FCIA Education and Committee Action Conference

GC Objections to using Firestop Contractors Market, Scenarios, Solutions

David Mistler & Ben Urcavich
Firestop Products Become Systems
Install to SYSTEM
Firestop Market

• **Firestop Contractor Market Characteristics**
  
  *IBIS World - Market Research - $264.4mm*
  
  – Growth – 3.8% avg., 2013-2018
  – Moderate Volatility
  – Not Capital Intensive – .02/$1 labor
  – Barriers to Entry?
  – Competition – Your customer, ‘Nothing at all’
  – Share not dominated yet
Firestop Market

• Market Characteristics FCIA – Firestop Contractors Growth
  – Successful Contractors Focus on Systems
    • Healthcare
    • New Construction
  – 3 contractors means growth
  – FM, UL/ULC Programs help...
  – Inspection can help, but it’s early.
Firestop Market

• IBISWorld States...of the 264.4mm
  – Firestop ‘Installation’ – 65.5%
  – Firestop ‘Maintenance’ – 16.4%
  – Firestop ‘Surveying’ – 18.1%
Firestop Market

- **1991** –
  - $50-60,000,000 in Sales
  - 572 UL Systems, 5x8 book
  - 50 Contractors nationwide...

- **2013 – IBIS World Study**
  - $264,000,000 Firestop Contractors (FC’s)
  - $440,000,000 OTHER (if 60% TRADES)
  - $704,000,000 TOTAL 2013 FCIA FC MARKET EST.
  - 8,000 UL Systems, 8-1/2 x 11” Phone Book
Firestop Market

• **What caused growth?**
  – *Contractor Investments*
    • *Capital – A/R, Equipment, Risk*
    • *Labor Education – Manufacturers, contractors, FCIA*
    • *FCIA Contractor Market Development*
      – *Specifiers, Building, Fire Officials*
  – *Manufacturer Investments*
    • *Inventions*
    • *Testing*
    • *Code*
    • *Education of Building and Fire Code Officials, Specifiers*
Firestop Market

• 2016 FCIA Scenario
  – $+(-) 750,000,000 (+3.8%/year) FS Market
  – If 60/40 ratio, Labor/Materials….FCIA Est.
• $250-300,000,000 Materials? 40%
• $400-450,000,000 Labor? 60%

• Why 40/60 ratio?
Firestop Market

• 2016 Labor to Material...
  – Why 60/40 ratio, Labor/Materials??
  – Occupancies
    • Existing buildings
    • Healthcare
    • High Rise
    • Other
Firestop Market

• 2016 moving forward....

• *IF TOTAL MARKET IS ... $+- 750,000,000*
  – FC Existing Market - $300,000,000
  – FC SHARE Opportunity - $450,000,000

• *How can FC’s Get more of this market?*
Firestop Market

• **Occupancies**
  – *Healthcare* – 21%
  – *Educational* – 15%
  – *Other* – 64%
  – *High Rise* ??

• **FM & UL Contractors**
  – *Major Cities High Rise*
  – *Healthcare - Spec’d 45%* (TJC, ASHE, BMS)
  – *Educational – Spec’d 25%*
Firestop Market

• How can FC’s Get more of this market?
• Value Recognized
  – General Contractors
  – Building Owners and Managers
  – Inspection
  – Surveys by Fire Depts., Regulators
• Another New Segment like Hospitals
• New Construction Growth – High Rise, Other.
• Existing Buildings Need Firestopping for Fire and Life Safety
Firestop Market

• *How can FC’s Gain more Market Share?*
• Objections...
  – GC’s
  – Building Owners & Managers
How to overcome GC Objections to using Specialty Firestop Contractors

David Mistler & Ben Urcavich
Firestop

Topics:
• Specifications
• Current / New Code
• Installation Review
Firestop Specifications (078413 & 078446 = 078400)

• Quality Assurance Section (Typical)

“Installer Qualifications:

1. Licensed by the State or local authority, where applicable.

2. Shown to have successfully completed not less than 5 comparable scale projects.

3. Firestopping Contractor Qualifications

   a. The work is to be installed by a contractor with at least one of the following qualifications:

      1) UL Approved Contractor.
      2) FM 4991 Approved Contractors.
Firestop Specifications

Question...

• ...when specification includes FM/UL Contractor, is it part of the Construction Documents (CDs) and therefore a condition of performance?
  – Legal Case Studies suggest that it is a condition of performance.

• ...who is responsible for fulfilling the CDs?
  – Legal Case Studies indicate the Construction Manager/General Contractor (CM/GC).

• ...if Firestop scope remains with the trades, does that deflect responsibility from the CM/GC?
  – Legal Case Studies suggest that it does not deflect responsibility from CM/GC.

• ...how can the CM/GC minimize liability?
  – Define how Firestop will be done prior to release of ITB
    • Suggest the following options...
Firestop Specifications

• ...Include separate bid package for Firestop:
  – When asked, Trades tell us they prefer to have excluded from their scope
  – Trades include because required
  – Removing Firestop equalizes the bidding process

• ...Trades Performing Firestop as part of their scope:
  – Define up front that a FM/UL installer required
  – Trades required to provide documentation of FM/UL qualifications
  – Include a number from a FM/UL Contractor which they plan to utilize for their scope
    • Equalizes the number; generates a true “credit value” for having the Firestop bundled under one contract direct to the CM/GC
Advantages of using single qualified Firestop installer...

• Simplifies Firestop by reducing responsibility to a single contractor

• Participate with AHJ during inspections

• Reduce need to oversee multiple trades; lower cost to Construction Manager/General Contractor

• Installed Firestop systems documented (e.g. assistance with JCAHO inspections and facility documentation)

• Knowledge of cost-effective Firestop systems
FM – UL – Accredited Contractor

• FM 4991 Approved Contractor
  – Designated Responsible Individual (DRI)
    • Minimum of 6 Continuing Education Units (CEU’s) every 3 yrs
    • Written examination to be passed with a minimum score of 80% every 3 years
  – Documented Quality Control Program
  – Documented and archived record keeping
  – Documented training program
  – Annual audit at office and jobsite

• UL Approved Contractor – similar to FM

• Manufacturer Accredited Contractor
  – Hilti (HAFSC Program): Trained / Audited Installations
Firestop Conditions

• Pre-construction
  – Review Contract Document Requirements
    • Communicate expectations in bid documents
  – Review Trade Proposal
    • Compliance with Contract Documents

• Project Coordination
  – Review Firestop Submittals
    • Submittal with UL Details available for every inspection
  – Color code wall types in field
  – Coordinate hole/sleeve sizes
  – Review applications for Engineering Judgments
    • Obtain approvals
    • Discuss constructability issues
  – Establish Inspection Guidelines & Expectations
    • Mock-up of each application for reference
FCIA Panel
GC, Trades & Specialty Firestop Contractors & Possible Solutions - Industry Objections
Panel Comments – Best Practices

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