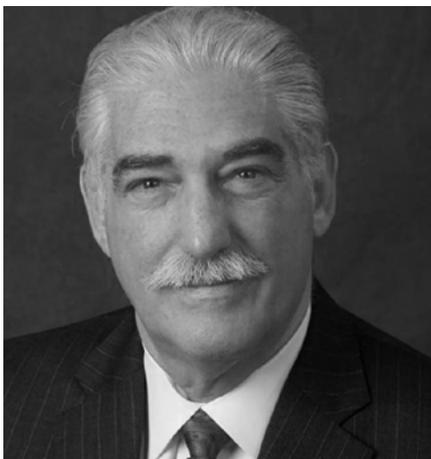




ESSAY

Technology Laggards?

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Technology Laggards?

Why is the construction industry lagging in labor force analytics?

Anyone in the construction industry will tell you there has been an explosion in the availability of new technology to control cost and schedule in the last five years. It is a rare construction company that hasn't implemented new estimating, scheduling or building information modeling software in that time. However, the industry has been ignoring one of the largest construction cost drivers: labor.

Understanding labor cost data and what drives labor efficiency is critical to delivering projects on time. Yet, according to the U.S. Bureau of Labor Statistics, the construction industry accounts for 6.4% of all industry employment but has **ZERO LABOR PRODUCTIVITY INCREASES FROM 1987 TO 2019**. Private and public owners are emerging from the pandemic with a reinvigorated focus on project labor costs — not just on the overall labor force, but on specific workers. Interestingly, prior to the pandemic, the same companies that implemented estimating and scheduling software knew almost nothing about the specific individual workers on their construction sites — when they arrived, when they left, whether they were authorized to be on the site, were properly certified for the work performed, had passed site specific and/or required OSHA or local safety training requirements, had a COVID vaccination or required COVID testing — the list goes on.

The construction industry is addressing this challenge by incorporating new technologies and systems to work in conjunction with their project management systems to fundamentally understand not just the project overall — but each individual who steps foot on their projects. Ironically, in the New York City’s highly unionized market, the need to incorporate these individual worker solutions has been exponentially advanced by the building trade unions through successfully advocating for the recently enacted Wage Theft Law. The new law, which takes effect January 4, 2022, holds prime and general contractors jointly and severally liable for unpaid wages, benefits and supplements owed by a subcontractor at any tier to the subcontractor’s employees. In addition, the general contractor may be liable for liquidated damages (100% of the unpaid wages or treble damages for a willful violation), attorney’s fees, interest and penalties for statutory claims. In other words, if any lower-tier subcontractor fails to pay an employee, the general contractor is liable to pay all the previously mentioned costs.

Not surprisingly, the technology exists to help the industry with both enhanced labor efficiency as well as complying and policing new laws like the Wage Theft Law. Specifically, this technology captures and analyzes all the necessary project data — not just for the overall project labor force — but for each individual worker. The Building Trades Employers Association (BTEA), a trade organization representing 26 construction trade organizations and 1,200 construction managers, general contractors and subcontractors who put in place \$65 billion in construction revenue and led by this author with Field Control Analytics (FCA) and its CEO, Reid Rubinstein, is in the process of establishing a historic strategic agreement that will help all BTEA member contractors finally implement the technology they need to solve these labor data analytics challenges.



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FCA has become the market leader in labor data analytics for the construction industry by harnessing technology to deliver actionable and automated workforce intelligence. Through 20 years of experience, FCA has established itself as a partner to over 15,000 contractors. This initiative will allow BTEA contractors to know and verify who is on the jobsite, when they arrive and how long they stay, if the worker is qualified for the task they are performing, and whether the worker has performed on that company’s projects safely in the past. Here are some sample data points illustrating what this strategic alliance with FCA will bring to BTEA contractors’ project sites:

- Ensure only those authorized to enter the site can do so and prohibit unauthorized access.
- Limit site access to workers with facial confirmation.
- Ensure all workers have taken required site safety training.
- Require workers to complete COVID attestation and log vaccination information.
- Verify on-site worker presence and hours billed against time and material contracts and change orders.
- Verify work hours and avoid labor payment fraud.
- Save money and increase construction contingency by controlling labor costs.

This strategic alliance with new technology is just one example of the kind of synergy possible between data, technology and the ever-present, all-important human workforce. Such convergent thinking can pave the way for increased industry productivity while adding visibility and value.

Transparency and accountability are two of the most important aspects of construction in the view of owners — public and private. In a post-COVID future, providing open access to the costs of and data about the workers performing labor on construction sites is a timely, important element in the construction industry. Adopting this and other, similar data-rich technologies to enable our labor force will accelerate industry productivity and build trust.

Louis Coletti has served as president and CEO of the New York Building Trades Employers' Association for 23 years. He has over 33 years of experience in the New York City construction industry. At BTEA, the largest union contractor organization in the nation representing 27 industry trade associations and 2,000 construction managers, general contractors and specialty trade subcontractors doing business in New York City and state, he is responsible for government relations, public relations, construction safety, workforce development and labor relations coordination and administration. Previously, he was a senior vice president for construction management firm Lehr McGovern Bovis, responsible for business development and marketing, public affairs and public relations, specializing in the public sector market. He has worked on the renovation of Grand Central Station, the Historic Preservation of the Los Angeles City Hall, the U.S. Olympics in Atlanta, New York Giants Stadium Luxury Box Renovation, Bronx Criminal Courthouse, Brooklyn Federal Courthouse and Queens Criminal Courthouse.

Coletti holds a master's degree in public administration from New York University, Robert Wagner School of Public Administration, a Bachelor of Arts from Rutgers University New Brunswick Campus, and is a graduate of the NYC Partnership David Rockefeller Fellows Program.

Reid Rubinstein was responsible for spearheading the acquisition of Field Control Analytics out of bankruptcy and joined the organization as CEO in 2020 to lead the turnaround effort. Over the course of a 15-year career, he has focused on investment banking and private equity for publicly traded and privately held middle-market companies, in addition to co-founding an investment bank. A graduate of New York University, he holds a B.A. in economics with a minor in business.