

CONSTRUCTION COVID-19 RAPID RESPONSE TASK TEAM

CONSTRUCTION SECTOR SHORT TERM PLANS FOR IMMEDIATE REACTIVATION OF CONSTRUCTION WORK & PRE-CONSTRUCTION PHASE WORK DURING COVID-19 LOCKDOWN

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Team (18 APRIL 2020)



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1. EXECUTIVE SUMMARY

The civil and building construction sectors are essential and critical assets to any well-functioning country's economy and political mandate to implement public and private infrastructure.

The collective built environment industries, consisting developers, built environment professionals, civil and building contractors and their respective material suppliers make up this industry that serves both public and private sectors. They are responsible for the conceptualisation and execution of fixed capital investment in the country.

The industry employs a wide range of role players ranging from highly educated technical experts to wage earning labour. Of great concern during the lock-down period is the fact that the industry, which works on a "no work no pay" basis, is unable to ensure money flow to some of the poorest sectors of society i.e. labour. At the same time critical infrastructure projects are being delayed which will have a knock-on impact on society and the economy.

The Construction Covid-19 Rapid Response Task Team is an informal structure consisting of a wide range of professional representative bodies all active within the development and construction sectors. The Task Team intends to identify practical interventions that can be made by government to support the ailing construction sector.

The proposal contained in this document proposes that certain existing construction sites should be considered for activation during the lock-down period. In addition we would propose that Companies responsible for the planning, costing and design of infrastructure projects who are mostly office bound be considered for activation in the lockdown period so that such work may commence for preparing projects that need to commence for construction during and immediately once the lockdown period has been completely lifted. Restarting these processes are key to ensuring that we are able to get the necessary infrastructure development restarted that both key to kickstarting the economy and ensuring road user safety in the instances where road closures have been necessitated due to road rehabilitation works..

Qualifying sites and Offices will focus on low population density and ease of site and staff control. Office environments will be required to ensure social distancing and limit office population to essential staff on a rotational basis to keep number low as well as ensure the implementation of the usage of masks, gloves and hand washing and sanitising. Many projects whether in implementation or close to implementation stages where final designs and costings in civil, building and electrical construction have been done, should qualify for incremental activation.

Typical sites that may qualify for incremental activation will be sites where site related population densities are low or sites that are currently in a construction phase where less onsite staff are required to implement works. Similarly, the same could apply to Professional Services staff required for the preparation of projects for implementation.

In addition, qualifying construction sites must be easily controllable with limited external access and interface with the public.

Companies with qualifying construction sites wishing to be considered for incremental activation will have to present a suitable operational plan to ensure limited contact between on-site staff, well controlled inter action with suppliers, and the ability to offer ongoing screening, monitoring, tracing and training of staff to minimise the possible contamination with and spreading of the Covid-19 virus. A similar process will have to be required of Professional Service Providers requiring staff to commence with essential planning of projects where a presence at the office or on a site is required, where projects that have been reactivated require levels of site supervision on the part of such Service Providers.

2. CONSTRUCTION COVID-19 RAPID RESPONSE TASK TEAM

The Construction COVID-19 Rapid Response Task Team (“CC19RRTT”) is an industry grouping that has been convened to represent the views of the major associations in the construction sector and its entire value chain covering suppliers, manufacturers, built environment professionals and contractors (main contractors and subcontractors).

The overarching synergy between the various role players is that they are all focused on the survival and reactivation of the full suite of disciplines involved in delivering fixed capital investment projects through the civils, building and electrical construction sector.

The objectives of the CC19RRTT are the following:

- To assess the impact of Covid-19 on the construction sector and charter the recovery thereof.
- To unblock relief measures for the construction sector to remain sustainable.
- To identify infrastructure project opportunities in both the public and private sector.
- To address the regulatory matters which unintentionally impede the industry.
- To address systemic challenges and fast-track intervention.

