

March 16, 2020

PRESS RELEASE

COVID-19 – What does it mean to the daily work of a project manager?

Obviously safety comes first! The CDC and many organizations are doing a great job of getting information out on how to protect oneself and deter the spread of COVID-19. But once health and safety plans are in place, what's next? Unless the Owner has shut down the project, contractors still have a project to construct and COVID-19 will certainly have cost and time impacts. Contractors deal with crisis on a regular basis, so who better to take the lead? Here are a few thoughts on developing a strategy to manage the wide range of risks presented by COVID-19.

1. **Do not ignore the collateral issues.** Contractors are great at getting things done, but single-minded focus on the day-to-day issues will leave the project and your company in peril. Conduct an internal risk workshop to identify as many risks as possible and potential mitigation strategies. In this workshop focus on the details of your project. How will the construction sequencing be impacted? Will there be impacts to the equipment delivery schedules? Do not just focus on the obvious. Get into the "weeds"!
2. **Do not go it alone.** This is not just your problem and you should not try to solve it without the involvement of the entire project team. Follow the contract requirements and put the owner and Designer on notice of any potential impacts to the project, and request a meeting to develop a project wide strategy to deal with upcoming cost and time impacts. Now is the time to get the owner's and Designer's buy-in. Do not wait until the crisis has passed to raise the issue of a potential change order. Working as a team, the contractor, owner, and Designer are much better equipped to develop mitigation strategies that will work for everyone.
3. **Have frank discussions about money.** While it may seem crass to discuss money in the middle of a crisis, it is essential to keeping the project moving forward. In a crisis, businesses tend to hoard cash, typically by not paying their contractors and suppliers. After years of easy money and liberal borrowing, many contractors, subcontractors and suppliers cannot cope with a significant reduction of cash flow. Defaults and bankruptcies will abound. This of course ripples through the industry causing slow-downs in the work, lay-offs and on-site manpower shortages. Obtaining timely payments and ensuring that funds are being dedicated to your project are essential to prevent a total breakdown in productivity.

4. **Develop individualized work plans.** While corporate global policies are great, they rarely have the necessary impact on individuals or the project teams. Here are a few ideas:
 - a. **Constant communication.** People are scared and the more information you can give them, the more secure and productive they will be.
 - b. **Encourage every employee to develop their own personal plan.** Employees can not focus on their jobs if they are consumed by worry about the wellbeing of their families. Each individual's family needs are different, and their plan needs to address those needs. Beyond the health concerns, with schools closing, childcare is a major issue, as is employees who live out of state and travel to the job each week.
 - c. **Develop a work from home matrix.** Its tough to construct a project from home, but not every employee is needed on the jobsite every day. Developing an individualized work schedule for each employee will enhance the employee's understanding of his or her responsibilities and will improve overall organization and efficiency of the work.
 - d. **Develop reasonable PTO policies.** Keeping employees financially secure during the crisis is critical to mitigating the impact of COVID-19. While this is a financial burden, it is minimal compared to the inefficiency losses of employees leaving their jobs or showing-up to the job site sick. It is in everyone's interest to help employees through this crisis and the owner should help carry this burden.
5. **Re-schedule the baseline schedule.** While the last thing a project manager wants to do in a crisis is re-schedule the project, it is an important exercise needed to mitigate the impacts. With globalization much of the equipment is from overseas. In addition to delays in deliveries, often commissioning, startup and training is done by individuals from foreign countries. With the embargoes on travel, its unlikely they will be showing up on your project as scheduled. By mapping out these types of delays, the project team can begin to see if resequencing or suspension of the work makes sense.

CONCLUDING THOUGHTS

In conclusion, while safety must always come first and generalized guidance is helpful, it's with hard work of detailed and comprehensive planning, and cooperation that will get us through this crisis. A task that contractors are more than qualified to lead.