



# The Tool Box

Serving the Electrical, HVAC & Plumbing Industries Since 1912

Volume 12, Issue 176 March 1, 2015

## The Cost of on Olive By Tom Frisby, The Frisby Group

The fiery Bob Crandall, president of American Airlines, was a cost cutter of epic proportions. He claimed that he reduced annual expenses by over \$40,000 by simply eliminating one olive from each salad served on every flight.

There are a lot of terms for what Mr. Crandall allegedly did. Some call it six sigma, others waste management, or “penny pinching”, or tight wad. Some simply call it prudent management, reducing unnecessary expenses and improving productivity. And so that is the relevance of olives to the construction industry, prudent avoidance of the incurrence of unnecessary and unwarranted expenses and activities which adversely affect productivity, and therefore reduce profit. In fact that is what we call those olives: “profit eaters.”

We serve a lot of salads with a lot of olives in our industry. What are some of our obvious “olives”, that is unnecessary and avoidable expenses or activities which affect productivity:

- Backcharges can be real profit eroders. On a recent healthcare project, the craft contractors were backcharged over \$2.5 million by the general contractor.
- Material handling is one of the major targets when looking for unnecessary expenses. Material handling is generally over 40% of labor. The use of RFIDs is becoming an almost universal tool for managing and tracking material and tools and equipment.
- Excessive pick up orders, which are strong indicators of inadequate planning, resulting in impact to the crews. In fact, inadequate scheduling and planning (look ahead schedules, weekly and daily planning), may be the contributor to waste of manpower in the industry. When work flow is disrupted, the effect on productivity is often over 20-40%; constructive accelerations may affect productivity by over 50%.
- Personnel turnover and absenteeism is a huge negative impact on productivity. (Studies show that absenteeism can affect productivity well over 25%) Failure to manage outsourced labor is a modern virus.
- Rework takes money out of our pockets.
- Taking care of tools and equipment, preventive maintenance, consumables. Software applications such as ToolWatch have experience showing that proper field management of these issues may reduce expenses associated with tools and equipment by 50-80%.

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**11th ANNUAL  
MCASC  
STATEWIDE  
MEETING**

**PHILLIPS MARKET  
CENTER  
STATE FARMER'S  
MARKET  
WEST COLUMBIA**

**APRIL 1, 2015**

**REGISTRATION  
FORM  
SEE PAGE 5**





**“Tool Box Talks” - Safety Tip**  
**Vehicle Safety**

Vehicles are used every day on our job sites, and we become so familiar with them that we forget the importance of vehicle safety. Here are some things we need to keep in mind when using vehicles.

Vehicles must be in proper condition. Vehicle inspections are the responsibility of each driver/operator. Check fuel, oil and water levels each day. Never take the inspection of the vehicle for granted. Look at the condition of tires and make sure that turning signals and head lights are working. Record the results of your inspection in a vehicle inspection log.

When operating a vehicle, observe these rules for vehicle safety. Always obey the speed limit. Just because the speed limit is 55 miles per hour, is that speed always safe? No. Adjust your speed for traffic, weather and other factors that can affect your ability to stop.

Equip all materials that hang over the sides or extend beyond the tailgate with red flags. Check to make sure that tail gates are closed and materials are properly secured before starting out.

The maximum number of passengers allowed in a vehicle depends on the number of seats equipped with safety belts. Safety belts are to be worn by all occupants of the vehicle. Failure to wear your seat belt could result in your termination.

Remember to drive defensively. Right of way is something to be given, not taken. When you are driving, you must be concerned about the other driver and his or her actions. Watch them while you watch yourself.

Remember to report any problems with a company vehicle to your supervisor immediately. Any abuse of company vehicles could result in your termination. Treat them with care and respect.

**REMEMBER TO CHECK YOUR BLIND SPOTS BEFORE CHANGING LANES**

**PinPoint Safety, LLC - Mel Rosas**  
**12216 Pinegate Court, Pineville, NC 28134-9139**  
**Telephone (704) 277-5673 Fax (704) 900-8241**

**Upcoming Events**

**11th Annual MCASC**  
**Winter Conference & Statewide Meeting**  
**Wednesday, April 1, 2015**

**The Phillips Market Center, State Farmers Market**  
**W. Columbia, SC**

**6th Annual Midlands Area Nine at Night**  
**Thursday, April 2, 2015**

**Charwood Country Club, W. Columbia, SC**

**9th Annual Piedmont Area Clays for College**  
**Friday, April 24, 2015**

**Harris Springs Sportsman’s Preserve, Waterloo, SC**

**The Charleston Slam**  
**7th Annual Inshore Fishing Tournament**  
**Captain’s Meeting - May 15, 2015**  
**Tournament - May 16, 2015**

