

# Insulation Contractors REPORT


A PUBLICATION OF THE INSULATION CONTRACTORS ASSOCIATION OF AMERICA

JULY/AUGUST 2016

## Gain “The Leading Edge” at the 2016 ICAA Convention in Denver!

**M**ark your calendars! The 2016 ICAA Convention and Trade Show will take place in Denver at the Marriott City Center from September 29 to October 1. The focus this year is on helping our members gain the “leading edge” in an ever-changing industry, and there will be a wide variety of educational sessions that empower contractors to navigate the world of business. Plan to arrive Wednesday, September 28 for the Pre-Convention Workshop on Training the Competent Person for the New OSHA Confined Spaces in Construction Standard. From theft prevention to OSHA regulations, tax reforms to effective hiring, every session will add another piece to your knowledge toolbox.

In addition to the educational sessions and networking luncheon, our annual Trade Show hosts the industry’s leading manufacturers and suppliers who will display their newest equipment and technology.

You can view the full program, book a hotel, and register at [www.insulate.org/convention](http://www.insulate.org/convention). We hope to see you in Denver! 



[www.insulate.org/convention](http://www.insulate.org/convention)

## OSHA Issues Guidance on Confined Spaces in Construction Standard

**O**SHA has provided a list of frequently asked questions that clarify the scope of the new Confined Spaces in Construction Standard, as well as how the standard applies to attics, crawlspaces, basements, and other confined spaces that may occur during residential construction work. Here is sampling of the questions and answers, in paraphrased form.

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### **If an attic, crawl space, or basement contains a hazard, is it automatically a permit-required confined space under the Standard?**

**A:** No. However, assuming the attic, crawl space or basement is a confined space, if the hazard is not isolated or employees could potentially be exposed to it, that would trigger the permit-required confined space requirements. Not all unsafe conditions constitute “physical hazards,” which the standard defines as only those conditions that could impede an entrant’s ability to exit the space without assistance.

### **How hot must it be in an attic that is a confined space for the attic to be considered a permit-required confined space?**

**A:** While OSHA has not quantified the heat needed to trigger the permit-confined spaces

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## Managing in a VUCA World

**Jeff Beck**  
**ICAA President**  
**Email: [jeff.beck@insulate.org](mailto:jeff.beck@insulate.org)**

If consumers knew all the work that goes into running an effective contracting company, they'd be shocked. As you well know, insulation installation goes beyond what takes place on the job site. We always have one foot on a ladder, and the other on the business ladder. Between navigating OSHA regulations and FTC rules, keeping up with market trends, and training your employees, it can be hard to keep your footing. To borrow a term from the military, contractors must constantly manage an environment of VUCA – volatility, uncertainty, complexity, and ambiguity.

ICAA's top priority is to cut through all the noise, helping contractors become the leaders of an increasingly VUCA field. That's why the theme of this year's ICAA Convention is "The Leading Edge." The better you can adapt to the technical demands of the industry, the more time you can devote to your customer. Here are just a few of the educational sessions that will help you take on both business and contracting with confidence.

### Volatility

As customer desires change, so must business decisions. But how do you know what the market will look like in five years? In the Johns Manville Platinum Educational Session "Reading the Tea Leaves — Adjust, Adapt, Act," Cynthia Paul of FMI Corporation will outline some predictions for future market growth and explain how contractors can get ahead of these changes. And don't forget the ICAA Trade Show! With technology always changing, this is a perfect place to find out about the newest equipment and processes being used by top suppliers.

### Uncertainty

Contractors spend a lot of time ensuring the physical safety of their employees, but it can be difficult to tell if your company has its own vulnerabilities. The Owens Corning Platinum Educational Session "You Just Lost \$100,000

— Theft Prevention for Insulation Contractors" will outline measures you can take to eliminate fraud and theft that damages your profitability. Convention educational sessions such as CertainTeed's Platinum Educational Session "Challenges and Opportunities: How to Increase Desire for Insulation" and creating effective incentive compensation plans will ease your mind and give you the tools to position yourself in front of the competition.

### Complexity

Keeping on top of industry regulations can sometimes feel like running up a descending escalator — just as you master one step, another one appears. One of ICAA's chief roles is to guide you through this maze of rules. This year's Convention will have several programming blocks devoted to OSHA, including a session on how to contest a citation and a pre-convention workshop on how to train your "Competent Person" for the new OSHA Confined Spaces in Construction Standard. In addition, the Demilec Platinum Educational Session "Building Envelope Requirements of the 2015 IECC" will clarify code compliance options.

