



WEBINAR:

CONSTRUCTION **INTERRUPTION**

COVID-19

Presented by:

VIGILANT MANAGEMENT

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Overview

- Broader Business Implications & Economic Challenge - Terry Hussey
- Impacts on Construction In Atlantic Canada - Grant Horwood
- Ways to Mitigate Risk - Grant Horwood
- Q&A Session

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Two phases to this crisis

- Quarantine
- Recovery

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Business Implications During Quarantine

- Focus is on surviving / ensuring liquidity
- Once you have that resolved then you can start to think about what comes next.
- If you are planning a project
 - Consider delaying?
 - Time it so you are going to market when economy is beginning to restart
- If you are engaged in a project
 - Major potential costs to delaying
 - Enormous risk if you consider cancelling

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Recovery Phase

- There is going to be a global economic reorganization that has never been seen in our history
- Governments all around the world will inject billions of dollars into the economy
- Construction will be a key lever for economic recovery
- At some point the virus will be beaten and the fight will turn to getting the economy moving again

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Recovery Phase Continued...

- It will likely be one of the longest sustained periods of economic growth in human history
- Preparing your business for that recovery period is critically important
 - If you want a facility ready for this period then it may be worth it to take the risks of planning/executing a project now - but they are significant risks
 - If you want to be positioned to “ride the wave” of economic growth then you will want your project to be one of the “first out of the gates”

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Impact on Construction in Atlantic Canada

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Safety & Spatial Requirements

- New safety and spatial requirements
 - This will mean a reduced workforce and an extended construction schedule - in most cases, you accomplish less in a day
 - Increased cost
 - Increased schedule
 - Significant cost to doing work now
 - Outdoor work such as roads will be less impacted but still impacted to an extent

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Supply Chain Issues

- Supply chains will be heavily impacted
 - NL is already seeing supply chain issues
 - Marine Atlantic restrictions
 - Scheduling and tracking all key deliverables is more important than ever
- Materials and equipment
 - Manufacturing in the US is either shut or delayed
 - Atlantic Canada will not be priority when things start to boom again - Ontario and Quebec are big markets and the demand will be high
 - This presents a significant risk

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Ways to Mitigate Risk

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Mitigating Risk On-site

- Strict sign-in sign-out sheets
- Enhanced cleaning measures including;
 - More cleaning staff
 - Constantly cleaning washrooms, lunchrooms, offices, etc.
- Less people in confined spaces
 - This may mean bringing in more site trailers for lunchrooms, office space, ect.
- Wifi access throughout site
 - If possible access throughout the site for virtual calls/meetings, commissioning support

This will impact the cost of the project

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Workforce

- No issues regarding resources, however people are nervous
 - Fear mongering affecting productivity
- Testing workforce
 - Ease anxiety of workers on the worksite

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Delaying or Postponing Construction

- Most contracts do not have a mechanism for delay or postponement
- Imperative to work with the contractor
- Potential costs can include:
 - Storage
 - Demobilization
 - Site Security
 - Stormwater management
- Non construction activities should continue
 - Enhanced planning
 - Constructability reviews
 - Virtual construction

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Planning a Project

- If you're planning a project you'll want to evaluate all the risks and delivery methods
- Design-Build
 - Contractors have more time to order materials and have better buying power than consultants - they will know what's available
- Consider postponing tenders/RFP's
 - Starting a project now would likely come at a higher cost because of the uncertainty

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Questions?

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