**168th Annual MCASC Summer Convention**  
**August 6-9, 2015**

**Hammock Beach Resort, Palm Coast, FL**

**8th Annual Pee Dee Blast Sporting Clays Event**  
**Friday, September 18, 2015**  
**Back Woods Quail Club, Georgetown**

**Welcome New Members**

**Piedmont Area: Tony Jones**  
**Reclim - Graniteville, SC**  
**Jeff Beard**  
**Heat Transfer Sales, Greenville**  
**Midlands Area: Brooks Jester**  
**Murray Supply Company**  
**Charlotte, NC**

**Anniversaries**

**Mr. & Mrs. Wells Whaley - 3/01**  
**Mr. & Mrs. Jim Hendricks - 3/03**  
**Mr. & Mrs. Gerald Edwards - 3/08**  
**Mr. & Mrs. Billy Zimmerman - 3/21**  
**Mr. & Mrs. Ray Merritt - 3/25**

**Condolences**

**Mrs. James “Jim” Sanders & Family**  
**On the loss of husband**  
**James “Jim” Robert Sanders, Jr.**  
**Honorary Life Member**

(Continued from page 1)

That may be hype but there is a big number involved and this is a category of cost often ignored by contractors.

- Of course, we are all aware of theft of tools and equipment and material on our construction sites. We may not be aware of the staggering amount of losses nationally due to theft: One Billion Bucks a Year! Theft, then, is one of our olives; each theft of a foot of copper tubing adds up job after job. Tough challenge but having a program which involves education and training of field personnel is a leg on the stool of prevention.
- Unbilled change orders, late payments. When the contractor becomes the “bank” for the project, he is paying the cost for financing the unbilled work and loses the use of that capital in his business.
- Inadequate field documentation and notifications. When the field is not letting the home office know of impacts to its work either due to acts of the owner or its own issues, and management cannot then try to correct the issues or provide timely notification to the owner, the loss of productivity and the loss of the opportunity to attempt to collect a legitimate claim for the owner either vaporizes or is greatly diminished. A great construction lawyer once told me that his firm, one of the best in the country, wins only one out of every two cases it tries for contractors, and then only collects about 50% of the amount it has sued for . . . largely due to lack of timely and adequate field documentation. So lack of adequate and timely communication between the field and the home office is a profit eater . . . waste. It is an olive.
- Getting behind at the beginning of a project and then trying to play catchup at the end. This is a key reason for profit fade in our industry, causes uncompensated delays and erosion of productivity. See website article on 25/10 Concept as an approach to avoid this phenomenon.
- E-mail is a great communication tool but we find that it is often used excessively and inadequately. Too many times it is just too easy to shoot off an e-mail asking for a solution or making a complaint without having thought through the issue.

And of course, all of the above are simply illustrative of the larger olives on a construction project and may not apply to your company at all. But odds are that if you and your managers and supervisors think about the concept of the olives, of waste prevention, or better tool and equipment management, you will find the analysis to be worthwhile and rewarding.

But there are also the smaller olives that add up, the unnecessary expenses that we incur mindlessly in our companies and on our projects. These can be examined in one’s home office overhead accounts (there is a tendency to just look at the field for reductions of cost) and analyze on a quarterly basis. Which of these accounts is being charged excessively, which expenses are not contributing to effective company operations? Is it the travel account, the entertainment account? Who has responsibility to monitor these accounts? Each account should be prudently budgeted based on real needs and each should be reviewed periodically.

Those olives add up.

[www.frisbygroup.org](http://www.frisbygroup.org) [tfrizzle@gmail.com](mailto:tfrizzle@gmail.com)) and my website ([www.frisbyconstructionconsultants.com](http://www.frisbyconstructionconsultants.com))

**NOTICE:  
CALLED OPEN BUSINESS MEETING**



As voted by the Board, the called open business meeting will take place at 5:30 PM on Wednesday, April 1, 2015 at the 11th Annual MCASC Statewide Meeting at The Phillips Market Center, at the State Farmers Market, Off 3483 Charleston Highway, West Columbia, SC.