### Ambiguity

Even harder than trying to understand government policies is trying to predict what's going to come next down the pipeline. With so much back and forth in governance, how can you tell what's actually going to affect you? That's why ICAA called in the experts to provide some clarity. If you're concerned about how tax codes will impact your bottom line, you'll want to attend Saturday's general session on tax policy reform and business ownership options. Need to make important business decisions but have no idea how to untangle the legal aspects? Don't miss "Clause and Effect — for Non-Lawyers."

*Continued on page 12*

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## Spotlight — Graco Inc.

**Nick Pagano**  
Business Development Manager  
Foam and Polyurea Equipment  
Graco Inc.



### **You are currently the Business Development Manager for Foam and Polyurea Equipment at Graco Inc. What kind of work does your role entail?**

In this role I work closely with our Sales and Engineering teams, our distributors, and our end-users. I am always looking for ways to improve upon our existing equipment and to develop new equipment to meet a need in the marketplace. I am also looking for ways for Graco to improve how we do business with our distributors and end-users. It is my goal to get closer to the end-user, to better understand their needs and listen to how we can make their jobs more efficient, and improve their profitability, while helping to make sure they are spraying according to the chemical manufacturers specifications.

### **Graco partners with suppliers to provide installers with access to its products. How does the company build relationships with these distributors?**

Graco works very closely with our distributors. Everyone in the Sales and Marketing Teams at Graco has daily interaction with some aspect of our sales channel. For North America, Graco has a 12 person Sales Team made up of Area Sales Managers. The Area Sales Managers have the daily interaction with their distributors. Other key members of the team: the Sales Manager, the Product Managers, the Marketing Managers, the Sales Director all work closely with distributors as well. We rely on our Distributors for feedback of products, marketing programs, providing end-user feedback, etc. There are also many direct interactions with the distributors and Graco at trade shows,

tech days, equipment training classes, distributor meetings, etc.



*Graco's Reactor 2 E-30*

### **Can you tell us about Graco's new product development process?**

One of Graco's key business strategies is their commitment to bring new and innovative products to the market. Graco has a large team of mechanical and electrical engineers, designers, and technicians all dedicated to developing new products. What makes Graco unique in this industry is the level of lab testing and field-testing that is done on every new product design. For example, bringing the new Reactor 2 to market involved literally hundreds of documented lab tests, thousands of hours of field testing, and individual components being tested to thousands and sometimes millions of cycles to be sure they are built to last many years in a contractor's environment.

Graco as a worldwide company also makes a large investment towards ensuring our equipment meets or exceeds the necessary safety requirements for our products including UL, CSA, and CE standards. This often involves a considerable amount of internal, as well as outside agency, analysis and testing to earn the right to apply the approval marks.

A very important part of our design process for any new piece of equipment is to develop a robust production test that each new piece of equipment must pass before it can be sold. For example, every electric Reactor 2 being built goes through a final test that includes over 55 functional tests that

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## Spotlight on Graco Inc.

*continued from page 4*

have pass/fail criteria. The test is fully automated and includes running each unit at the maximum specification limits of heat, pressure and output. All tests results are 100% electronically stored and traceable by model and serial number.

### **Graco manufactures applicators and proportioners that can be used in the installation of polyurethane spray foam. Can you tell us about any new products Graco is developing that may be exciting for our members?**

Graco is continuously investing in new product development. Over the past few years Graco has completely overhauled its Reactor product line. This includes bringing the Reactor 2 design to the electric, hydraulic, and integrated units. We have also developed a high pressure/high temperature mobile sprayer called the E-10hp, and developed a high pressure air power unit called the A-XP1. We also developed Graco InSite, the remote reporting technology, to the Reactor product line.

Graco currently has a number of new product ideas in various stages of development that will be used in the foam and polyurea industry. At this point, we are not ready to let the “cat out of the bag” for what our next big ideas will be, but contractors can always expect Graco to be creating new products that will change and improve our industry.

### **Do you have any sort of mechanism in the product development process that allows Graco to receive feedback from contractors?**

Getting feedback from the contractors using our equipment is the biggest source of information when developing new product ideas. These ideas come to us in many ways: direct feedback obtained with our sales team making hundreds of contractor visits every year, one-on-one discussions with contractors at trade shows, and feedback given to our distributors they relayed to Graco. Our sales and marketing teams have personal relationships with hundreds of contractors so contractors call us and send us emails with their ideas. In addition



Graco invites contractors to participate in focus group and surveys about new product designs.

