

CALLAHAN

CONSTRUCTION MANAGERS

"Repeat business is the hallmark of a company's ability to continually meet and exceed expectations. The fact we are starting our third Benchmark project together says it all. We have known each other for many years and **I believe that the Callahan brand stands for Integrity.**"



John Dragat

Senior Vice President - Development
Benchmark Senior Living

ABOUT US

Callahan is a family-owned, full-service construction management company based in Bridgewater, MA. As a trusted partner of local, regional, and national clients, our family companies have provided the Northeast region with a wide range of preconstruction and construction management services since 1954. Our team has completed projects in multiple markets.

Pride in the Callahan name continues to this day, with over 20 family members having contributed to the success of the business since its inception. Our commitment to integrity, quality work, client service, and successful project management has become our legacy, and is practiced by the entire Callahan team, from on-site labor to our President, Patrick Callahan.

Callahan facts.

**CLEARING THE AIR:
THE TRUTH ABOUT
OUR ETHICS & MORALS**

#1 SUBCONTRACTOR SELECTION

The **NERCC (Carpenters Union)** claims that Callahan hires subcontractors that do not pay their workers properly and use undocumented workers, leading to an “underground economy.”

FALSE

THE TRUTH

Callahan hires thousands of subcontractors each year. We select our subcontractors in accordance with all Federal, state and local regulations. Just like every other open-shop and union construction manager, when we hire a subcontractor it is under the assumption that they will perform their work legally in accordance with all Federal and state laws.

We exceed the industry standard by implementing strict procedures to ensure that all our subcontractors are compliant. We employ a compliance officer, who periodically monitors subcontractor payrolls to confirm each worker is paid in accordance with all state and Federal regulations.

I.D. badges required on Callahan job sites.

To maintain the highest transparency, safety, and security standards for our clients, we maintain a secure badging process, which requires that all members of a project team display an identification badge to confirm their status as a legal worker on our job site. In the unlikely event we find a subcontractor not adhering to this policy, we immediately remove the worker from our site and work to get the subcontractor into compliance.

We created this initiative to continuously monitor our subcontractor workforce and ensure the employment status of everyone on our projects. As a condition of working with Callahan, we require valid documentation of legal employment status, including government identification requirements. In addition, Callahan reserves the right to audit our subcontractors for compliance at any time for state and Federal hiring requirements.



Callahan identification badge worn by entire project team

Nationally Ranked

ENR
Engineering News-Record
THE TOP 400

The Ironworkers entered into a single Project Labor Agreement with Callahan on the Assembly Row project. We could not be more pleased with our partnership with Callahan on this project and the other Callahan sites we are working on.

Callahan's team approach, ability to manage and coordinate the subs in a professional manner, along with their safety standards are all key to running a successful project.

We enjoy working on their projects and look forward to future work together.



Shawn Nehiley

Business Manager of
Ironworkers Local 7

#2 SAFETY AT EVERY STEP

The Carpenters Union claims that Callahan employs unsafe practices on job sites.

FALSE

THE TRUTH

At Callahan, we employ **3 Full-Time Safety Officers** who assist our project teams in upholding strict safety standards on all projects. We create a **project specific safety manual** for each of our projects before commencing on-site activities. In addition, the project teams work with our safety managers to implement **Safety Training Programs** for all team members.

Our reputation as an industry leader in safety has allowed us to be awarded the **Gold Level Safety Training Evaluation Process (STEP)** recognition by

the Associated Builders and Contractors of Massachusetts (ABC) for the last **9 consecutive years**.

One of the nation's most experienced providers of workers compensation information, National Council on Compensation Insurance, determined that our company's **Experience Modification Rate (EMR)** is 0.83 which is well below the national average of 1.00 – highlighting our commitment to safety. Higher numbers above 1.00 are assigned to companies with a higher-than-average number of work related injuries and future chances of risk.



**STEP Award
Gold Safety Rating**

9 YEARS

**.83
EMR Safety Rating**

"This building is going to be a key piece of the local community, so the level of quality that we required was above and beyond your typical construction project. **Callahan's team and their subcontractors exceeded expectations from beginning to end.** We are grateful for our relationship, which goes well beyond construction."



Paul J. Gorman
President and CEO,
South Shore YMCA

#3 QUALITY - ON TIME & ON BUDGET

The Carpenters Union claims that a Callahan subcontractor contributed to low quality work, resulting in added costs and project delays.

