**AGC Webinar**

**Member Survey:**

*Owner/Govt Agency ordered to halt work: 28%*

*Ordered to halt future work: 11%*

**Reasons for delays/disruptions:**

- **Material shortage: 16%**
- **Craftworker shortage: 11%**
- **Material delays: 22%**

**Economic Short Term Impacts on Construction:**

- **Negative:**
  - Disruptions to current work due to missing deliveries, workers, govt approvals, inspections/etc
  - Reduced/missed payments by financially distressed owners
  - Owners deferring/cancelling schedule projects
  - Difficulty obtaining firm commitments for deliveries, workers, approvals for upcoming projects
- **Positive:**
  - Selected new projects to respond to crisis (healthcare, mfg., lodging)
  - Substantial price reductions for fuel, other commodities

**Economic Short Term Impacts on Construction:**

- **Negative:**
  - Slow rebound for owners and consumers awaiting certainty and repair of balance sheets
  - Cutbacks in public budgets other than virus aftermath/preparedness work
  - Closures of construction firms due to reduced work/cash flow
  - Possible less demand for offices, lodging, shorts and entertainment facilities
- **Positive:**
  - Slow Rebound in many commodity prices

**Updates on Coronavirus Legislation**

- Summary of paid leave mandates under Families First Coronavirus Response Act, H.R. 6201
- 4-Phase Federal Response & Relief (Emergency Spending Bill, Families First Bill, Business Relief, Phase 4 TBA)

**New federal Paid Sick leave/Medical leave**

- Both apply to employers with <500 employees
- May exempt businesses smaller than 50 employees to some extent
- Effective April 1, 2020
Important Considerations

- Employer can claim credit for health plan expenses, draw payroll escrow account to pay salary/benefits without penalty
- Paid leave/ paid FMLA not subject to Social Security and 50% of Medicare tax withholding

Some Improvements:

- Allowing Secretary of Labor to exempt employers of under 50 employees from providing both FMLA paid leave and paid sick leave benefits
- Paid sick leave benefits still provided in addition to what the employer provides, the employer can adjust their current benefits after the bill is enacted

Take Action:

- [https://advocacy.agc.org/protect_construction](https://advocacy.agc.org/protect_construction)
- Protect employer cashflows so they can maintain operations and pay workers

Forced Majeure Clause- “Superior Force” unforeseeable event making performance impractical

- Proactive Steps to Take
  - Give prompt written notice of delays
  - What should it say/not say?
  - Marshal facts that support causation
  - Review contracts moving forward
  - Price escalation clause like the Consensus Socs 200.1 helps address increases/decreases

Factors that construction companies need to consider as striving for business continuity

- 8-part webinar series starting Monday 23 will be recorded and posted on the page