During the actual new product development process, the Product Manager works very closely with contractors to include their ideas in the new design. Early field-testing of ideas and concepts provide great feedback to Graco as the design is being finalized. Many of the final design features come from direct feedback we receive from our end-users.

### **Have you noticed any trends in the market that may impact contractors or fellow manufacturers?**

With the internet, consumers are educating themselves on the benefits of spray foam and we are seeing spray foam being offered by more and more of the large nationwide home builders. As more homeowners ask for spray foam, I think we will continue to see more homebuilders offering it.

The industry itself continues to innovate the chemistry being used in the spray foam product. Chemical blenders are bringing new products to market with higher R values, shortened re-occupancy times, the ability to spray thicker foam per pass, and new “greener” blowing agents. These new products are designed to make spray foam more economical to install and provide additional benefits to the homeowner and environment.

### **In what ways do you think Graco has benefited from being an ICAA member?**

Being a member of ICAA allows Graco to stay in-tune with industry news, and provides us the opportunity to participate in the ICAA Convention and Trade Show. The ICAA Convention is always one of the best events of the year for our industry. The interaction we have with contractors, our distributors, and material suppliers at the Convention is always valuable. We also look forward to helping educate our customers at the Convention. 



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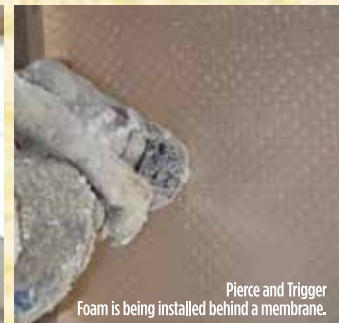
**2**

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## UPDATE TO OSHA 300 RECORDING RULES

**A** new OSHA rule published in May 2016 has instituted new requirements for electronic submission of injury logs. Workplaces with 250 or more employees will now be required to electronically submit 300 Logs, 301 Forms, and 300A Summaries once a year. In industries OSHA deems hazardous — including contracting — those with twenty or more employees will have to electronically submit only their 300A Summaries.

### When will it take effect?

Establishments with twenty or more employees will be required to submit their 300A Summaries on July 1, 2017, and larger organizations with 250 or more workers must submit 300 Logs, 301 Forms, and 300A Summaries on July 1, 2018. Beginning in 2019, all employers with twenty or more employees must submit the information by March 2.

### What else should I know?

While OSHA’s computer software will remove any personally identifiable information tied to individuals, the submitted information will be uploaded to a publically searchable database. This means that the press, competitors, and consumers will be able to view, at a minimum, the amount of days in a year your company lost to injury.

The rule also adds stricter anti-retaliation protections for whistleblowers. Specifically, a


new provision restricts post-incident drug testing to cases where drug use was likely to have contributed to the incident and there is a test that can accurately measure impairment from the drug. As such, this limits employers’ ability to test for marijuana impairment, as there is no agreed-upon standard to evaluate impairment from the drug.

### How should an employer inform employees of their right to report work-related injuries and illnesses free from retaliation by their employer?

One way for employers to meet this requirement is by posting the OSHA “It’s The Law” worker rights poster from April 2015 or later (<http://www.osha.gov/Publications/poster.html>). Employers also must establish a reporting procedure that does not deter workers from reporting work-related injuries and illnesses.

### May an employer require post-incident drug testing for an employee who reports a work-related injury or illness?

The rule does not prohibit drug testing of employees. It only prohibits employers from using drug testing, or the threat of such, to retaliate against employees who report injuries.

For more information on recordkeeping and reporting requirements, visit [www.osha-recordkeeping/RKforms.html](http://www.osha-recordkeeping/RKforms.html). 

Submission Year	Establishments with 250 or more employees	Establishments with 20-249 employees	Submission Deadline
2017	Form 300A	Form 300A	July 1, 2017
2018	Forms 300A, 300, 301	Form 300A	July 1, 2018

## OSHA Issues Guidance on Confined Spaces in Construction Standard


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requirements, the heat must be so extreme that it could potentially impede an entrant’s ability to exit the attic without assistance. Factors that OSHA would consider are (1) the temperature of the space while work is performed, (2) the nature and duration of the tasks performed in the heat, and (3) whether the entrant is acclimatized to work in extreme heat. Additionally, OSHA will consider measures taken to control the heat in an attic, such as the use of a fan, when determining whether a serious hazard exists.