FALSE

THE TRUTH

We operate as a partner through all phases of the construction process, maintaining prompt and open communication, transparent and cost-effective operations, and a strict adherence to established schedules, safety, and quality controls. The fact that **85% of our work comes from repeat clients** is a clear indicator that we are consistently delivering a quality product on-time, and provide services that exceed expectations. We have built strong and long-lasting client relationships on every project.

We are proud to be recognized for our high quality work and our ability to find creative solutions to tough construction challenges.

#4 ETHICS & INTEGRITY

FALSE

Carpenters Union has been active in defaming Callahan, claiming that in 2009 on the Hanover High School bid, Callahan committed fraud in its submission to Hanover by listing the North Andover High School Project as a project Callahan had completed.

THE TRUTH

The Carpenters Union tried to imply that Callahan committed fraud in submitting its Statement of Qualifications by listing the North Andover High School Project as one of the similar projects it completed. The fact is John T. Callahan & Sons, Inc. (a separate family business) had started the project and Callahan, Inc. had finished the project, with the same project team. In an effort to stop the project and have it awarded to a higher price union contractor, the Carpenters Union sued the town using the names of ten taxpayers who all turned out to be members of the Carpenters Union. **The case was ultimately heard before the Massachusetts Supreme Court who took the case and determined that there was NO FRAUD in the Prequalification Process and that neither Callahan nor the town's Prequalification Committee had committed fraud in the selection process for the Hanover High School Project.** The Carpenters Union, not satisfied with their defeat, convinced an administrative division of the state ("DCAMM") to move against Callahan in an administrative proceeding alleging that the Company had "willfully made a materially false statement." Ultimately this matter was settled through a consent order whereby Callahan agreed to suspend bidding public work for a period of one year; however there was no admission of guilt by Callahan, and Callahan was never debarred. Since that time Callahan has been approved and is still currently approved by DCAMM to perform work on public projects and recently received a rating of 96 out of possible 100 in DCAMM's contractor rating system, which is one of the highest ratings in the state.

Division of Capital Asset Management and Maintenance

D · C · A · M · M

96 out of 100

COMMONWEALTH OF MASSACHUSETTS

Average Project Evaluation Rating

96 out of 100 DCAMM Rating

The Commonwealth of Massachusetts Division of Capital Asset Management and Maintenance (DCAMM) has recognized Callahan with an average project evaluation rating 96 out of a possible 100, one of the highest rankings in the state.

I am pleased to write a letter of recommendation for Callahan, Inc. on the Hanover High School Project. The project had many challenges along the way, but Callahan continued to step up and perform under the adverse conditions that arose. **Your team provided constant communication, were dedicated to providing us with the highest level of quality and pushed the job's schedule, finishing the project on time and under budget.**

One of the key factors in construction of this school was to ensure the safety of our staff and students during construction. Your team should be commended on the way they effectively managed the site during all phases to make certain there was never a concern. Thank you again for your teams hard work; we are very proud of our town's beautiful show piece.



Daniel A. Pallotta
Project MSBA Applicant
Town of Hanover

"We were really impressed with the way Callahan approached our collaboration under the construction management delivery method. Avalon Bay does not typically hire a construction management firm, but **Callahan earned the trust of our team** and adapted to our needs quickly and seamlessly."



Scott Kinter

Vice President of
Construction Northeast,
Avalon Bay

#5 AN ACCOMPLISHED TEAM

The **Carpenters Union** claims that Callahan maintains only a few direct employees as part of its business model.

FALSE

THE TRUTH

Callahan employs over **165 skilled individuals**, who are truly the backbone of our business. Clients receive the highest level of attention from our senior leadership team, bringing hundreds of years of collective construction management experience to all projects, regardless of size and scope. This includes a talented field staff of Project Executives, Project Managers, Superintendents, and our Self Performing Site Division.



"Most importantly, annual take-home pay consistently runs equal or higher in the non-union sector. That's because each contractor provides year-round employment for its basic workforce even in slow business periods as opposed to the union side of the industry, with its uncertainty of placement referrals due to dictatorial hiring hall practices and seasonal workload variances. "

Freedom in the Workplace, by Samuel Cook

"Non-union contracting allows the contractor more flexibility in the composition and assignment of their work crews, permits the employer to pay workers based on the ability and performance and generally results in less expensive projects. Although wage rates tend to be somewhat lower than in the unionized sector, employment is more continuous and workers' annual wages are often at least as high as for those with similar jobs working for union contractors."