Members of the CC19RRT include the following:

- Master Builders South Africa (MBSA)
- Association of South African Quantity Surveyors (ASAQS)
- Western Cape Property Development Forum (WCPDF)
- South African Institute of Architects (SAIA)
- Black Business Council in the Built Environment (BBCBE)
- Consulting Engineers South Africa (CESA)
- Association of Construction Project Managers (ACPM)
- South African Black Technical and Allied Careers Organisation (SABTACO)
- South African Woman in Construction (SAWIC)
- The Concrete Institute (TCI)
- Cox Yeats Attorneys
- Master Builders KwaZulu Natal (MBA-KZN) - Convener

3. LOCAL AND INTERNATIONAL PERSPECTIVE

Leading data and analytics company GlobalData has revised its construction output growth forecast for sub-Saharan Africa (SSA) in 2020 to 3,6%, down from the previous projection of 6% (Q4 2019 update).

GlobalData has further revised down its forecast for South Africa's construction output in 2020 to a negative -4,1%. The report further indicates that the negative impact from COVID-19 will compound other challenges, notably high national debt, skilled labour shortages and little infrastructure spending amid a depressed economy.

In many foreign countries (some of which have very high rates of infection) such as the UK, USA, Australia, Germany, China and Italy, construction has been defined as an essential service and allowed to continue under strict health and safety requirements. South Africa is one of the few countries in the world where construction sites have been closed despite low cases of infections in relation to its population. Indications are that the figures of infections emanating from construction activities have been kept very low due to the strict health and safety measures being applied on construction sites in countries listed above.

Spain has recently announced allowing manufacturing and construction to return to work subject to strict health and safety guidelines.

4. NEED TO ACTIVATE CONSTRUCTION SECTOR

The construction sector is a significant contributor to employment and economic growth in South Africa, according to various available data. The construction sector is crucial to South Africa's economic growth and there is a wealth of data that proves that the construction sector is regarded as an economic multiplier which contributes a significant portion of the country's GDP and is an enabler of faster economic recovery and growth. The sector also contributes to the labour market; according to Stats SA the South African construction sector employed more than 1.4 million people in the past few years before the current decline.

In 2020 the South African government announced that Public-sector infrastructure spending over the medium-term expenditure framework (MTEF) period is estimated at R815 billion. Achievement of all planned public infrastructure such as roads, housing, water and sanitation etc. requires adequate and effective local professional and construction capacity to successfully implement these projects.

The importance of government supporting the construction sector cannot be overstated. It is vital that the construction sector be declared an essential service in order to facilitate the immediate completion of current projects and to further urgently propose, plan, design and fund a suite of new projects aimed at providing the necessary economic stimulus necessary for providing traction within our economy.

5. ACTIVATION OF CONSTRUCTION SITES

Construction sites aren't public places and only employees following full health and safety protocols have access. It is important to mitigate the public safety risks associated with unattended construction sites, including damage from weather related incidents, security costs, break-in damage, plant maintenance and stock loss. Furthermore the issue of single lane unfinished roads which had been halted due to the lockdown without road safety management, continue to be a safety hazard to road users, especially other essential healthcare workers who may need to use such roads to travel between home and work.

Some countries with far much more cases of COVID-19 have taken decisions to either relax the prohibitions or declare construction as essential service. In Spain, which has been one of the countries worst affected by the pandemic, more than 300,000 people who work in construction and manufacturing who cannot work from home will be allowed to return, but schools and restaurants will remain shut. Though each country has its own unique socio-economic and health dynamics, the unique South African situation seems to be ideally suited to allow for the activation of construction sites subject to the current construction occupational health and safety regulations to be augmented by additional controls in office environments, not unlike those in the financial services sector, which will ensure that all employees are protected as far as possible.

Should the government's COVID-19 National Command Team assessment of the spread of the pandemic in the country point to a high risk requiring no relaxation of the lockdown regulations leading to construction not being declared an essential service, the industry proposes that certain existing construction sites should still be considered for activation during the lock-down period. Such sites will have to meet strict health and safety requirements proposed by the sector.

Mining has recently been declared an essential service and operations permitted to resume at 50% capacity. This developmental act has given construction sector confidence in the government's appreciation of a need to ensure that economy driving sectors are back to operation as soon as it is practically possible to do so.

6. PROPOSED IMMEDIATE SUPPORT FOR THE INDUSTRY AS PART OF INDUSTRY RECOVERY PLAN

The South African construction sector will have an important role to play in rebuilding our devastated economy when COVID-19 lockdown is over. As one of the biggest employing economic sectors, it would play a greater role in re-employing many employees who have and continue to lose jobs both from within the sector as well as in the peripheral supplier industry to the sector.

