

COVID-19 Northeast Construction Round Table Situation Report

Summary

as of March 25, 2020

Participating Attendees

- Bond Brothers
- Brigham & Women's
- CSL Consulting
- Harvard University
- Leggat McCall
- Northeastern University
- Payette
- SmithGroup, Boston
- Suffolk
- Turner Construction, Boston
- Vermeulens
- ZGF, Washington, DC

General Office and Policy

- Working remotely
 - All non-site staff working remotely
 - Site staff partially working remote in Boston/Cambridge (outside of city, some sites continue as usual)
 - Teams continue to do business as usual remotely
 - Teams doing high-level presentations remotely
 - Virtual tools: Microsoft Teams, Zoom – positive reviews
- Best practices
 - Leadership meeting weekly (sometimes more often) to discuss COVID-19 related matters
 - Leadership checking in with all staff regularly
 - Promotion of individuals being allowed to make their own decisions about whether to be attend in-person meetings without repercussions
 - Providing employees an additional week of sick-leave
 - Lending office tools (monitors, etc) for remote employees to accomplish their work
 - Maintaining staff events to promote culture
 - 'Spontaneous outbreaks of community' for respite
- Concerns
 - Safety and health
 - Disconnecting from culture
 - People working remotely working longer hours to maintain productivity and meet family needs
 - Most field staff working remote; some projects outside Boston and Cambridge continue as is
 - Leadership meets regularly and is checking in with staff regularly

Work Volume

- Overall
 - Work volumes continue
 - Work is somewhat less productive via web
 - Some slippage, but seemingly 'normal'
- Financing
 - Some institutions may employ a 'strategic pause' to wait for a dip in market pricing
 - Less-resilient institutions who gather funds for capital projects via the market may suffer



Construction Logistics

- Safety
 - Priority #1 for construction personnel, job sites and institutions overall
- Supply chain items being affected
 - Safety equipment
 - Glass
 - Elevators
 - Any items that feature electronic components
- Currently
 - Permitting: anticipating dip in permitting
 - Safety: screening of workers, PPE (personal protective equipment)
 - Cleaning: getting warm water to job sites
 - Social distancing: Staggering deliveries, lunch breaks, etc.
 - Union pressure: carpenters and laborers pressuring projects outside of Boston/Cambridge
- The new 'normal?'
 - Permitting: jurisdiction's ability to process permits in a timely manner
 - Safety/cleanliness: on job sites to increase
 - Social distancing: could have schedule implications, staggered starts to work-day, work on second shift without a premium?
 - Productivity: potential acceleration of baby boomers retiring

Construction Costs

- Effects on pricing
 - 'No one knows'
 - Great recession only recent period where we saw construction pricing go in reverse
- Looming questions
 - Will pricing go up because productivity is reduced?
 - Will pricing reduce due to drop in demand?
 - Will it be wise for clients to wait for a potential market dip to make a sounder investment?
- Resources
 - Turner and Vermeulens indices
 - Market data being reported monthly

Other Considerations

- Current market conditions
 - Markets down 30%, had dropped 60% in financial crisis
 - New job report data from BLS (Bureau of Labor Statistics) due out 4/3
- Interim solutions
 - Do we know of 'mothballed' facilities that can be brought online quickly?
 - BWH setting up temporary tents for bed space