# MCASC 11<sup>th</sup> Annual Statewide Meeting

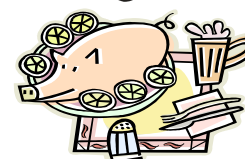
## Registration Form

### April 1, 2015

### The Phillips Market Center

### Located At The State Farmers Market,

### Off 3483 Charleston Highway, West Columbia 29172



#### I. REGISTRATION FORM:

FAX OR MAIL TO THE MCASC STATE OFFICE – (803) 731-0390 or P.O. Box 384, Columbia, SC 29202

Name: \_\_\_\_\_ Name: \_\_\_\_\_

Name: \_\_\_\_\_ Name: \_\_\_\_\_

Name: \_\_\_\_\_ Name: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_ Phone No.: ( ) \_\_\_\_\_

Number Attending Workshop: \_\_\_\_\_ Number Attending Meeting/Dinner: \_\_\_\_\_

#### II. MEETING FEE:

MEMBERS: Same As Monthly Area Meeting \$25.00

#### AGENDA

4:00 – 5:30 PM Workshop “Breaking Communication Barriers” By: Chuck Gallagher

Sign-In For Members & Guests

5:30 – 6:00 PM MCASC Called Open Business Meeting

6:00 – 6:30 PM Cocktail Reception

6:30 PM Until Welcome, Invocation, Dinner & Safe Travels Home

#### III. BILLING INFORMATION:

Member Companies Will Be Invoiced By Your Local Area Treasurer

IV. DEADLINE TO REGISTER: MARCH 23, 2015



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200 Ocean Crest Drive • Palm Coast, FL 32137

(386) 246-5500

[www.hammockbeach.com](http://www.hammockbeach.com)

**GROUP: MCASC SUMMER CONVENTION RESERVATION FORM**

**DATES: AUGUST 6-9, 2015    CUT-OFF DATE: JULY 10, 2015**

**GROUP RATES ARE AVAILABLE 3 DAYS PRE AND POST CONVENTION DATES**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Home Tele. # \_\_\_\_\_

Work Tele. # \_\_\_\_\_

Fax # \_\_\_\_\_

Room Request: 1/Bedroom Ocean View Suite Main Resort	_____	\$189.00 plus resort nightly service fee and tax
3/Bedroom Ocean View Suite Main Resort	_____	\$329.00 plus resort nightly service fee and tax
4/Bedroom Ocean View Suite Main Resort	_____	\$425.00 plus resort nightly service fee and tax
3/Bedroom Ocean View Suite Ocean Tower	_____	\$395.00 plus resort nightly service fee and tax
2/Bedroom Resort View Villa Main Resort Complex	_____	\$230.00 plus resort nightly service fee and tax
3/Bedroom Resort View Villa Main Resort Complex	_____	\$271.00 plus resort nightly service fee and tax

The Resort Service Fee Is 9.75% & Includes: complimentary local and 1-800 calls, pool access with floats, beach chairs, towels and umbrellas, fitness center and health spa access, valet parking, high speed internet access.

Arrival Date: \_\_\_\_\_      Departure Date: \_\_\_\_\_      # Of Adults / Children: \_\_\_\_\_ / \_\_\_\_\_

**CREDIT CARD INFORMATION**

Type of Card \_\_\_\_\_      Name on Card \_\_\_\_\_

Card # \_\_\_\_\_      Exp. Date \_\_\_\_\_

Additional Info: \_\_\_\_\_

- 1 night deposit will be taken at time reservation is made. Balance will be due upon check out.
- Reservations are subject to a 7 day cancellation policy. Please cancel reservations 7 days prior to arrival to avoid forfeiture of deposit.

**For Your Convenience, You May Book Your Reservations By Calling 1-877-834-8862 And Be Sure To Mention MCASC Group No. 20TORJ, Or Fax This Form To 1-407-396-3270**

**Associate Member:  
RECLEIM**

Recleim is a next-generation recycling services provider based in Graniteville, South Carolina. The company works directly with contractors to conveniently and responsibly dispose of end-of-life HVAC systems as well as household appliances, vending equipment and more.

Using state-of-the art, exclusively-licensed technology, Recleim demanufactures retired products, recovers approximately 95 percent (by weight) of their components and sells the commodity pieces – like plastic, aluminum, copper, steel and pelletized foam – for reuse. At the same time, it safely minimizes the emissions of ozone-depleting substances such as chlorofluorocarbons (CFCs). This is a critical step in the process since the average HVAC unit contains 6-10 lbs. of refrigerant, along with other hazardous chemicals.