The employment opportunities provided by the construction industry will assist the countries efforts in cushioning the impact of unemployment during and in the aftermath of the lockdown phase. The industry commits to continued adherence to the provisions of the Expanded Public Works Programme (EPWP) and to realise and maximize opportunities to increase labour absorption in all projects.

Prior to the outbreak of COVID-19 pandemic, the South African construction sector faced significant challenges including lack of work, late and non-payment of contractors and professionals as well as the uncontrolled illegal construction site invasions by syndicated organised crime. COVID-19 has also brought about other challenges such as the immediate stoppage of work, lack of payment for certified work, work impossible to complete, loss of income and manpower, potential litigation issues and business uncertainty to mention but a few.

A number of entities such as Employer organisations and associations provide essential support services to the construction industry in the form of contract documentation and support, health and safety auditing, industrial relations, dispute resolution and training. We submit that these entities also be given essential services status in order to be able to provide these critical support services to contractors. Such operations will also be subject to prescribed social distancing imperatives such as working from home or staff rotation as well as the relevant provisions applicable to other persons presenting on construction sites.

Entities like Construction related Employer Federations / Organisations, Bargaining Councils, the Joint Building Contracts Committee (JBCC), the Construction SETA (CETA) are examples of the entities proposed as essential service providers.

In New Zealand, the construction industry, working together with government, have created a response plan aimed at supporting the construction sector during and post COVID-19 restrictions. This is a strategy that we believe can work well in South Africa given similar challenges faced by our sector.

Below is our proposed recovery plan mainly aimed at government support:

6.1.Maintaining the sector

| Required support | Result | Date |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|--------------|
| Declaring the construction sector an essential service | Existing and new projects allowed to continue under strict health and safety measures | 01 May 2020 |
| Awarding of already priced infrastructure related tenders | All priced tenders to be finalised | 01 June 2020 |
| Identify and agree on new 'shovel ready' projects that could start when restrictions are lifted | New public infrastructure projects for the next 12 months identified and agreed upon between the sector and government | 01 June 2020 |
| Remove barriers to a swift restart including in legislation and allowing for efficiency and flexibility coupled with compliance in Public Sector the Procurement Regulations | Develop emergency procurement and management of the urgent critical projects identified | 01 June 2020 |
| Commitment to enforce law against construction sites disruptions (While enacting the law) | No construction site affected by any form of illegal disruption including local so-called business forums | 01 May 2020 |
| Require Departments, Municipalities and government SOE's agencies to pay contractors and professionals promptly or early and ensure that they in turn pay subcontractors promptly | No delayed payment to professionals, contractors and sub-contractors by government and its agencies | 01 May 2020 |
| Ensure expeditious resolution of contractor claims and contract disputes through adjudication or expert determination to ensure projects proceed and any withheld payments are made. | Directive to pursue alternative dispute resolution through recognised industry dispute resolution bodies. | 1 May 2020 |
| Require private sector to pay contractors and professionals promptly or early and ensure that they in | No delayed payment to professionals, contractors and sub-contractors by private sector employers | 01 June 2020 |

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| <p>turn pay subcontractors promptly (gazette prompt payment regulation)</p> | | |
| <p>Create construction financial support fund as part of the wider economic relief package by redirecting some of the funds that may be available in the Voluntary Settlement Agreement between Construction Companies and Government.</p> | <p>Funds should be made available to the industry (beyond UIF funding) to ensure that companies that are struggling are assisted with covering their overhead expenses.</p> <p>Government can assist with the provision of financial assistance to contractors in a form of providing guarantees to material suppliers as companies' balance sheets are currently severely weakened and this will have an impact on their ability to provide the necessary collateral for guarantees to material suppliers.</p> <p>The commercial banks and Development Financial Institutions should institute payment holidays on existing loans and credit facilities to allow companies to recover as the majority of industry players are currently unable to generate revenue.</p> | <p>01 May 2020</p> |
| <p>Commitment to encourage financial institutions to ring-fence funds for construction projects funding</p> | <p>Availability of funds from financial institutions to cater for construction related projects</p> | <p>01 May 2020</p> |
| <p>Facilitate availability of both local and imported construction material and components required for controlling infrastructure controls and systems integrated into construction elements.</p> | <p>Construction projects should not be affected by lack of material</p> | <p>01 May 2020</p> |

