

In The News

Austin Builders Overcoming Challenges to Keep Pace with Construction Demand

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It's a bird. It's a plane. No, it's super crane.

Dozens of construction cranes punctuate Austin's landscape from Austin-Bergstrom International Airport on the southeast to The Domain in the northwest. More of the big birds are on the way, with some general contractors nesting three or four cranes on one construction site.

With Austin Business Journal's unveiling this week of a new special feature — Crane Watch— I wondered what challenges contractors might have trying to line up cranes and crane operators.

Just before the 2008 recession, I wrote a story about tower crane operator Dave Lord when I was with the Phoenix Business Journal — and the inherent dangers of his profession. At that time, contractors were having trouble finding cranes because of robust construction across the U.S. and increased competition for equipment coming from as far away as China.

One general contractor building a corporate headquarters in Phoenix in 2007 resorted to buying a do-it-yourself tower crane kit when existing equipment was nowhere to be found. The irony is that the kit was delivered from China with instructions in Chinese. The snafu resulted in project delays. So I wondered: could similar challenges be in play today in Austin?

Not exactly, though tower cranes still pose certain complexities for general contractors. And there are other difficulties inherent in large developments — workforce shortages, material insufficiencies and logistical dilemmas.

Tower crane equipment seems to be readily available in the Austin area, but planning well in advance is critical.

"If you do not have a tower crane procured and planned six to eight months prior to erection, it's likely it won't be available when you need it," said Brad Winans, district manager and vice president for Hensel Phelps.

JE Dunn Construction took this matter to heart. The company bought its own fleet of tower cranes.

"To appropriately support our clients and their projects and visions, we must be able to provide the right equipment at the right time," said Chris Szeliga, senior vice president of JE Dunn. "The most natural solution for us was to invest in owning the cranes and then deploy them where we need them."

Balfour Beatty Construction created a tower crane specifically for a big job in Dallas due to design idiosyncrasies.

"We had it custom-designed and fabricated in Europe and we ended up saving money on that job," said Chris Davis, vice president of Balfour Beatty's Austin office.

That particular piece of equipment has since been deployed at other construction sites. It was a risk that turned out well, Davis said.

OPERATORS IN DEMAND

While tower crane equipment seems in ample supply — especially given the economic slowdown in Houston — skilled operators are in high demand.

They can be picky about locations and negotiate for pay and perks from a position of strength.

“The way to keep them is to take care of them and be willing to negotiate with them,” said Bryan Kent of DPR Construction.

Some may want to work nights and weekends — less hours but still receive wages for a 40-hour week. Others want overtime. Bonuses may be important. Since crane operators often move from city to city, extra money for temporary housing is appealing to some.

“It’s no secret that some crane operators are not always loyal to one company and will leave a project to operate another crane for more money,” Winans said. “It’s important to find good operators and make sure they’re taken care of.”

Another construction challenge locally is the availability of concrete for big projects. Just a handful of ready-mix companies vie for Austin’s primo construction jobs. It’s not just the material itself, but having the trucks and manpower to deliver the concrete to the site.

Hensel Phelps, for instance, had to coordinate the massive pour at the new Austin Central Library — 37.5 million pounds of raw materials delivered in 130 trucks over 27 consecutive hours.

The logistical considerations were incredibly complex. The planning took months and included numerous parties — the city as owner, the engineer of record, a variety of subcontractors, a concrete pumping vendor, a third-party testing lab and law enforcement. The burden of coordination fell to Hensel Phelps as the general contractor, which, in this case, was prepared.

“Major construction placements that are well planned are going to be successful,” Winans said.

DPR mitigates its risk on big projects by self-performing concrete work. In other words, it trains its own employees to be concrete specialists.

“Since DPR started 27 years ago, it was in our DNA to do self-perform work,” said Matt Hoglund with DPR. “We’re a builder not just a manager. We really pride ourselves on being old-school and doing a lot of our own work.”

WORKER SHORTAGES

Concrete installation and tower crane challenges are heightened by workforce shortages across the industry. Skilled labor and experienced construction managers are aging and retiring in droves.

Neither companies, secondary schools, colleges nor unions are doing enough to train an adequate construction workforce, said Ben Wheatley, an Austin construction and real estate lawyer for Munsch Hardt Kopf & Harr PC.

The immigration debate has exacerbated the problem, too, as many skilled laborers — undocumented workers — are heading back to Mexico as President Donald Trump has pledged to build a border wall and deport illegal immigrants.

Wheatley said consequences of that policy will impact construction in the U.S.

"A lot of experience is going south of the border and will never come back," Wheatley said. "That is going to create problems down the road."

Winans of Hensel Phelps said labor shortages have plagued the construction industry increasingly in the economic recovery years following the 2008 recession. Winans doesn't see any quick fixes, but the situation is driving change — and opportunity — in the business.

Contractors are using construction software to a greater degree for planning and coordination, and prefabrication is being deployed in a much greater degree.

"Prefabricate anything possible offsite in a more efficient and controlled environment and then deliver it to the site for installation," Winans said.

The labor shortage may also provide a window of opportunity for a workforce segment that has never been well-represented in the construction industry.

"This is a real opportunity for women," Wheatley said.

He points out that college graduates of Texas A&M University's construction science program are in the driver's seat.

"The program has 100 percent placement," Wheatley said. "That's just another indicator of what we're talking about."

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