The Management of Construction: A Project Lifecycle Approach, by F. Lawrence Bennett



WHAT THE CARPENTERS FORGOT TO MENTION

WORKING IN HARMONY

Open Shop Market Share Gain

Over the last five years, there has been a steady trend towards owners selecting open-shop contractors for large suburban projects. Historically, these projects were exclusively awarded to construction management firms who were signatory with the Carpenters Union. However, as the construction industry has shifted, more and more projects are becoming a mix of open-shop and union contractors. The Carpenters Union market is shrinking, from large suburban projects to just the inner Boston market.

Carpenters Union Losing Control

All across the country, cities are seeing a significant decline in union labor. As large general construction firms decline to renew their union contracts, union market share decreases. The Carpenters Union leaders in the greater Boston market fear that some of the same declines facing other parts of the country will soon be reflected in New England. (Top Right)

In a letter addressing Callahan's integrity, ethics and safety, Gregory F. Beeman, President of Associated Builders & Contractors of Massachusetts, wrote the following:



Greg Beeman
ABC President/CEO

I am writing to you regarding information you may have received from The New England Regional Council of Carpenters regarding Callahan, Inc. Callahan, Inc. is a member in good standing of Associated Builders and Contractors and a long-time provider of quality construction management services. I would like to offer some additional information and perspectives on the company and the attacks of the Carpenters Union.

I encourage you to take a closer look at the Carpenters' claims about Callahan, Inc. as many of them are, in fact, false and misleading. I would also like to offer some additional information and perspective on Callahan, Inc., and the open shop construction industry.

First, to provide some context, it is important to understand the make-up of today's construction industry. According to the 2015 U.S. government data analyzed and compiled by unionstats.com, the vast majority of the industry is no longer unionized. In Massachusetts, 83.1 percent of construction workers are not union members, while only 16.9 percent are in a union. Nationally, only 13.2 percent of the construction workforce is unionized, with 86.8 percent choosing not to sign with the construction unions.

Callahan, Inc. shares ABC's fundamental belief in the value of true open competition. While ABC represents open shop contractors, we appreciate that there are fine union firms in the industry. Construction buyers are best served by open bidding to all qualified contractors, both open shop and union. The type closed, union-only bidding sought by the Carpenters Union limits access to only the unionized portion of the industry. The result is a smaller talent pool, reduced competition and higher costs.

THE WALL STREET JOURNAL

Construction Unions' Grip on New York Begins to Show Cracks

City's biggest construction firms leave door open to use of nonunion labor



The price difference between open-shop and union labor rates is made up of several factors:

1. Out-of-date work rules
2. High priced union executives, paid for with your rates and fees
3. "Additional" fees, such as legal fees, dues, and target funds
4. Political campaigns against developers and open shop contractors

THE SOMERVILLE NEWS WEEKLY

Agreement with Ironworkers Local 7 & Callahan Construction for New Project at Assembly Row Somerville

May 22, 2015 by the somervillenewsweekly Local 7 Agreement



SUCCESSFUL CALLAHAN UNION PARTNERSHIPS



Callahan has forged strong partnerships with a number of unions, such as the International Association of Iron Workers.

CALLAHAN IN THE COMMUNITY

Callahan is committed to supporting the local economy and hiring local. Each project represents a unique opportunity to further invest in the local community and partner with the various stakeholders to build toward the future. We engage in community outreach efforts such as buying local, training/work initiatives with local schools, sponsoring community events, and volunteering with local nonprofits and charities, including Rosie's Place, Caritas Communities, and Heading Home. Simply put, we're invested in the success of the communities where we work and live.



THE FACTS ARE OUT... WHAT NEXT?

The Carpenters Union formulates its attacks with the intention of convincing you that Callahan does not produce high-quality work, and that you should not hire our firm to manage your next construction project. We encourage you to not be bullied and intimidated by these tactics, as they are misleading, deceptive and untrue. The fact is, Callahan has a strong and storied reputation as one of the leading construction management firms in New England. Callahan has worked in this market for many years, and this experience addressing each project's unique circumstances in regards to union labor and the best approach to creating a project that best fits your goals is why Callahan is in a unique position to build for you. We are extremely proud of our team, from on-site laborers to senior leadership, and we urge you to resist the aggressive campaigns of the Carpenters Union moving forward.

Thank you.

