

Successfully Navigating COVID-19 Related Construction Impacts



How can your team successfully navigate COVID-19 related construction impacts? The industry has seen lockdowns and safety measures that are affecting construction projects across the country. Here’s what you need to know.

MITIGATING IMPACTS FOR A CONTINUING PROJECT

RESOLVING CLAIMS FOR A STOPPED PROJECT

ADDRESSING RESTART AND RESUMING WORK

Moving forward in the year 2020 and beyond, the construction industry will be dealing with the impacts of COVID-19 on all types of projects. The construction industry as we know it will be vastly different as we deal with the impacts of the virus.

Successfully navigating through the impacts of the virus on your construction project will be complex and will require a well thought-out approach with concrete steps to address issues of time and cost.

COMMON QUESTIONS REGARDING COVID-19 RELATED IMPACTS

- How will I measure impacts as a result of a changed work environment?
- How will we successfully resolve claims for projects that have been shutdown?
- How will I successfully restart my project?
- Is it a Force Majeure Impact?
- How will I determine the effect in terms of days & dollars?

MITIGATING IMPACTS FOR A CONTINUING PROJECT

Several states and cities have stopped all construction, but others have continued construction on “essential” projects. With some projects continuing, it will not be without some level of impact. Some important actions that should be taken on these projects include:

- COVID-19 Jobsite Safety Plan
- Track project changes with detailed documentation
- Identify opportunities to re-sequence and/or accelerate the work
- Anticipate possible labor and material shortages
- Review business interruption insurance coverage
- Prepare to shutdown completely if necessary

RESOLVING CLAIMS FOR A STOPPED PROJECT

With the closure of non-essential construction projects due to the Coronavirus, one or more of your projects may have been impacted or worse – shutdown completely. When federal, state and local governments allow projects to reopen, needs may no longer be the same or funding, supplies and other resources may no longer be available. Unfortunately, your projects will be exposed to disputes and claims, for example:

- Force Majeure
- Delay and Disruption
- Lost revenue and Liquidated Damages
- Demobilization Costs
- Suspension or Termination
- Stop notices or Mechanics Liens
- Performance and Payment Bond claims
- Escalation and Consequential damages
- Demands for Alternate Dispute Resolution
- Closeout claims

AVOIDING CLAIMS FOR PROJECTS STARTING UP

Once the determination has been made to continue the construction project per government orders, there are many things the project participants must do to restart the project after COVID-19. The project you left when the shutdown started may not be the same project when you return to resume work. Here are some steps to consider:

- Evaluate whether it’s safe and lawful to proceed
- Evaluate owner and contractor ability to restart
- Confirm project requirements and program changes
- Re-baseline for cost and schedule
- Develop procurement strategies for resources
- Price adjustments for work stoppages
- Address unresolved claims

ARCADIS CONTRACT SOLUTIONS

Having specialized in construction claims for more than 40 years, Arcadis is an acknowledged industry leader in the prevention, investigation, evaluation, and resolution of construction disputes.

We are highly skilled problem-solvers and effective communicators with pragmatic perspectives built through years of hands-on exposure to the complexities and pitfalls of capital construction. Arcadis experts are thought leaders who testify before courts, arbitration panels, and other adjudicative bodies when needed.

Arcadis is successful in helping our clients reach settlements, because we discuss the many gray areas of a dispute, how they translate into financial exposure, and work with you to develop strategies.

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