

COVID-19 Texas Construction Round Table Situation Report

Summary

as of March 20, 2020

General Office and Policy

- Generally, 100% of staff have moved to working remotely
- Essential personnel are in the office part-time only
- Travel has reduced to essential travel only
 - meetings are taking place using on-line platforms
- **Microsoft Teams** seems to be the ideal platform to manage large groups
- To reduce staff panic, leadership needs to be more communicative with staff members
- All firms and contractors should be managing cash flow as there will be impacts
 - owners are processing payments quickly and more flexible with small revisions

Work Volume

- Vermeulens has seen 2 of 200 projects put on hold
- TAMU and UT **projects continue** to move forward
- TreanorHL had a Denver project stop due to Chinese Supply (FF&E)
- Healthcare
 - some institutions are cutting back on what they might build out – potentially only shell only construction due to a reduction in research and elective surgeries
 - mission critical projects continue as of now, but not sure for how long
 - some hospital clients are stopping renovations to reduce the number of people in active hospitals
 - some healthcare facilities are designing temp field facilities to handle potential overloads
- In Boston and Cambridge all institutional and commercial construction projects are on hold

Construction Logistics

- Construction Administration (CA) visits have become complicated to coordinate
- TAMU is re-evaluating how they conduct CA and what work can be done remote or reduced
- Job site screening for the workforce has been put in place
- UT and CM firms implementing redundant staff in case a team is out of work due to illness
 - for example, all projects have 2 project leaders alternating shifts

Construction Costs

- TAMU received on budget bids this week
- Materials price adjustments are still up on the air
- Costs for elevators and glass are quickly becoming a concern
- All designers should be looking for US manufactured product to specify
- There may be short term hunger in the central texas market suggesting a reduction in bid pricing
- Contingencies need to be carefully planned
- Concern of costs of delays and **insurance claims**
 - will cost delays be covered by Force Majeure
- Generally, cost reductions occur within a year following an economic downturn