7. CURRENT CONSTRUCTION SECTOR SAFETY MEASURES

Construction sector operates in a highly regulated environment. It is already administrated through the Occupational Health and Safety Act no 85 of 1993 and the Construction Regulations 2014. Many employer federations have their own occupational health and safety committees consistently advising members on matters of occupational health and safety. Health and Safety Officers are a permanent feature on Construction Sites responsible for monitoring compliance with regulations, both on the site and upon entry to any site.

Below are key health and safety measures CC19RRTT will ensure are in place post opening of sites:

- Keeping contractors informed of all new safety related legislations.
- Constant Health and safety presentations, seminars and conferences.
- Inform industry and the DEL (department) of relevant incident/accident statistics including costs and recommend preventative action.
- Assist and advise contractors on how to improve their safety management programme.
- Arrange safety related training courses for contractors and their employees off site.
- Assist contractors as and when required with incident and accident investigations and reports.
- Submission of relevant reports required from the department etc.

8. COVID-19 RISKS AND MITIGATION PLANS

Despite having and complying with the occupational health and safety laws and regulations, the industry will put additional measures in place to ensure the health and safety of employees on sites. Below are some of the identified risks and mitigation plans to be implemented by all construction companies and built environment professional service provider companies intending to go back to work:

| Risk | Mitigation plan/action | Responsibility |
|---------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| Travelling to work – public transport – exposure to the virus | <ul style="list-style-type: none">▪ Office support staff to remain working from home▪ Contractors to transport staff from a designated place▪ Where not possible to avoid, use of public transport to comply with the transport limitations▪ Provide employees with information on the virus and precautions to take during travel ie:<ul style="list-style-type: none">- If possible, maintain social distancing (at least 2 m) between yourself and anyone else when travelling | Contractor |

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| | <ul style="list-style-type: none"> - Frequently clean hands by using alcohol-based hand rub or soap and water - Avoid touching eyes, nose or mouth - Always wear a suitable face mask ▪ Cancel travel for employees experiencing symptoms of the virus ▪ Regular testing of body temperature | |
| <p>Site access by non-employees</p> | <ul style="list-style-type: none"> ▪ Stop all non-essential visitors. ▪ All employees and non-employees to be screened with non-contact thermometers. ▪ Body temperature check with thermometer upon employee's arrival as well as departure. ▪ Introduce staggered start and finish times to reduce congestion and contact at all times. ▪ Take body temperature of anybody stepping on or stepping off site ▪ Monitor site access points to enable social distancing ▪ Change the number of access points, either increase to reduce congestion or decrease to enable monitoring. ▪ Disinfectant is to be placed in the trough and all shoes coming onto site or leaving site will be disinfected. ▪ Remove or disable entry systems that require skin contact e.g. fingerprint scanners or biometric system. ▪ Require all workers to wash or clean their hands before entering or leaving the site. ▪ Allow plenty of space (two metres) between people waiting to enter site. ▪ Regularly clean common contact surfaces in reception, office, access control and delivery areas e.g. scanners, turnstiles, screens, telephone handsets, desks, particularly during peak times. ▪ Reduce the number of people in attendance at site inductions and consider holding them outdoors wherever possible. | <p>Contractor</p> |

