NAIOP NJ Webinar: Restarting Construction & Mitigating Risks

May 27, 2020
11 am
Welcome

Michael McGuinness
NAIOP NJ CEO
Upcoming NAIOP Programs

June 11  Webinar: Regulatory, Legislative & Legal Update,
         9 AM – 11 AM. Registration opening soon.

June 23-25  ICON Virtual, Registration open on NAIOP.org.

July 9  Webinar: Public Policy Symposium (Rescheduled),
        9 AM – 11 AM. Registration opening soon.

Sep 9  33rd Annual CRE Awards Gala, The Palace at Somerset Park.

Sep 21  Golf Classic, Trump National, Bedminster.
STO BUILDING GROUP

NAIOP NJ

Restarting Construction & Mitigating Risks
STO HISTORY OF COMPANIES

Structure Tone International
London 1988
Dublin 1995

BCCI
Joined STO Family 2019

Layton
Joined STO Family 2019

Structure Tone Southwest
Joined STO Family 1987

Pavarini North East
Joined STO Family 1996

Structure Tone
Established 1971

Pavarini McGovern
Joined STO Family 2001

Govan Brown
Joined STO Family 2017

LF Driscoll
Joined STO Family 2009

Ajax Building Company
Joined STO Family 2018
AGENDA
• Safe Return to Work Plan
• Supply Chain & Subcontractor Impacts
• Impacted Sites & Client Considerations

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SAFE RETURN TO
WORK PLAN

Paul Drecksel
COO, Layton Construction

Stephen Neeson,
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SVP, Operations
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STO STATS

During the pandemic

- 957 projects in 24 states
- Jobs from less than 10 to as many as 675 tradeworkers per day on site
- Put in more than 7.2M subcontractor hours
WHY IS ADHERENCE TO SAFETY PROCEDURES SO CRITICAL?

- Risk is still high
- Most of our positives = asymptomatic
- Our goal is to prevent job site outbreaks
- Workforce needs to know they are safe
- Strict adherence to procedures
COVID-19 SAFETY PROCEDURES MUST EVOLVE

• Clear information and communication
• New orders, best practices and lessons learned
• COVID-19 task force meetings
• Who will make decisions/issue new procedures?
• Don’t try to predict future procedures
COVID-19 SAFETY PROCEDURES SHOULD ADDRESS

- Update COVID-19 training and orientation for all
- Collaboration & communication & feedback
- Best practices governing safe operations
- Monitor and ensure safety procedures are followed
- Questions around new situations:
  - Pre-entry screening: health questions
  - Temperature scanning
- Three Focus Points
  - Face coverings
  - Safe social distancing
  - Positive case process and jobsite contact tracing
THREE FOCUS COVID-19 SAFETY PROCEDURES

FACE COVERINGS
- Local orders often govern
- Robust mask when close (N95)
- Proven to reduce transmission
- **NOT** a substitute for social distancing
- Excellent for jobsite morale
- Clear signal to public and AHJ

SAFE SOCIAL DISTANCING
- Limiting number of people
- Pinch point analysis & mitigation
- Daily pre-task planning
- Best protection
- Hardest to enforce

WHAT TO DO WHEN YOU ENCOUNTER INFECTIONS
- Case-by-case analysis apply procedure
- Collaborative effort with employer
- Who gathers facts and make decisions?
- Who will be notified?
- What information can you provide?
- Messaging is key
- Be transparent and honest
- Don’t incite panic
- Explain steps being taken
- Emphasize they are for everyone’s safety
DAILY OPERATIONS IMPACTS/VARIABLES

- Safety and health is the priority
- Landlord and Tenant Concerns
- Availability: Building Departments & Design Partners
- Labor available for restart/productivity
- Contractual Alignment
- Schedule impacts
SUPPLY CHAIN & SUBCONTRACTOR IMPACTS

David Hamilton
VP Purchasing, Structure Tone

CEI Leadership
INTERNAL TASK FORCE
Centers of Excellence

- Fragmented industry wide
- Second tier to CMs
- GPO evolution
OUR FINDINGS

Unpredictable Pinch Points:

- Master tracking log
- Lighting (highest)
- Ceramics / Stone - Italy, NY, CA and FL
- Office fronts
- Electrical gear
- Formicas
- Hardware... Mexico
- Specialty ceilings
- Plumbing fix
- PPE / Sanitary Supplies

Fluid Situation

Geographic
RECOMMENDATIONS

Payments & Deposits

Expediting

Substitutions

Stockpiling/Early Purchase
COST IMPACTS

Shut down/Suspension
• Site Cleaning
• Contractor General Conditions

Remobilization/Start Up/New Environment
• Productivity
  • distancing,
  • staggered start, shifts,
  • vertical transportation
• PPE & Training
  • Jobsite medic (thermal scan),
  • sanitizing and wash stations
• Indoor Air Quality (IAQ)
• Schedule extension – workforce avail / inefficiencies
FINANCIAL IMPACTS

Subcontractor Impacts

• Cash Flow/Deposit/Advances
• PPP CARES Act - webinar
• Sub-Cont. Default Insurance/Bonding
• Supplier Waivers
CM ROLE

Jobsite – Cost Management

• Productivity calculations
• Schedule impacts and lengthening
• Value Engineering opportunity/substitutions
• Suggest - $ Contingency/Schedule allowance
MANAGING IMPACTED SITES/PM & CLIENT CONSIDERATIONS

Rob Leon
EVP, Global Services
Structure Tone
RISK IDENTIFICATION & MITIGATION

- Owners & Landlords
- Design & Consultants
- Revised Goals & Client Requirement
- Tenants/Occupants
- Third Party Vendors
- Municipal Agencies
- Subcontractors & Supply Chain
STO BUILDING GROUP AT A GLANCE

- ST Founded in 1971, Privately Held
- 85% Business from Repeat Clients
- #1 US Interiors Construction Co.
- 75% of Projects Under $2M
- Leader in BIM & LEED/WELL
- 40 Global Offices: US, Canada, UK & Ireland
- An EMR of 0.73 < National Avg of 1.00
- Top 5 National Healthcare Builder
- #7 ENR Ranking CM-at-Risk
- Over 3,300 Professionals *no layoffs or furloughs
- $8 Billion+ Construction Volume per Year
- Over 50% Employee Ownership

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Questions & Answers