

CASH Webinar

Construction Climate Under the Governor's Order: Contractor Subcontractor Workforce Supplier and PPE Availability

Julie Arthur, CASH Chair, Palm Springs USD

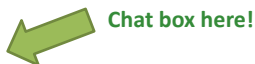
Jeff Becker, CASH Vice Chair, Office of the Fresno Co. Supt. Of Schools



April 23, 2020

HOUSEKEEPING

- If you would like to ask a question, please use the Chat feature in the bottom left corner of your screen.
- This Webinar is being recorded and will be made available to CASH Members for future reference.



GOVERNOR'S ORDER: STILL IN PLACE/DIRECTIONS TO SCHOOL DISTRICTS & COUNTY OFFICES

Ty Dorward

CASH Legislative Advisory Committee
Best, Best and Kreiger

EXECUTIVE ORDER N-33-20 (MARCH 19, 2020)

- Orders all Californians to “stay at home”
 - The Order also states that any Californian whose job relates to maintenance of *critical* infrastructure *may leave their home to do this work.*

EXECUTIVE ORDER N-33-20

- Critical Infrastructure Workers explicitly includes:
 - *Construction Workers who support the construction, operation, inspection, and maintenance of construction sites and construction projects (including housing construction)*
 - *Construction material suppliers/sources*

WHAT HAS HAPPENED SINCE THEN?

- Counties have all issued and updated their county health orders with additional guidance and requirements over the last 4 weeks
 - Some coordinated with similar language, but mostly unique

TIMELINE OF CURRENT ORDERS

- March 31 – Bay Area county orders with additional essential findings
- April 1-10 – Many orders updated re social distancing and face masks
- April 10-now – Additional clarifications county by county

CURRENT ISSUES/TRENDS

- Many Districts consider adoption of resolutions designating all projects as “essential” outside Bay Area
- Bidding/Contract issues
 - Force Majeure/Delay notices
 - Worker safety procedures/plans
 - Bid process issues (walks/openings)

OTHER EMERGING ISSUES

- Questions re City Oversight of School District Construction Projects
- Bid protests/Inexperienced bidders

MAINTAINING CONFIDENCE WITH THE PUBLIC: COMMUNICATING WITH PARENTS AND COMMUNITY DURING THIS PANDEMIC

Don Ulrich

CASH Immediate Past Chair
Clovis USD

COVID-19

School District Communication



Don Ulrich, Ed.D.
Deputy Superintendent



Philosophical Messaging

- “School Doors” may be *closed* but CUSD is *open* for business and student learning
- Expectations for “new” student learning
- Equitable access to technology and infrastructure
- Teachers/staff will connect personally with our students



Communicating “Grace & Care”

- Superintendent video message twice per week for staff and parents
- Superintendent weekly emails to staff and parents
- Teachers/support staff going above and beyond
 - Food Service continues to deliver on the front lines!





Communicating Accountability

- Anecdotes of teachers offering instruction
- Number of computers and network devices delivered
- Objective data on teachers/families accessing the CUSD network



Important Details

- Grading “parameters”
 - Secondary (UC and CSU Entrance Requirements)
- Senior activities
 - Graduation
 - Awards
- Food Service details
- School/facility Construction



Superintendent's Message

- Monday 4/20 message
- <https://vimeo.com/410018574/abcd6eee44>



Questions?



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CONSTRUCTION CLIMATE: COSTS AND CONTRACTOR & SUBCONTRACTOR AVAILABILITY

Mat Gates

Erickson-Hall Construction Company



CONSTRUCTION CLIMATE:

COSTS & LABOR AVAILABILITY IN THE EDUCATIONAL MARKET

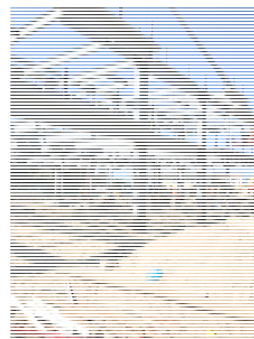
APRIL 23, 2020

PRESENTED BY:

MAT GATES, VICE PRESIDENT
ERICKSON-HALL CONSTRUCTION

PRE COVID-19 STATUS

- ❖ Full employment (unemployment less than 4%)
- ❖ 21.5 Million jobs added since Great Recession
- ❖ Longest Economic expansion in history (128 months)
- ❖ Labor availability was limiting construction starts or extending construction durations
- ❖ Manufacturing at 100% capacity
- ❖ Weekly on-site Owner/Architect Contractor Meetings
- ❖ Experiencing some wage and margin inflation



ECONOMIC FALLOUT / CA LABOR STATUS

- ❖ Nationwide 22.0M unemployment claims in the last 4 weeks
 - California Labor Status
 - 661,000 unemployment claims last week, down from 991,000 the previous week. Total Claims to date – 3,000,000+
 - Lost construction jobs total > 20,000 (Mostly Private/Commercial Sector)
- ❖ Private and Commercial Construction starts down 17%
- ❖ IMF estimates Global Economy shrinks by 3.1% this year
- ❖ National GDP shrinks next quarter 17-30%, Yearly decline of 2.2%



