



Canadian
Construction
Association

Post-COVID-19 contingency planning for the Canadian construction industry

Version 1
May 26, 2020

TABLE OF CONTENTS

<u>CHECKLIST</u>	<u>1</u>
<u>Review of existing projects</u>	<u>1</u>
<u>Cost and schedule</u>	<u>1</u>
<u>Project initiation</u>	<u>2</u>
<u>Organization adjustment</u>	<u>2</u>
<u>Project financing</u>	<u>2</u>
<u>Worksite adjustments</u>	<u>2</u>
<u>Engaging with subcontractors and suppliers</u>	<u>3</u>
<u>Miscellaneous</u>	<u>3</u>
<u>Recommendations for owners and consultants</u>	<u>3</u>

POST-COVID-19 CONTINGENCY PLANNING FOR THE CANADIAN CONSTRUCTION INDUSTRY

As the global community continues to work through and pull itself out of the COVID-19 crisis and the unique circumstances it has created, every industry will need to make some adjustments to their traditional practices. This document outlines some of the important considerations and steps contractors can make to ensure continuity in the industry.

CHECKLIST

Review of existing projects

- Review contracts for any conditions or requirements that may be difficult to meet in the current circumstances.
 - Review force majeure and delay clauses of existing projects for their applicability in the current circumstances. Engage with the other party when leniency is required.
 - Ensure project financing is still, and continues to be, secured.
-

Cost and schedule

- Update project risk analyses to determine all potential impacts on the project's schedule and costs. Factor delays for labour, materials, equipment and inspections into project timelines.
- Increase the frequency of schedule updates, both formal and informal.
- Engage with the other party regarding delays and costs which result from the ongoing crisis.
- Discuss how costs incurred related to reduced productivity (due to stringent health and safety measures), unforeseeable delays, mandated shutdowns (e.g. extended rentals, additional overhead and premiums, etc.) will be handled.
- Discuss how costs incurred related to additional health and safety implementations on existing projects will be handled.
- Inform the other party of any potential delays (due to labour, materials, equipment, etc.) when they become apparent.
- Keep detailed records supporting any unforeseeable costs incurred on previously existing projects due to the COVID-19 crisis.
- Prepare for the use of multiple shifts, overtime, or other means to expedite project timelines.



Project initiation

- Recognize that certain types of projects will be prioritized and in higher demand.
 - Consider exploring the use of alternative project delivery methods which engage contractors earlier and can expedite the project, such as design-build or construction management.
 - Be proactive in contacting previous and potential clients, as some may opt to forgo traditional processes and enter into direct negotiations instead.
 - Take into account the risk of delays for labour, materials, equipment, and inspections when preparing a bid or creating a schedule for new projects, as these delays may not be 'unforeseeable'.
 - Solicit input from all relevant parties when developing schedules, as some safety measures (such as reducing the number of workers on site to enable social distancing) or other factors will have significant effects.
-

Organization adjustment

- Make use of online plan rooms, digital bonds, electronic signatures, etc., ensuring staff is properly trained and equipped to use these tools in the event of a resurgence.
 - Update internal policies regarding sick-time rules and procedures (such as staying home when sick) and clearly articulate expectations.
 - Formalize response teams at the upper level of your organization tasked with monitoring risks, tracking developments, and creating mitigation strategies and action plans. These teams can each focus on different facets, such as health and safety, economic conditions, supply chain, etc.
-

Project financing

- Ensure proper payment procedures are followed in both directions and money is received and paid out appropriately and within the prescribed pay periods.
 - Review financing agreements with banks and other organizations to ensure capacity and flexibility to support projects. Explore alternative arrangements with banks and bonding companies as needed.
-

Worksite adjustments

- Implement and maintain COVID-19-specific worksite measures to protect the health and safety of workers and their communities.
 - Ensure all sites are compliant with the standards and requirements imposed by the applicable authorities.
 - Increase the frequency of site visits by internal safety personnel, project managers, or other appropriate staff.
-



Engaging with subcontractors and suppliers

- Engage subcontractors, suppliers, and other project partners as early as possible so they are able to better prepare for the work and provide their input on schedule and cost impacts.
 - Revisit shipping terms on existing orders and notify suppliers of any orders originally mandated as “ship complete only” that can now be accepted in part.
 - Source parts and materials locally or through readily available means to minimize impacts of disruptions to the supply chain.
 - Identify alternate suppliers, or alternative methods using different components or materials in the event of disruptions in the supply chain.
 - Identify critical components and materials for which alternatives cannot be found. Prioritize and ration these supplies as needed.
 - Be proactive in suggesting suitable alternatives to clients where it may reduce the risk for delays, shortages, or other disruptions.
-

Miscellaneous

- Provide written notices as soon as possible.
 - Ensure inventory of health and safety supplies remains sufficient.
-

Recommendations for owners and consultants

- Review and alter the specifications for existing projects to allow for products that are readily available or available locally to maintain tighter cost and schedule controls.
 - Be flexible in allowing for equals and substitutions to help accommodate for any disruptions in supply chains.
 - Allow for cost escalation.
 - Create specifications to allow the use of materials and products that are either readily available or available locally to help maintain tighter cost and schedule controls.
 - Use technology to expedite inspections and review of completed work and reduce site visits when appropriate.
 - Where not already in place, look to use electronic methods to streamline the approval process for change orders and payment approvals.
-