**If a “Competent Person” determines that a confined space in a residential home does not contain or have the potential to contain a hazardous atmosphere,**

### would an entry employer need to conduct atmospheric testing of the space before an entry and provide for continuous monitoring of the space during the entry?

A: No. If a confined space does not contain or have the potential to contain a hazardous atmosphere, an entry employer is not required to perform atmospheric testing or atmospheric monitoring.

For the full FAQ, visit <http://www.insulate.org/OSHAConfinedSpacesFAQs.pdf>. 


**On September 28, ICAA is hosting a Pre-Convention Workshop on Training the Competent Person for the New OSHA Confined Spaces in Construction Standard. If attending, we recommend you arrive Wednesday, September 28 as the workshop begins at 1:00p.m.**




## Department of Labor Updates Overtime Provisions in the Fair Labor Standards Act

Beginning December 1, 2016, an update to the Fair Labor Standards Act will increase the salary threshold for exemptions to overtime pay. Under the Final Rule, executive, administrative, and professional white-collar workers will be eligible for overtime pay if they earn \$47,476 a year (\$913 a week) or less. Bonuses and incentive payments may now count toward up to 10 percent of the salary level for these employees, so long as the payments are made at least once a quarter. The threshold will be updated every three years, starting in 2020, so that it remains aligned with wage growth.

To ensure compliance with this new rule, identify salaried, exempt employees at your company who are paid less than the new threshold. For these workers, employers can a) pay time-and-half for overtime work, b) raise workers' salaries above the payment threshold, c) restrict them to working 40 hours a week or less, or d) some combination of the above.

Learn more at <https://www.dol.gov/featured/overtime>, or read frequently asked questions about the Overtime Rule at <https://www.dol.gov/whd/overtime/final2016/faq.htm>. 

## Accella Performance Materials Acquires Quadrant Spray Foam and Premium Spray Products

Accella Performance Materials, a leading manufacturer of polyurethanes and recycled rubber products, has acquired two other manufacturers in recent months. Quadrant Spray Foam and Premium Spray Products were acquired in March and September, respectively, and anticipate little change in their operations. 



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## Introducing ICAA's new Marketing Coordinator

We are excited to introduce Meghan Lasswell as ICAA's new marketing coordinator. Meghan began her professional career at Vanderbilt University, where she majored in political science. While at Vanderbilt, Meghan developed an interest in non-profit groups and their mission-driven work. During summer semesters, she interned at several Washington D.C. advocacy organizations focused on disability policy. At United Cerebral Palsy, Meghan learned how to create effective email and social media campaigns and at the American Association of People with Disabilities, she was charged with writing press releases, finding potential sources of grant funding, and representing AAPD on policy working groups. Shortly before graduating, Meghan studied abroad at University College London (pre-Brexit — it was a different time).

## 2016 ICAA CALENDAR OF EVENTS

### ICAA Meetings • Denver, CO • Fall 2016

#### ICAA Pre-Convention Workshop on Training the Competent Person

Wednesday, September 28  
1:00pm to 4:00pm

*If attending, arrive Wednesday, September 28*


#### ICAA Convention and Trade Show

Wednesday, September 28 through  
Saturday, October 1

After receiving her undergraduate degree, Meghan served as a communications associate for Georgetown Lombardi Comprehensive Cancer Center, further honing her digital marketing skills. ICAA welcomes Meghan to the insulation contracting industry where she will provide our members with top-notch education and support. In her free time, Meghan enjoys practicing outdoor photography and enabling her popcorn addiction by going to see movies at the theater.


Please feel free to reach out to Meghan with any questions or feedback! Her email is [meghan.lasswell@insulate.org](mailto:meghan.lasswell@insulate.org).

### And Congratulations to Sally HARRS on her retirement.

We wish Sally all the best on her life after retirement, and tons of happiness in the years ahead. 

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### President's Message *continued from page 2*

As the ICAA Convention approaches, and you deal with the ups-and-downs of business and construction, let me remind you of perhaps the most important lesson of all: have fun. Between the paperwork and accounting, it can be easy to lose sight of the true motivation for your work, but try to find the bigger picture within the daily grind. Warren Buffett once said: "You have to find your passion in life. I would choose the same job. I enjoy it. It is a terrible mistake to sleepwalk through life." All I'm saying is – if you spend so much time on a ladder, you may as well enjoy the view. 



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Executive Director **Michael Kwart**