

East Design & Construction Round Table Situation Report

Summary

as of April 29, 2020

Session Presenters

- James Vermeulen, Vermeulens
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Legal Implications

- Overall **clients and AEC teams are working together** through this
- Two main considerations that could have legal implications:
 - **contract compliance**
 - **performing work adequately**
- **Clients expect on-site observation** including big-picture overview observation
- **Recommends amendments to contract**; this would need to be cross-referenced with insurance carriers
- **Future contracts could allow provisions for working remotely**

Round Table Summary

- With respect to phased reopening of the economy:
 - construction and manufacturing, as they are larger employers, are likely 'phase 1'
 - will likely include AE consultants especially when the contract requires their on-site participation
- Stay-at-home order in Boston extending until May 18th; expecting 2 week ramp-up
- Further diligence on job sites will be paramount
- Smaller jobs (<\$10M) getting great coverage; larger jobs not yet impacted, but additional interest expected
- Estimating continues at heavy pace, but expected to slow at some point

Economics and Escalation Forecast

- Commodity prices remain low
- Trade prices are holding
- Increase to unemployment by 27.1M jobs as of April 18th
- Interest rates remain at all-time lows
- Owners moving ahead cautiously with design and construction when able
- Recommending 3.5% escalation for long-term planning

Future Topics

- Funding Outlook and Projections
- General Contractor Insight, Bid Data
- Impact on Institutional Planning and Programming
- Subcontractor Insight, Drywall
- Subcontractor Insight, Steel Manufacturing
- Health Insurance, Personal & Corporate

