prevent further erosion.

The best way to prevent profit fade is to have accurate job cost reporting which is reviewed on a weekly basis after the payroll is posted. Most construction accounting software packages will provide job cost reports which measure estimated production against actual production with a positive or negative cost variance. The project manager or superintendent should immediately investigate any negative variance greater than ten percent with the field personnel and take steps to mitigate the overrun.

If the size of the job or company is small and being run by a foreman, a man-hour report is proven to be effective. For the most part, all money is made and lost at the foreman level. Hence, it makes sense to review variances with the foremen on a weekly basis.

While it is important, it is a mistake to use project cash flow as a measure of profitability on the job as it is easy to overbill through the schedule of values. Similarly, poor cash flow could indicate under-billings. Often, this is the result of change order work completed, but not yet paid. This situation should always be investigated as there should be certainty that change orders will be obtained for the value of the work completed. Without change order certainty, it is very likely profit fade will occur. Finally, be certain to evaluate if change order pricing realistically represents the cost of the work.

The accounting department, in collaboration with the project manager, should be forecasting cash flow and project profitability with monthly updates to the Work in Progress (WIP) statement. When updated monthly and variances are detected, immediate action can be taken to thwart profit fade.

Be sure to monitor estimators as a source of profit fade. Are they being too aggressive in the pursuit of work which will make it difficult to achieve the planned profit? These types of jobs usually create a morale problem when the field blames the estimator for a poor estimate.

Project managers/superintendents should have the appropriate skill and experience needed to run the job. Just because a project manager/superintendent manages a \$10 million job successfully, it does not necessarily mean the project manager can execute for a profitable \$20 million job. Experience counts.

Obtaining contracts outside the company's normal sector or geographical region can cause profit fade. Always give serious thought to the challenges to be faced when taking on a new type of work or moving into a new area.

The last and most dangerous type of profit fade can occur when cost shifting takes place, whereby costs from one job are charged to another job. Many consider this fraud and require strict systems and procedures for job costing to prevent its occurrence.

The final method of reducing profit fade is to analyze it from year to year to determine if there are any trends. Is there a particular type of work thought to be profitable but in reality tends to lose money year after year? If so, it is time to stop seeking that type of work.

Early detection and recognition, accurate job cost reporting, and proactive mitigation demonstrate credibility and professionalism of the management team. It is essential for all project managers and superintendents to be aware of the profit position of the job on a weekly basis as a company Best Practice. With this culture in mind, credibility will be maintained and profits will be achieved whereby banks and sureties will support the financial side of the business.

Garrett Sullivan is president of Sullivan & Associates Inc., a company that helps contractors clarify, simplify and achieve their goals and vision. Contact him at GSullivan@ SullivanHi.com or 478-2564.

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