MANUFACTURING STATUS

- ❖ Manufacturing plants reduce workforce or shutdown due to COVID-19
 - *(Particularly – Manufacturing Abroad)
 - Theater seating & Elevator Manufactured Parts
 - Bleachers, Fume Hoods, HVAC Equipment (Texas & Michigan plants)
 - Structural Steel Fabrication plants
 - Electrical Gear Manufacturing
- ❖ Supply chain impact
 - Trucking deliveries



SUBCONTRACTOR / LABOR AVAILABILITY

- ❖ Private/Commercial subcontractors are experiencing slowdown in their markets
- ❖ Labor is available –Challenge is screening/Interviewing applicants
- ❖ Challenges for new projects – identify delivery methods that allow for the most flexibility
- ❖ Specific requirements in Educational Market – DIR/Pre-qualifications/Skilled & Trained/DSA mandated docs.
- ❖ OCIP's, Bonding, Insurance, Certified Payrolls, Prevailing wages
 - **Lots of Training!



MOVING AHEAD

- ❖ Historically, recoveries have taken 30 months to regain previous peaks in employment
- ❖ Historic levels of interest rates, as well as, governmental funds fuel the recovery
- ❖ Current costing information appears stabilized from last September levels
- ❖ New Protocols for Workforce/Management/Staffing for Construction Projects
 - Social Distancing – Cleaning and Disinfection protocols
 - Remote Meetings
 - Web Based Document Controls
 - Jobwalk and Bid Opening protocols



MOVING AHEAD CONTINUED

❖ Opportunities for those Districts who plan ahead

- Communicate with your Board
- Reach out to bond counsel
- Evaluate document control systems
- Evaluate Staffing needs
- Evaluate deferred maintenance projects that involved materials from petroleum products
- Look for future guidance on space requirements, path of travel, food service logistics
- Be ready to pivot and reset priorities!



THANK YOU

Questions?



PEOPLE & MATERIAL AVAILABILITY: CHALLENGES ENCOUNTERED THIS CRISIS

Nick McFayden
Pro-Craft Construction, Inc.

PEOPLE & MATERIAL AVAILABILITY

*Challenges Encountered During
COVID-19*

Nick McFayden
Pro-Craft
Construction

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PEOPLE WANT TO

- Work
- Feel safe
- now more than ever
- Trades are seeing an upswell in application for employment and apprenticeships

HOW DOES THIS IMPACT OUR PROJECTS

Labor is available and willing to work

Health and Safety Action plan have been created and we're seeing the "buy in" across the board

Increasing labor for the higher demand of summer work has been delayed.

Companies are creating new onboarding and training processes.

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PRODUCTION DELAYS



Social Distancing



Sterilizing tools and equipment
between uses



Quarantined materials before
install can take place



Transportation of material and
equipment

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PRODUCTION DELAYS CONT.



Jobsite check in
process



Jobsite office
Meetings



Project executives, managers,
company owners are limiting
interaction with projects

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GOOD NEWS

- Adapting to the new way of working
- Overall, people are mindful and understand the severity if they have not already
- Construction as a whole has many strict safety standards



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MATERIALS



- Materials
 - Your common, everyday items are available
 - Majority of the manufacturers are working at 100% capacity to fulfill orders
 - Others are running at 50%
 - Some factories are closed
 - As long as we don't see an outbreak within the factories, we believe that materials will be available.
 - Some specialty items are having delays
 - Light fixtures and gear.
 - HVAC units
 - Lead time items are slow to assemble due to imported components
 - Items manufactured overseas

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MATERIALS CONT.

- Wholesalers are saying, material delays could be 90-120 days out depending on inventory level
- Escalation
 - Not seeing materials increase in the short term.
 - Long term, we could see price gouging
- Overall - No real concern to materials

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SOLUTIONS

- Solutions
 - Be Pro-Active
 - Communicate with your subcontractors and owners early and often.
 - Create a bullet point on meeting minutes for your owners and foreman's meetings
 - Revisit labor and materials weekly
 - Don't wait for the impacts or delays to occur
 - Note: different delivery methods will create different challenges
 - Ask for early submittals

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SOLUTIONS CONT.

- REQUIRE material logs and manage weekly
- Be flexible on products - accept the equivalent “or equal” product
- Technologically advanced companies will pivot faster and more effectively
 - Embrace Technology
 - Zoom meetings
 - Microsoft Teams
 - Plangrid
 - Procore
 - Bluebeam Studio
 - Textura
 - Email

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MORE GOOD NEWS!

- With 60 day summers, K-12 builders are used to working under extreme pressure
- We will be stronger in the end
- We will be more efficient

Questions & Answers

- Please use the Chat feature on the bottom left of your screen to ask questions.
- CASH will send out a copy of the Chat Box Discussion following this webinar.



Chat Box here.

UPCOMING WEB EVENTS

Thank you for attending today's webinar.

Please mark your calendars for these future dates and topics:

Thursday, April 30, 2020
11:00 a.m. – 12:15 p.m.

**Anticipating Federal Covid-19
Assistance, State Budget
Challenges and the Economy**

Stay safe out there!
-CASH



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