Recleim pays contractors for used systems, removes them at no charge and handles them with the highest recycling standards, meeting or exceeding federal, state and local requirements.

At its 110,000-square-foot flagship recycling facility, Recleim can process more than 60 million pounds of product annually. Led by president and general manager Doug Huffer, the Recleim team also includes heating and air industry veteran Tony Jones, who serves as HVAC feedstock acquisition manager.

For more information about the company, visit [www.recleim.com](http://www.recleim.com). Contractors interested in learning about Recleim’s HVAC services should contact Tony at (803) 522-4590 or [tjones@recleim.com](mailto:tjones@recleim.com).

**Recleim  
118 Hard Street  
Hickman Mill Plant  
Graniteville, SC 29829  
Phone: (803) 392-7800**

**Congratulations to our next Associate & Mechanical Members who will be highlighted in the upcoming issue of “The Tool Box”:  
Murray Supply Company, Charlotte - Associate Member  
Columbia Cooling & Heating Company, Inc., Columbia - Mechanical Member**

**APRIL 2015 MONTHLY AREA MEETINGS**

<p><b>ALL AREAS</b> Wednesday, April 1, 2015 4:00 - Until See Page 5 Location: The Phillip’s Market Center, The State Farmers Market, West Columbia</p>	<p><b>Statewide Meeting With Special Workshop Presenter Chuck Gallagher Ethics Resource Group “Breaking Communication Barriers”</b></p>
<p><b>MIDLANDS AREA</b> Thursday, April 2, 2015 @ 4:00 PM Location: Charwood Country Club, 222 Clubhouse Dr., W. Columbia</p>	<p><b>Election of 2015-2016 Officers &amp; Board &amp; 5th Annual Nine at Night Scholarship Benefit</b></p>
<p><b>PIEDMONT AREA</b> Tuesday, April 14, 2015 @ 6:00 PM Location: 306 East Frontage Road, Greer Sponsored By: Miller HVAC Service</p>	<p><b>Topic: “Go Green ... Get Green” Presented By: Tony Jones, Recleim  Election of 2015-2016 Officers &amp; Board</b></p>
<p><b>PEE DEE AREA</b> Thursday, April 16, 2015 @ 6:30 PM Location: 4928 Highway 17 Bypass South, Myrtle Beach Sponsored By: Gateway Supply Company, Inc.</p>	<p><b>Topic: “NESA Update” Presented By: Ronald D. Carter, Jr., Business Development Coordinator, NESA Election of 2015-2016 Officers &amp; Board</b></p>
<p><b>COASTAL AREA</b> Tuesday, April 28, 2015 @ 6:00 PM Location: 3350 Meeting Street Road, Charleston Sponsored By: Metro Electric Company</p>	<p><b>Topic: “HIRE Education” Presented By: Reggie Murphy &amp; Jamie Wood, Mgrs. Business &amp; Employer Services Team, SC Works, Midlands &amp; Coastal WIA and Chuck Alexander, LVER Election of 2015-2016 Officers &amp; Board</b></p>



P.O. Box 384, 29202  
1504 Morninghill Drive  
Columbia, SC 29210  
Phone: (803) 772-7834  
Fax: (803) 731-0390  
E-mail: mflowers@mcasc.com  
www.mcasc.com

*Serving mechanical contractors in  
South Carolina since 1912.*

**MCASC Executive Board & Staff**

Mike Kirkland., President  
Allen Goff, Vice-President  
Stan Harbourt, Treasurer  
Richard Miller, Jr., Secretary  
Derek Eager, Associate President  
Mona Flowers, Managing Director

Mechanicals make it happen -  
Be part of the best!

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**MCASC Vision Statement**

The Mechanical Contractors Association of South Carolina (MCASC) will be the leading construction association in South Carolina for specialty contractors and suppliers in the electrical, mechanical (HVAC), and plumbing fields by serving its membership, the industry, and the Community in a vibrant and harmonious fashion.

**MCASC Mission Statement**

The Mechanical Contractors Association of South Carolina (MCASC) will provide its membership with:

- current business/technical information and support
  - a proactive political/legislative agenda
- a joint industry collaboration to improve relative business practices
- an ongoing effort to offer training opportunities for both professional and craft personnel
  - educational scholarships for deserving students
- the development of industry related career opportunities

The Association's objective for this mission is to enhance the future of the Construction Industry in South Carolina.