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| | <ul style="list-style-type: none"> ▪ Drivers should remain in their vehicles if the load will allow it and must wash or clean their hands before unloading goods and materials. | |
| Poor Personal Hygiene on sites | <ul style="list-style-type: none"> ▪ Provide additional handwashing facilities to the usual welfare facilities if a large spread out of site or significant numbers of personnel on site. ▪ Provide misting hand sanitizers in all strategic places on site. ▪ Ensure soap and fresh water is always readily available and kept topped up. ▪ Provide hand sanitiser where hand washing facilities are unavailable. ▪ Regularly clean the hand washing facilities and check soap and sanitiser levels. ▪ Provide suitable and enough rubbish bins for hand towels with regular removal and disposal. ▪ Sites to have extra supplies of soap, hand sanitiser and paper towels and these will be securely stored. ▪ Non-compliant employees will face disciplinary action in order to safeguard | Contractor and Employees. Applicable in part to Off Site Office based work being done by Professional service providers as well |
| Unhygienic facilities such as offices, toilets, canteens etc. | <p>Toilets:</p> <ul style="list-style-type: none"> ▪ Restrict the number of people using toilet facilities at any one time. ▪ Employees to wash hands before and after using the facilities. ▪ Enhance the cleaning regimes for toilet facilities particularly door handles, locks and the toilet flush. ▪ Portable toilets should be avoided wherever possible, but where in use these should be cleaned and emptied more frequently. ▪ Provide suitable and enough rubbish bins for hand towels with regular removal and disposal. <p>Offices and canteens:</p> <ul style="list-style-type: none"> ▪ The workforce should also be required to stay on site once they have entered it and not use local shops. | Contractor and employees |

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| | <ul style="list-style-type: none"> ▪ Dedicated eating areas should be identified on site to reduce food waste and contamination. ▪ Break times should always be staggered to reduce congestion and contact. ▪ Hand cleaning facilities or hand sanitiser should be available at the entrance of any room where people eat and should be used by workers when entering and leaving the area. ▪ The workforce should be asked to bring pre-prepared meals and refillable drinking bottles from home. ▪ Workers should sit 2 metres apart from each other whilst eating and avoid all contact. ▪ Where catering is provided on site, it should provide pre-prepared and wrapped food only. ▪ Payments should be taken by contactless card wherever possible. ▪ Where only cash can be used, the usual hands cleaning and with sanitizers and soap should be observed. ▪ Crockery, eating utensils, cups etc. should not be used. ▪ Drinking water should be provided with enhanced cleaning measures of the tap mechanism introduced. ▪ Tables should be cleaned between each use. ▪ All rubbish should be put straight in the bin and not left for someone else to clear up. ▪ All areas used for eating must be thoroughly cleaned at the end of each break and shift, including chairs, door handles, vending machines and payment devices. | |
| Inadequate PPE | <ul style="list-style-type: none"> ▪ No employee on site without adequate and relevant PPE. ▪ Re-usable PPE should be thoroughly cleaned after use and not shared between workers ▪ Single use PPE should be disposed of so that it cannot be reused | Contractor |

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| Poor ventilation | Increase ventilation in enclosed spaces | Contractor |
| Site meetings | <ul style="list-style-type: none"> ▪ Only necessary meeting participants should attend. ▪ Attendees should be two metres apart from each other. ▪ Rooms should be well ventilated / windows opened to allow fresh air circulation. ▪ Consider holding meetings in open areas where possible. | Contractor |
| Tracing of infected employees | <ul style="list-style-type: none"> ▪ The necessary systems will be implemented to trace employees that are infected. ▪ The system will also enable the tracing, identification and quarantining of people who came into contact with the infected employee. | Contractor & Consultants (through government) |

9. CONCLUSION

The effects of COVID-19 are dire and pose a huge risk not only to the construction sector but also to our economy. Where we see a possibility to save the sector, its people and its developmental role in our society, such opportunity need not be missed. Post COVID-19 the South African construction sector an integral, globally revered and vibrant part of the South African economy will face a myriad of challenges which has indeed brought it to its lowest point in its history. If nothing is done to revitalise this sector, we will find ourselves having to import the skills and knowledge for the future development of our infrastructure at significantly higher costs, something we can ill afford to allow to happen.

COVID-19 should not be allowed to destroy the construction sector, hence the industry after careful consideration, is committed to working with government towards ensuring that a returning to work will achieve the envisioned economic growth and not play a role in reversing the substantial gains that the county has made in controlling and managing the spread of the deadly COVID-19 virus.

Contractors reopening their sites will be expected to provide weekly reports to the CC19RRTT so that the team can assist in making sure that non-compliance and areas of required assistance are identified and dealt with from the onset of any relaxation that is authorised.

We look forward to your quick response and engagement as soon as possible.



John Matthews

Chairperson: Construction Covid-19 Rapid Response Team